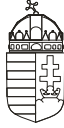


GOVERNMENT OF THE HUNGARIAN REPUBLIC



MEMBER STATE REPORT

**ON THE IMPLEMENTATION OF RENEWED EU
SUSTAINABLE DEVELOPMENT STRATEGY (EU SDS)**

2007.

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1. GENERAL INFORMATION, INTRODUCTION

Name of Member State: Hungary

Coordinating body: EU SDS Coordinator – National Development Agency

Equal partners in the planning of the National Sustainable Development Strategy: the National Development Agency (NDA) and Ministry of Environment and Water Management (MEWM)

2. SDS POLICY GUIDING PRINCIPLES

PROMOTION AND PROTECTION OF FUNDAMENTAL RIGHTS

Place human beings at the centre of the European Union's policies, by promoting fundamental rights, combating all forms of discrimination, and contributing to the reduction of poverty and the elimination of social exclusion worldwide.

SOLIDARITY WITHIN AND BETWEEN GENERATIONS

Address the needs of current generations without compromising the ability of future generations to meet their needs in the European Union and elsewhere.

OPEN AND DEMOCRATIC SOCIETY

Guarantee citizens' rights of access to information and ensure access to justice. Develop adequate consultation and participatory channels for all interested parties and associations.

INVOLVEMENT OF CITIZENS

Enhance the participation of citizens in decision-making. Promote education and public awareness of sustainable development. Inform citizens about their impact on the environment and their options for making more sustainable choices.

INVOLVEMENT OF BUSINESSES AND SOCIAL PARTNERS

Enhance social dialogue, corporate social responsibility, and private-public partnerships to foster cooperation and common responsibilities in order to achieve sustainable consumption and production.

POLICY COHERENCE AND GOVERNANCE

Promote coherence between all European Union policies and between local, regional, national, and global actions in order to enhance their contribution to sustainable development.

POLICY INTEGRATION

Promote integration of economic, social, and environmental considerations so that they are coherent and mutually reinforce each other by making full use of instruments for better regulation, such as balanced impact assessment and stakeholder consultations.

USE BEST AVAILABLE KNOWLEDGE

Ensure that policies are developed, assessed, and implemented on the basis of the best available knowledge and that they are economically sound and cost-effective.

PRECAUTIONARY PRINCIPLE

Where there is scientific uncertainty, implement evaluation procedures and take appropriate preventive action in order to avoid damage to human health or to the environment.

THE POLLUTER PAYS PRINCIPLE

Ensure that prices reflect the real costs of consumption and production activities to society, and polluters pay for the damage they cause to human health and the environment.

3 PROGRESS ON EU SDS KEY CHALLENGES

3.1 Climate change and clean energy

Overall objective: To limit climate change, as well as its costs and negative impacts to society and the environment.

3.1.1 EU SDS implementation: Climate change and clean energy

3.1.1.1 Reduction of greenhouse gas emissions

According to available information relating to the implementation of the requirements of the Kyoto Protocol, the Hungarian GHG emission mitigation requirements of 6% below the baseline are guaranteed for the period of 2008-2012.

The adaptation of the National Allocation Plan according to the respective resolution of the European Committee is proceeding within the framework of the European Emission Trading Scheme (EU ETS). During the 2005-2007 trading period of the ETS, 229 installations have received an average of 31.66 Million emission quotas annually. When evaluating the Hungarian National Allocation Plan on the 16th of April, 2007, the European Commission approved the allocation of 26.9 tons of carbon-dioxide equivalent. Based on the certified emission reports of emission trading installations till the 1st of April, 2007, the total emission of installations amounted to 25.7 Million tons of carbon-dioxide.

Within the framework of "Zöld Forrás" tenders, there was 58 Million HUF available for social organizations to implement tasks relating to the mitigation of the emission of greenhouse gases.

3.1.1.2 Harmonisation of energy policy with supply safety, competitiveness, and environment protection.

The document determining the most important directions of the national energy policy is currently under preparation. Within the framework of this document, the respective positions of the EU High Level Group on Energy, Competitiveness, and Environment as well as the Spring 2007 resolutions of the European Council relating to energy policy will be taken into account.

As a part of the new Hungarian Energy Policy, the National Renewable Energy Action Plan will soon be developed considering aspects relating to climate change, environmental protection, and the natural environment.

3.1.1.3 Integration of the issue of climate change into other relevant policies.

In 2005 work on the improvement of data collection, methodology, and accuracy of the national GHG inventory has been started, and steps have been taken in order to introduce a quality control and insurance system. The plan for the structure and introduction of the national system has been elaborated, taking the special characteristics of the country into account.

The national climate change strategy is under preparation under the direction of the Ministry of the Environment and Water. The first draft version of the document is soon to be submitted for expert opinion. After acceptance by the government, the document will also be ratified by the Parliament. The process, which also assigns assurances for the integration of climate policy aspects into other policies, will come to a close during the year 2008.

3.1.1.4 Use of renewable energy sources.

Based on Directive 2001/77/EC, Hungary has a commitment towards the EU to reach the 3.6% share of electricity generated from renewable energy sources in the gross electricity consumption by 2010. The quantity of electricity generated from renewable

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energy sources (with waste incineration) was 1941 GWh in 2005 and 1654 GWh in 2006 (preliminary data), which is a share of 4.7% and 3.8%, respectively; thus Hungary has already reached its 2010 target. The use of renewable energy sources in the total energy balance was 46,754 TJ in 2005 and 46,556 TJ in 2006 (preliminary data), which is a share of 4% in both years.

3.1.1.5 Application of bio-fuels in transport.

The provisions of Directive 2003/30/EC on bio-fuels have been transposed into the Hungarian legislation by Government Decree 42/2005 (10 March) on certain rules of using bio-fuels and other renewable fuels for transport purposes. Government resolution 2058/2006 (27 March) on the development of the production of bio-fuels and the promotion of their use for transport purposes sets out the national objective of the 5.75% share of bio-fuels by 2010; for achieving this goal, the Government has approved a package of measures.

3.1.1.6 Improvement of energy efficiency.

One of the cornerstones of the Hungarian energy policy is to increase the energy efficiency and to decrease the energy intensity of the economy. The latter, that is the ratio of gross domestic energy consumption to the GDP was 525.76 kgoe/1000 Euro (at 1995 prices) in 2005, which is 2.5-3 times higher than the EU average. Parliament Decree 21/1993 (9 April) on Hungarian energy policy prescribed the elaboration of a comprehensive energy saving and energy efficiency increasing programme for the Government. Based on the long-term (until 2010) energy saving and energy efficiency increasing programme (NEP) adopted by Government Decree 1107/1999. (8 October) and the related Action Programme, Hungary has to reach energy savings of 7% by 2010, in accordance with the CO₂ reduction commitment by the Kyoto Protocol. The use of renewable energy sources has to be increased to 50 PJ/year by 2010.

3.1.2 Specific national – NSDS actions in the field of climate change and clean energy

3.1.2.1 Preparation of action opportunities for the period after 2012 – Analysis of cooperative implementation opportunities of emission reduction with other participants.

The development of the framework for measures to be taken after 2012, including the analysis of cooperative implementation opportunities with other participants, assumes an international negotiation process of several years, held in coordination with the United Nations at a global level. Parallel to this, the definition of commitments and the tasks of member states (burden sharing) become increasingly clearer through feedback mechanisms. The extension of the EU ETS (air transport, other GHG gases over carbon-dioxide) is on the agenda, similarly to the management of carbon intensity performance of sectors currently outside of the trading system (agriculture, road transport). Besides the mitigation of emissions, the surveying of tasks relating to adaptation within a national framework or based on regional cooperation and the analysis of financing opportunities of the preparation of medium and long term action programmes is also important. The soon to be published Green Book of the European Commission serves the promotion of this, to which we look forward with high expectations.

In 2005 a study was prepared relating to the long term GHG mitigation commitments of Hungary, which demonstrates the expected international framework of Hungary's potential GHG mitigation commitments and the possibilities in it, based on a long term emission mitigation model combining a scientific and political framework.

The National Climate Change Strategy is to be accepted soon, which covers two important topics and demonstrates ideas relating to their implementation:

- The first topic covers the mitigation of greenhouse gases, with a special emphasis on energy policy, industry, transportation, agriculture, forestry, land use, and other horizontal fields. Apart from the description of the current state of the above

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mentioned sectors, the strategy also defines expected changes, trends; emission mitigation potentials; and possible policy tools (incentives and regulations) in order to reduce emissions.

- The second topic covers issues relating to the adaptation to climate change, the reduction of damages, and prevention. An emphasis is given to agriculture, water management, nature protection, forestry, human health care, architecture, and urban development.

The implementation of the strategy will be carried out through action plans covering 3-5 years; expected results include positive economic (e.g. an improvement in energy efficiency) and ecological impacts. Social impacts include, for example, the increasing "climate awareness" of society.

3.1.2.2 Cost-efficient reduction of emissions from car and air transport, binding, and storage opportunities of carbon-dioxide.

The issue is dealt with by the draft of National Climate Change Strategy, which is presently being prepared.

3.1.2.3 Review of the EU emission trading system (EU ETS).

The revision of the EU ETS based on the mandate of the directive and the communication of the Commission is currently under process. Reconciliation so far has been carried out within the framework of the environmental institutions of the European Council, but it is also important that institutions of the EU responsible for energy, transportation, and competition issues, as well as the European Parliament also take a stand relating to the improvement of the system. It can be evaluated as an important development that the European Parliament created an ad hoc committee for the preparation of a report on the situation of climate change and the preparation of proposals (deadline: end of 2008). Proposals will touch the further development of the EU ETS as well.

3.1.2.4 Acceptance and implementation of the action plan regarding energy efficiency.

The National Energy Efficiency Action Plan is being developed based on Directive 32/2006/EC. Several financial sources are available for the improvement of energy efficiency in Hungary. A tender system is operated based on the long term (until 2010) energy saving and energy efficiency improvement programme (NEP) agreed upon by Government Decree 1107/1999 (8 October) and its respective Action Plan. Within the framework of NEP, 1.446 billion HUF in 2004, 524 million HUF in 2005, and 1.2 billion HUF in 2006 was available to support energy savings at the consumer level. As a result of investments supported by NEP, an energy saving of 4.1 PJ was achieved between 2000 and 2005.

The solicitation for proposals to implement consumer energy saving measures for the year 2007 has been published within the framework of NEP: the amount of non-refundable support in 2007 is 2.4 billion HUF, while the credit facility amounts to 16 billion HUF. With the help of the 2007 support mechanisms, the energy efficiency improvement of about 17-18 thousand homes can be carried out.

The Environmental Protection and Infrastructure Operational Programme provided a 5.2 billion HUF credit facility in order to improve energy efficiency and to expand the use of renewable energy sources between the years 2004-2006. The Energy Saving Credit Fund (German Coal Aid) and the Energy Efficiency Programme supported by the UNDP/GEF is still running. The Phare co-financed Energy Efficiency Credit Facility is operating till the end of 2008. The Hungarian state spent 10.2 billion HUF on the 'panel programme' (reconstruction of old housing estates), as a result of which 69,000 apartments have been modernized in the country.

Within the framework of the Environment and Energy Operational Programme, there is a 34 billion HUF support available during the period of 2007-2013 for projects aiming at the promotion of energy efficiency.

3.1.2.5 Cost-efficient support of renewable energy sources, with special regard to supporting bio-fuels.

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According to Parliament Decree 63/2005 (28 June) on the promotion of the use of alternative and renewable energy sources, the Government shall prepare the legal framework of the promotion of alternative and renewable energy sources.

In order to promote the generation of electric energy produced from renewable sources, a fixed price purchasing system has been operated in Hungary since the 1st of January, 2003. The purchase price of such energy has been significantly raised by the 2005 amendment of Decree 2001/CX on electric energy and a purchase price of 23 HUF/kWh has been fixed. Apart from the fixed price purchasing system, Hungary also provides investment support to construct production facilities with the help of domestic and EU financial sources.

Based on the 2005 amendment of Decree 2003/CXXVII on excise taxes and the special rules of trading excise products, a differentiated excise tax rate has been introduced from the 1st of July, 2007 (1st of January, 2008 in the case of bio-diesel). Based on the regulation, the tax rate of those products which do not contain a minimum of 4.4% biological components will be raised by 8 HUF/liter. As a result of the amendment, the national oil company (MOL Ltd.) has issued a call for tenders to purchase bio-ethanol and bio-diesel, and fuels sold in free trade will contain 4.4% biological components after the deadline mentioned above. The amount of financial aid available for the promotion of energy efficiency and the expansion of the use of renewable energy sources within the framework of the Environmental Protection and Infrastructure Operational Programme was 5.2 billion HUF between the years 2004-2006. Within the framework of the Environment and Energy Operational Programme, there is a 55 billion HUF support available during the period 2007-2013 for projects aiming at the promotion of the use of renewable energy sources.

3.1.2.6 The promotion of the use of biomass as an energy source.

High priority projects relating to renewable energy sources include a biogas plant in the Pálhalma region and the Solanove-project. The support of the competitive production of biomass to be used as an energy source and the recovery of by-products and wastes arising from the production process is planned under the New Hungary Rural Development Programme (Új Magyarország Vidékfejlesztési Program). Moreover, planned measures include the support of biogas plants operated at animal farms (this facility has already been announced) and the support of on-farming type biomass burning devices of agricultural producers. The National Energy Saving Programme financed by domestic funds – apart from supporting measures directly serving the improvement of energy efficiency – also contributes to the promotion of the purchasing of biomass burning devices of the population by providing non-refundable financial support and loans with favourable conditions.

3.1.2.7 Increased efficiency of power plants.

3.2 Sustainable transport

Overall objective: To ensure that our transport systems meet society's economic, social, and environmental needs while minimising their undesirable impacts on the economy, society, and the environment.

3.2.1 EU SDS implementation: sustainable transport

3.2.1.1 Decoupling economic growth and the demand for transport.

The objective related to the decrease of transport intensity was defined in the Hungarian transport policy. For this purpose and for logistic developments, various tendering possibilities were provided (see "Norwegian" financing programme or micro-credit). At the same time, so-called regional logistic centres were assigned.

3.2.1.2 Sustainable energy use in the transport sector; the reduction of GHG emissions.

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Emissions originating from the transport sector are continuously monitored; the regular environmental inspection of already running cars helps the maintenance of proper technical and environmental conditions of these vehicles.

In order to improve the appeal of public transportation, the Budapest Transportation Association (Budapesti Közlekedési Szövetség) has been formed and, as a first step, a joint season ticket, valid for the inner parts of the city, has been introduced.

In order to make transportation more environmentally friendly and to improve the transportation infrastructure, it is further required to develop a strategy and its respective action plan, which will clasp the measures required in the field of environmental protection in the transportation sector.

3.2.1.3 Reducing pollutant emissions from transport

In order to improve emission parameters of the Hungarian vehicle fleet, the EU and Hungarian emission regulations have been fully harmonized since the beginning of 2005. The Hungarian tax system gives preference to buying small, lower emissions, and energy efficient new cars. The registration tax rate is differentiated according to the type approval of vehicle (Euro norms) and the swept volume of engine. The excise duty regulation encourages the use of clear alternative fuels as CNG, the tax rate on natural gas is about half the tax on petrol. In order to ensure that the "polluter pays principle" comes true, to realize a more harmonic bearing of the burden among road users, and to obtain new appliances for effective traffic control, we have started the preparation of a new usage proportional road fee system, aiming its introduction for goods transport between 2008-2009.

3.2.1.4 Shift towards environment friendly transport modes.

Hungary regulates traffic by ordering night as well weekend transport restraint for vehicles of a total mass over 7.5 tons and ensuring support for the railway in order to compensate the deficits arising from the usage of competitive fares of combined transport. Moreover, Hungary has also introduced legal measures in order to promote up-to-date transportation methods, for example to foster combined transportation, road shipment in between load and offload sites does not require a permit any more for international transportation; this type of traffic is also exempt from the weekend and night transportation ban. As a result of these measures, 9-10% of products shipped by international road transit in Hungary are transported in a combined way (RO-LA, RO-RO).

3.2.1.5 Noise reduction

The Phare-project titled "Strategic Noise Mapping in Hungary" has provided experience with the preparation of noise maps, the estimation of costs and time requirements of the complete noise map of the conurbation of Budapest, and has made recommendations for the organization responsible for the preparation of the noise map of the capital.

Within the framework of the preparation of the new regulation on environmental noise and vibration protection, a complete review of current regulations determining the authorities' noise protection activities has been carried out:

- Government Decree on the regulations of protection against environmental noise and vibration (this includes the regulation on the noise and vibration penalty, which was formally planned as a stand alone regulation),
- Ministerial Decree on the amendment of the 8/2002. (22 March) joint decree of the Ministry of Environment and Water and the Ministry of Public Health determining the limit values relating to noise and vibration loads,
- Ministerial Decree on the methodology to determine noise limit values and the monitoring of noise emissions.

Within the first phase of the central project of the Transportation and Infrastructure Operational Programme (KIOP), the strategic noise mapping of about 400 kilometres of national highways, 40 kilometres of railways, and 21 settlements in the surroundings of Budapest has been prepared.

3.2.1.6 Modernization of public passenger transport services.

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Government Decrees 2130/2006 (24 July) and 2230/2006 (20 December) contain several provisions to support environmental protection and sustainability of transport, the implementation of which is in progress:

- elaboration of a new system of vehicle reconstruction in the field of bus transport;
- development of railway stock;
- establishment of regulation regarding public transport associations;
- harmonization of timetables, regional organization of transport, terminating parallel modes of transport

Seven Regional Transport Organizing Offices have been set up in April 2007 to organize transport on regional levels. The main tasks of the offices are the following:

- Elaboration of proposals for the effective operation of transport, on basis of continuous evaluation of the level of service and the needs of passengers,
- Harmonisation of timetables of the railway and road transport companies, in close cooperation with the local governments and the transport companies of the relative region
- Support of common tariffs and establishment of transport associations, contribution to introduction of electronic tickets and season tickets.

3.2.1.7 The reduction of CO2 emissions of light weight freight vehicles.

3.2.1.8 Reduction of road transport deaths.

We aim to decrease the number of victims of road accidents by 30 % by 2010 compared to 2001 data. Because of the constantly increasing amount of traffic and number of vehicles following our accession to the EU, a bigger reduction than this cannot be realistically anticipated. A new national programme to improve transport safety between 2007 and 2010 is expected to be elaborated this year.

3.2.2 Specific national – NSDS actions in the field of sustainable transport

3.2.2.1 Improving the economic and environmental performance of transport, preferring railway, water, and public transport

3.2.2.2 Improving energy efficiency of the transport sector

3.2.2.3 Preferring possible alternatives of commodity road transportation and passenger transportation

3.2.2.4 The establishment of fees to be paid for the use of the transportation infrastructure

A fee system based on the distance covered is under preparation (see also section 3.2.).

3.2.2.5 Reducing harmful impacts of international air and sea transport.

In connection with the waterway transport "NAIADES" Programme: RO-RO combined transportation systems were built in three Hungarian inland waterway ports (Győr-Gönyű, Budapest-Csepel, Baja) between 2002 and 2006. Development of multimodal connection in Győr-Gönyű inland waterway port with railway system (preparation phase).

3.2.2.6 Improvement of road transport safety.

3.2.2.7 City transport plans of local authorities.

It is the competency of the local governments to decide about plans regarding local transport. However, a concept of the central government is under elaboration which is aimed, in accordance with the green book of the European Union, at realizing aspects of protection of environment in local transport. The evaluation of the societal debate of the government concept is under process, and after closing of the debate, the document will be finalized.

3.2.2.8 Elaboration of a long term, coherent Union-wide fuel strategy

3.3 Sustainable consumption and production

Overall objective: To promote sustainable consumption and production patterns

3.3.1 EU SDS implementation: sustainable consumption and production

3.3.1.1 Promotion of SCP; decoupling economic growth and deterioration of environmental conditions

Production: According to the specific and operational objectives of the 'Environmental Awareness Raising Action Plan' under the National Environmental Plan II (NEP II.), the promotion of environmental management systems and environmentally sound products, including:

- The environmentally aware development of the operation of workplaces and educational and cultural institutions, information provision to the visitors.
- The development of environmental certification and labelling systems, the improvement of the reputation and the expansion of the use of environmental labels,
- The promotion of cleaner production methodologies and environmental management systems.

The European Commission Communication on Integrated Product Policy (302 COM(2003)) defines the principles and tools of sustainable development, which are recommended for the member states to implement.

Consumption: The sustainable lifestyles and consumption priority serves the reformed Lisbon Strategy in the field of preventative environmental protection, as well as the commitment of Hungary and the European Union to foster sustainable consumption patterns and the availability of environmental information.

3.3.1.2 Improving the environmental performance of products and processes

Within the framework of EMAS, the leading and professional management of a Phare Twinning Light project, the preparation and management of programs; preparation and distribution of an EMAS publication with the involvement of the background institution of the Ministry of the Environment and Water, the chambers of commerce and associations, as well as the preparation of a new government decree defining the rules of the registration of organizations participating in the Eco-Management and Audit Scheme (EMAS) [Government decree 214/2006. (31 December)].

Among the new member states Hungary has won the EMAS prize for increasing the number of EMAS certified organizations to the highest extent (by 6).

The amendment of the operative refund-system has started in two strategic directions – in line with the product fee system:

- the analysis of a mandatory refund system as a potential tool,
- the determination of potential products to fall under the refund system

3.3.1.3 Promoting green procurement

A draft version of the "Green procurement" national action plan has been prepared based on the directions of the European Commission. The action plan envisages the following objectives:

- The introduction of the concept of Green procurement, the improvement of local environmental awareness, and the arousal of the attention and the persuasion of supplier organizations,
- The definition of ratios and implementation deadlines relating to environmental purchasing with regard to 5 chosen product-service categories (information technology and office supplies, office papers, cleaning services, construction investments, and automobiles)

3.3.1.4 Promoting environmental technologies and eco-innovation

As a Competent Body, continuous participation in the work of the Eco-labelling Committee of the EU; continuous activities in the national environmental qualification system, the evaluation of submitted proposals and the decision over the use of labels; moreover, the analysis of the domestic compliance of the new and reviewed eco-label criteria with the involvement of interested parties.

3.3.2 Specific national – NSDS actions in the field of sustainable consumption and production

3.3.2.1. The identification of potential NSDS measures, recommendation for a European Union action plan

An indicative list of the different types of measures planned in association with European funds – production:

- Good housekeeping
- Auxiliary facilities
- Introduction of cleaner technologies (BAT)
- Inter-organizational measures, industrial ecology

An indicative list of the different types of measures planned in association with European funds – consumption:

1. Campaigns related to the environmental and social effects of consumption and sustainable lifestyles and consumption (shaping of attitudes, information provision)

The implementation of attitude shaping campaigns, information tools, programmes, publications, advertisements, databases, and other initiatives which promote principles and value systems to suit the notion of sustainable development.

- Research and strategy development to foster the well-grounded implementation of the above mentioned activities.
2. Demonstration projects and investments demonstrating and popularizing a more sustainable lifestyle and consumption alternatives

First of all:

- The building up of a requirement system and introducing the practice of sustainable communities (e.g. the use of durable consumer goods, the exploitation of the energy efficiency potential, co-operation, the development of attachment to the living space and local communities, etc.);
- Durable and green products (e.g. organic products, environmentally sound products), demonstration systems promoting the use of services;
- Initiatives promoting the prevention of waste production, the mitigation of the risks arising from produced wastes and the recycling of waste materials;
- Sustainable remodelling of public and other frequented buildings;
- The improvement of the conditions of product qualification (organization development, accreditation);
- The demonstration and diffusion of the results of the above mentioned measures

3.3.2.2. The initiation of a dialogue with the corporate sector and other stakeholders in order to define objectives

3.3.2.3. The elaboration of the practice and the promotion of green purchasing

Taking into account the draft version of the national action plan, the preparation of a study on the national system of green purchasing, as well as an informative publication for state organizations and local authorities about the opportunities and methods of environmentally friendly procurement have been started.

3.3.2.4. The promotion of social and eco-innovations and environmental technologies

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New criteria systems have been developed and new contracts for the use of the environmental label have been signed within the framework of the environmentally sound product labelling system

3.3.2.5. The expansion of performance labelling systems by the Commission

3.3.2.6. The support of sustainable products (organic, fair trade, environmentally sound products)

Continuous activities in the national environmental qualification system, the evaluation of submitted proposals and the decision over the use of labels (professional evaluation, proposer: Környezetbarát Termék Kht. (Environmentally Friendly Product Kht.))

3.4 Conservation and management of natural resources

Overall objective: To improve management and avoid overexploitation of natural resources, recognizing the value of ecosystem services.

3.4.1 EU SDS implementation: natural resources

3.4.1.1 Efficient use of non-renewable resources; the utilization of resources within their renewable capacity.

The fulfilment of the principles of sustainable development are secured by the fact that all measures of the National Rural Development Plan comply with the respective EU directives and regulations, as well as Hungarian environmental and nature protection regulations. Environmental sustainability is one of the objectives of the National Rural Development Plan. Measures specifically aiming at environmental protection include: "Agri-environment and animal welfare", "Less favoured areas", "Support of compliance with the environmental protection, animal welfare and hygiene regulations of the EU", "Afforestation of agricultural land". The environmental effects of these measures can be directly monitored, while other measures posing indirect effects on the environment should also utilize environmentally sound technological solutions.

3.4.1.2 Reach of competitive advance through environmentally efficient innovation.

3.4.1.3 Improvement of management with renewable resources.

3.4.1.4 Biodiversity.

Hungary fulfilled its obligation as a Member State to designate the NATURA 2000 areas by the enactment of Government Decree 275/2004. (8 October) on nature protection areas of European Community significance. This governmental decree defined those territories which are significant for the protection of animal and plant species and their habitats named by the 79/409/EEC (2 April 1979) Community directive on the protection of wild birds and the 92/43/EEC (21 May 1992) Habitat Protection Directive on the protection of natural habitats and wild animals and plants.

NATURA 2000 territories and nominated territories add up to around 1.9 million acres, which covers 20.6% of the land area of the country. 468 special nature protection areas – amounting to 1.41 million acres – and 55 special bird protection areas covering 1.29 million acres have been designated within the confines of the Hungarian territories of the European ecological network. The overlap of the two types of land area is almost 41%. Out of the total agricultural land area of the country, NATURA 2000 areas affect 483.4 thousand acres of grasslands and 522.6 thousand acres of plough-lands.

3.4.1.5 United Nations forestry objectives.

By the forestation of agricultural land, the objective of the support mechanism is to promote the restructuring of agriculture, the expansion of rural employment and income possibilities, the long term increase and quality improvement of the forest cover of the country, and the development of the protection functions of general interest (environmental protection, economic, social-public welfare) of the forests. Entitled

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agricultural land areas are those which can be supported under the MePAR classification and have been under agricultural cultivation for at least two years before the submission of support application.

3.4.1.6 Reduction of waste generation (lifecycle-attitude, recycling)

In order to be able to receive European Union funds available from 2007 for the protection of the environment, the Environment Operational Programme (KEOP) of the New Hungary Development Plan has been finalized. In relation to this, the "Development strategy of communal solid waste management for the period 2007-2016" has been completed.

Complying with our commitments as a member of the European Union, Government Decree 94/2002 (5 May) on packaging and the detailed rules of the management of packaging waste has been amended, which now defines the new packaging waste recovery ratios for Hungary.

3.4.2 Specific national – NSDS actions in the field of natural resources

3.4.2.1 Agriculture and fishery.

Financial support provided in the framework of the agri-environmental measure acknowledges the extra performance provided by an environmentally aware agricultural production and the sustenance of the landscape or offset the loss of revenues (and also provide a 20% extra income as an incentive). Non-refundable financial support based on the land area or the number of animals has a minimum term of 5 years. The 32,685 farmers applying for funds under this mechanism have already exhausted the three year facility in 2004. Out of the submitted proposals, based on the evaluations and after withdrawals and refusals, 24,160 clients have been supported, the total financial liability of which amounts to 176 million EUR/year, which equals 44.5 billion HUF/year in 2005 at an exchange rate of 252.87 HUF/EUR. Compared to the total amount paid under the National Rural Development Plan, the agri-environmental measure amounts to 80%. Those supported in the framework of the agri-environmental measure or the less favoured areas measure are obliged to fill in and submit a so called farming register, which contains the monitoring data of the measure. The Ministry of Agriculture created the Agri-environmental Information System (AIR) and maintained an interactive web page coordinating farmers and professional consultants.

Agricultural and Rural Development Operational Programme: the assumption of compliance with regulations defining minimal environmental and nature protection requirements and, if needed, its verification with permits obtained from the authorities, is an eligibility criteria in the case of all investment type support measures. In the case of some measures, environmental sustainability appears as an objective as well and is one of the eligibility criteria.

3.4.2.2 EU strategy, objectives and actions.

3.4.2.3 Sustainable forestry.

The measure includes three different types of support: supports granted for forest plantation and the related complementary measures, the support granted for nurturing the forest plantation, and the income substitution support of forest plantation, in the form of non-refundable normative support. The smallest area eligible for support is 1 ha, which can be smaller (but no smaller than 0.3 ha) in case of an agricultural area directly adjacent to a forest area (of at least 30 ha).

The extent of support changes depending on the tree variety, the type and gradient of the area (protected or not protected) and can range from 842 to 2,780 EUR/ha (212,916-702,978 HUF/ha). Support for nurturing forest plantations may be available in the five years after setting up the plantation. The extent of support changes depending on the tree variety; the type and gradient of the area ranges from 126 to 463 EUR/ha/year (31,861-117,078 HUF/ha/year). The substitution of income lost due to the forestation of agricultural areas is possible over a maximum period of 20 years. The

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amount of support may vary in the range of 13.86 to 281.90 EUR/ha/year (3,504-71,284 HUF/ha/year), depending on the cultivation branch and the ownership status of the area.

3.4.2.4 Natura 2000 network.

In the course of the reference period, the Natura 2000 areas pursuant to the Bird and Habitat Directives (Directive 79/409/EEC and 92/43/EEC) were designated on a sample area in order to prepare the designation throughout Hungary, to elaborate the methodology of designation, and to determine the necessary resources. The list of land areas affected by Natura 2000 territories has been published and the development of management plans has started.

3.4.2.5 Biodiversity

As a signatory of the European Landscape Convention, within the framework of the survey and protection of our national landscape heritage and the creation of the respective planning system, the first model plan has been elaborated for the Zemplén region. The project titled "Landscape Rehabilitation in the Hortobágy National Park" has been completed and, among others, the habitat reconstruction of Pannon oak forests and dolomitic grasslands in the Pilis, the rehabilitation of marshlands on the Beregi-plane, and the rehabilitation of grasslands and the protection of swamps in Egyek-Pusztakócs has been continued. The implementation of habitat reconstruction has been supported by LIFE-Nature, in the watershed area of the Tisza by the Environmental Protection and Infrastructure Operational Programme of the National Development Plan.

The area of protected natural land with a national significance has grown by 3157.1 acres during the last year. Together with the creation of 8 new protected natural areas, the nature protection maintenance plans have also been legally announced.

The implementation of the species protection plan of 12 endangered animal species has been continued, and in the case of some species the assessment of stocks, habitat reconstruction and other interventions assisting reproduction have been carried out. Within the framework of the great bustard protection programme, land purchasing and nest protection continued. The species protection plan of another 11 plant species has been completed and the implementation of formerly accepted plans has continued (e.g. protection against invasive species).

The professional preparation for the administrative tasks relating to the permitting and regulation of the use of genetically modified organisms (GMO) has continued, as well as the related tasks from legislation, the setting up of the national moratorium to the tasks of the ministry relating to animal protection, from the creation of legislation to practical implementation.

3.4.2.6 Integrated water stock management.

3.4.2.7 Seas and oceans.

3.5 Public health

Overall objective: To promote high quality public health on equal conditions and improve protection against health threats.

3.5.1 EU SDS implementation: public health.

3.5.1.1 Protection improvement against threats; harmonized response capacity.

In order to develop and strengthen capacities to respond to health threats, Hungary actively participates in the work of and cooperates with the related EU committees and groups (Health Security Committee, Friends of Presidency Group, ECDC/EWRS), and also fully acknowledges the importance of timely and entire implementation of the International Health Regulations.

3.5.1.2 Food- and fodder law, food labelling.

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3.5.1.3 Animal health care.

3.5.1.4 Lifestyle-related and chronic illnesses.

The management of health determinants is very important to increase life expectancy and to improve healthy lifestyle of the population. Several projects and activities have been carried out as part of the National Public Health Programme, mainly within the framework of the sub-programme "Healthy Way of Life, Reducing Factors that Represent a Risk to Human Health" ("Support for early treatment of Alcohol Dependent Patients", National Nutrition Policy, National Food Safety Programme, National Healthy School Buffet Programme, publication of food based Dietary Guidelines, "Get Moving, Hungary" programme). Further actions have been taken under the different specific programmes (National Cancer Control Programme, Programme for the Prevention and Treatment of Cardiovascular Diseases; Children, our Common Treasure – National Infant and Child Health Programme).

3.5.1.5 Reduction of health care inequalities, modernization of health care system.

The Hungarian Government is committed to accelerate the process of modernizing the public sector, improving its effectiveness, and ensuring its sustainability. Health sector modernization is one of the key issues in the overall efforts. As part of the comprehensive reform of the Hungarian health system, the Parliament adopted five important health acts in the autumn of 2006. Health related decisions comprise both short and medium term measures. Short term measures should have an impact of controlling excessive use of health services and overspending in the National Health Insurance Fund. Further measures deal with controlling growth in pharmaceutical expenditures, the definition of the health insurance service package, the rationalization and modernization of the health care system, increasing the quality of service, as well as the re-consideration of the key issue of how the insurance model of the future should look like.

3.5.1.6 Chemicals.

Arising from Hungary's membership in the UNEP Governing Council: active participation in the reconciliation discussions relating to the UN reform and International Environmental Governance and in the adoption of the International Chemicals Management Strategy.

Regarding chemical safety, tasks related to the REACH Regulation are treated as priorities (organization of the REACH Competent Authority and the REACH National Helpdesk).

The national halon-bank has started its operation and the survey of the national strategic halon-stocks has been completed. Some part of the surplus is exported, while other parts are disposed of safely.

3.5.1.7 Information disclosure.

In the last few years a number of programmes and campaigns have been organized within the framework of the Public Health Programme, and different thematic information materials have been published on the web pages of the ministry and in a printed format. The programmes concentrated on the health of men and women, the participation in different screening programmes – especially relating to the struggle against breast, cervix, and prostate cancer –, the promotion of a health conscious lifestyle, the consumption of healthy food products and the organization of family health days. A number of professional thematic lectures have been held and brochures have been published.

3.5.1.8 Mental health.

During the last few years became possible for public educational institutions to integrate health issues into school subjects, especially mental health, thus health development receives a higher emphasis, especially in the case of the young generations. In this work an important role is played by the Association of the Hungarian Network of Healthy Schools. In 2007 the elaboration of the National Programme of Mental Health was started, the objective of which is to determine policies improving mental health, the most

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efficient development paths, their systematic summary, the programming of development steps, the analysis of necessary resources, and the elaboration of the appropriate schedule.

3.5.2 Specific national – NSDS actions in the field of public health

3.5.2.1 Response capacity.

Concerning influenza pandemic preparedness, Hungary has compiled its National Influenza Pandemic Preparedness Plan which is under revision in cooperation with the experts of the ECDC. A National Influenza Pandemic Prevention Committee has been established to facilitate inter-ministerial cooperation, and a mobile epidemic-microbiological rapid response unit has been set up.

3.5.2.2 Health protection, disease prevention.

As a member of WHO's Framework Convention on Tobacco Control, Hungary submitted the first report based on Article 21 of the Convention in 2007. In the field of environmental health the following activities are considered most important: (a) Guidelines for the assessment of the actual short term air pollution in settlements of Hungary: Elaboration of "Air Quality Index"; (b) Health impact of climate change: establishment of heat health warning system in collaboration with the National Meteorological Service, (c) Improvement of accessibility to information on environment and health: updating the website of the National Institute of Environmental Health (<http://efrira1.antsz.hu/oki>)

3.5.2.3 Positive emotional status.

3.5.2.4 Food- and fodder law.

3.5.2.5 HIV/AIDS.

To combat HIV/AIDS Hungary is operating a National AIDS Committee, and is implementing its National AIDS Strategy to harmonise actions with the involvement of the concerned civil organizations. We have been deeply involved in establishing an anonymous AIDS counselling service as an adjunct to the already existing anonymous HIV screening facility as well as organization of programmes with emphasis on issues like prevention, responsibility, and youth education in the framework of World AIDS Day on 1 December.

3.5.2.6 Information disclosure.

3.5.2.7 Indoor air.

3.5.2.8 Endangered groups/children.

Within the framework of the environment and health of children (CEHAPE) Hungary carried out several tasks: national surveys have been carried out on the frequency of chronic symptoms and the risk factors of the respiratory system among primary school children and the public health situation of secondary schools and dormitories.

A publication titled "Protect your environment and your health" has been issued, which provides guidance to school children, their parents and educators about the living environment and lifestyles. The publication has been distributed among all public health institutions and primary schools.

3.5.2.9 Transport policy.

3.6 Social inclusion, demography, and migration

Overall objective: To create a socially inclusive society by taking into account solidarity between and within generations and to secure and increase the quality of life of citizens as a precondition for lasting individual well-being.

3.6.1 EU SDS implementation: social inclusion

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3.6.1.1 Poverty, social exclusion

Measures relating to the social integration of Roma people:

- In order to promote the social and economic integration of the Roma community, the Ministry of Economy and Transport of Hungary operates a special application system for the Roma community (to increase the labour market participation of the Roma community) embedded into the General S.M.E. Promotion System.
- Transitional Support Programmes entitled "Civil organizations and the implementation of the anti-discrimination law". The programme consists of three parts. The objective of the first "Twinning Light" component is the facilitation of the implementation of the anti-discrimination law, the practical application of the principles of the European Union. The second and third components provide support to the civil sphere to carry out projects in the fields of human rights, equal treatment, social and economic development, and education and training. Its budget is about 1.338 million HUF. Period of implementation: September, 2006 – November, 2009.
- Within the framework of the first National Development Plan, the programme titled "Prevention and management of unemployment" the labour organization provided trainings integrated with employment to several thousand disadvantaged people, among them Roma people
- Several thousand people have also participated in the PHARE public work programme titled "Struggle against the exclusion from the world of labour" with a high percentage of Roma people participating. In the framework of this programme, participants were employed for a set period of time after the vocational training.
- In 2005 11 out of the 39 EQUAL Community Initiative winning consortia started experimental programmes decisively to promote the employment of Roma people (their support amounts to almost 3 billion HUF). During the implementation of the objectives of the promotion of equal treatment and the reduction of discrimination, they agreed to develop and disseminate new tools, methods, and procedures.
- In the framework of the Roma Cultural Fund, minority local governments of the Roma people, organizations carrying out Roma cultural and artistic activities, and individual Roma artists are supported. Financial funds available in 2007 were 50 million HUF.
- The Intervention tender supports the prevention and solution of social and housing crisis situations affecting the communities of Roma people. Financial funds available in 2007 were 30 million HUF.
- Decade of the Integration of the Roma People Programme: Hungary participates in the international cooperation of nine Central- and Eastern European countries, the objective of which is to accelerate the social and economic integration of the Roma people and to contribute to the transformation of the image of the Roma people in a positive direction. The programme focuses on four priority fields (education, employment, housing, and health care) and pays special attention to the reduction of discrimination and the equal treatment of the two sexes. Participating countries put a special emphasis on the reduction of the ratio of Roma people living in extreme poverty, the raising of the level of employment and education, and equal access to health services.

Within the framework of the Human Resource Operational Programme of the National Development Plan, the Ministry of Education and Culture spends 7.7 billion HUF on the development and dissemination of pedagogic methodology aiming at the integrated education of extremely disadvantaged children, the reduction of educational segregation, and the organization of out of school programmes.

These developments affect 270 public educational institutions, about 9000 educators, 70 drop-out schools and about 50,000 pupils. The New Hungary Development Plan provides about 40 billion HUF for – among others – the continuation and extension of programmes started within the framework of the first National Development Plan, the launch of new solutions (affecting higher education, drop-out, and anti-discrimination) and the implementation of programmes aiming at equal opportunities in all educational

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developments related to – among others – kindergarten care, continuing education, integration, and qualification as a handicapped person.

3.6.1.2 Social and regional cohesion; cultural diversity.

The Hungarian government and the UNDP (United Nations Development Programme) started a jointly elaborated and financed model programme in November, 2005 to help the Cserehát, the most disadvantaged area of the county.

The objective of the two year complex development programme is to support sustainable development, the mitigation and turning back of regional isolation, and social exclusion, two processes which amplify each other.

The Cserehát Programme involves 10 micro-regions, 128 settlements; the number of its inhabitants is almost 100 thousand people.

The objective of the inter-ministerial “Élhetőbb Faluért” (For a More Liveable Village) programme is to develop the most disadvantaged settlements of the country, the mitigation of inequalities resulting from regional disadvantages, the creation of equal opportunities for those living in extremely disadvantaged settlements.

The most important objectives of the programme:

- The improvement of employment possibilities for those living in the most disadvantaged settlements,
- The motivation of highly qualified professionals to seek out employment opportunities in the small regions belonging to the programme, the fostering of labour market integration of the unemployed, and the improvement of their income situation with the help of public work programmes,
- local community development and the safeguarding of traditions
- dissemination of local cultural and natural values to the broader public
- the adaptation of settlements and small regions to be able to acquire European Union funds, the facilitation of employment with the implementation of efficient and sustainable programmes, first of all with the development of human resources and the creation of local partnership co operations
- the support of popularization and familiarization of the wider public with products with a local character produced in disadvantaged settlements, environmental programmes based on local labour force

The “Élhetőbb Faluért” programme does not focus on the settlements themselves, but on the people living in them. It aims at achieving its set goals by measures which promote the equal opportunities of people living in disadvantaged settlements directly.

3.6.1.3 Social protection.

With the 1st of July, 2006, family assistance has been introduced. Before this date, the assistance complemented the income of only the adult family member and the number of children was not taken into account during the calculation of its amount. The family assistance system takes into account the income of every member of the family, thus it supports the whole family. Instead of the previous fixed amount, it complements the income of the family up to 90% of the minimum pension for one consumption unit of the family.

The new system of regular social assistance put an emphasis on the preservation of work capability of those pushed outside of the labour market permanently. The person supported participates in a personalized adaptation programme in order to map and to fight the factors obstructing their reintegration into the labour market.

3.6.1.4 Employment of women and the elderly.

Complying with the requirements of the EU and in line with the Agricultural and Rural Development Operational Programme, the principle of equal opportunities is one of the horizontal principles of the National Development Plan. This embraces the equal opportunities of the two sexes and the disadvantaged groups. The National Development

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Plan did not introduce positive discrimination for women and disadvantaged people since the objective of the support mechanism was related to the environment and nature protection.

According to EU requirements, the programme document of the Agricultural and Rural Development Operational Programme contains equal opportunities and environmental sustainability as a horizontal objective.

In general:

- states that those projects enjoy a high priority, which result in an improvement of the employment of women, Roma people and the handicapped and/or the improvement of their working conditions, in the case of which the person submitting the proposal comes from the above mentioned groups, and which contribute to the protection of the environment, use natural resources in a sustainable way, and promote environmentally sound products and services;
- in the case of measures aiming at the creation of jobs it monitors the number of jobs filled by women, and when relevant, the ratio of developments implementing environmental measures;
- with regard to the institutional system it lays down that equal opportunity and environmental organizations should have a place in the Horizontal Sub-Committee of the Monitoring Committee;
- in the communication plan of the implementation of the programme it includes the communication of horizontal aspects as a specific objective and handles those affected as priority target audience.

The Managing Authority and the MVH uses all the equal opportunity indicators prepared by the Community Support Framework MA and every Operational Programme and the sustainability indicators broken down for the Agricultural and Rural Development Programme, where and to which extent it is relevant to the specific measures and tenders of the Agricultural and Rural Development Programme.

The validation of the horizontal principles of the European Union, namely the principles of equal opportunities and environmental sustainability constitutes an integral element of the Community Support Framework, and is a general, priority objective in the case of all operational programmes.

Based on the collection and evaluation of experiences gained in 2004, work continued in several directions in order to understand the topics more deeply.

Apart from the Operational Programmes, the government fosters equal opportunities and the return of parents with many children to the labour market with the help of a number of measures:

- Assistance can be claimed by any of the two parents with equal conditions, GYES (child care assistance) can be provided to the grandparents when the baby reaches the age of one
- Those receiving child care assistance can enter supported labour market trainings
- Regulations limiting the employment of parents receiving child care assistance have been removed – when the baby reaches the age of one, they can be employed full time while also receiving the full amount of the assistance
- An additional 800 kindergarten spaces from 2006-2008 from the funds of the first National Development Programme

The government provides incentives for employers to hire those returning from child care or the nursing of the elderly:

- a wage assistance can be provided (if the one looking for the job raises a child under the age of 18 alone or received child care assistance (GYES), child care fee (GYED), child care support (GYET), pregnancy-puerperal support, or nursing fee during the 12 months before the employment)
- a 50% reduction of the social security contribution (if the employee finds a job after caring for a child or nursing a member of the family)

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- from 2005 a defined group of employers must prepare an equal opportunity plan (this should include measures which also improve the equal opportunities of women)
- from the 1st of July, 2007 the START PLUSZ programme helps the employment of parents with young children by taking over the payment of the social security contribution

With regard to the fostering of the employment of elderly people, the amendment of the employment regulation from the 1st of January, 2007 primarily affected the reform of the support system, which focuses on the employment of those disadvantaged on the labour market.

According to the new regulations, wage assistance can be given to those employers who employ disadvantaged – among others those over the age of 50 – people, or who take on the further employment of a disadvantaged employee who is in danger of losing his or her job and – among others – is over the age of 50. Moreover, in the case of public utility employment of the job seeker over 45, there is a possibility to apply support conditions, which are more favourable than the usual ones.

Since 2004, those employers who employ permanently unemployed people over the age of 50 do not have to pay a healthcare contribution.

With the coordination of the Ministry of Social Affairs and Labour central and county labour market programmes also help the employment of the elderly. It is important to emphasize the labour market programme titled "The promotion of employment of unemployed over the age of 50" started both in 2005 and 2006. As a result of the two programmes, about 40,000 people over the age of 50 have been offered employment.

In relation to the modernization of public administration, the government announced the "Prémiumévek" (Premium Years) programme in 2005. The objective of the programme is to help those employed in public service for a long time to retire in fairness and help flexible retirement, the creation of a criteria system stimulating part time employment. Within the framework of the 100 Step programme of the government, from October, 2005 it became possible to use the Prémiumévek programme for the business sphere.

In the framework of the first National Development Plan, the EQUAL and Human Resource Development Operational Programmes also contributed to the improvement of the employment of elderly job seekers and employees and the retention of their jobs.

The government puts a high priority on providing extra support for the return of those over 40 to the labour market and for those who want to return to their jobs after nursing their children or other family members. To this end, it is necessary to promote flexible forms of employment. In order to spread distant work, in 2004 Parliament complemented the labour law with the regulations of distant work. Although the spread of distant work has been supported by tender programmes as well from 2002, it is still relatively infrequent. However, the spread of distant work could significantly improve the participation of permanently ill and disabled people's participation in the labour market, the income earning capability of such families.

3.6.1.5 Migration.

Taking the objective relating to migration of the renewed sustainable development strategy of the EU into account, in order to foster the inflow of foreign capital and the related migration, the employment permitting process has somewhat been simplified in 2006.

- The duration of the labour market analysis has been shortened, it is enough to submit the valid employment claim 15 days prior to the submission of the application for the work permit (previously it had to be submitted to the competent labour centre 30 days before)
- The duration of the process has been shortened from 30 days to 10 days, which means that a decisive resolution regarding the application for the work permit has to be made within 10 days after it arrived to the competent labour centre.

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In each calendar year, the individual permit for the employment of foreign citizens by business organizations, up to a certain ratio of the number of employees on the 31st of December of the previous year, can be issued without the analysis of the situation of the labour market. This ratio has been raised from 2% to 5%.

3.6.1.6 Negative impacts of globalization.

3.6.1.7 Employment of young people.

The government, in order to motivate employers to employ young people and to expand employment and the entering to the labour market introduced new types of employment policy tools and support methods.

Within the framework of the START Programme, for two years from the 1st of October, 2005, the government provides the possibility to pay a reduced social security contribution to foster the employment of young entrants to the labour market.

In recent years the work experience and employment support that motivated the employers to employ young people specifically helped young people in finding a job. These two forms of support have ceased to exist with the amendment of the Employment Act from the 1st of January, 2007.

Over the above mentioned possibilities a number of other labour market services provide help to the young in finding a job and in choosing a profession, such as career advising publications, exhibitions, job fairs, trainings presenting job seeking techniques and internet counselling. The enhancement of the relationship between school and work is served by the Employment Information Counselling Centres (FIT) as well.

3.6.1.8 Handicapped people.

The government has offered a wide spectrum of support to help the employment of disabled people in the past several years. The reform of this support system has started and still continues. An important element of the reform that the endowment provided to employers ceases to exist and the employers of disabled people will be supported – among others – by rehabilitation cost subsidies and cost compensation support in the future.

3.6.2 Specific national – NSDS actions in the field of social inclusion

3.6.2.1 Social protection, social integration; children.

The higher percentage of women among employees results in an increase and change of demand for child care services.

Depending on the change of the situation of the labour market, it is probable that the number of day care services offered should grow by 2-3%/year.

This is also important, because apart from the currently offered whole day care services adjusting to the demands of part time employment, i.e. there should be enough space for a few hours or for temporary care, institutions should be prepared to provide care and early education for disabled children and be able to accept disadvantaged children so that there is a possibility to prevent disadvantages posed by the environment.

The New Hungary Development Plan, Social Reform Operational Programme 2007-2013 contains programmes for children and the young people with the title "Investment in our future". The objective of the development is that children and young people should receive help to fight their disadvantages and thus be able to become active members of society.

The programme titled "Safe Start" provides an opportunity to children between the ages 0-5 years and their families, so that children receive help in the earliest period of their lives to foster their physical, mental, emotional, and social development. The Safe Start programme consists of settlements and districts, which is implemented with the help of experts and the families participating in the programme taking the needs of the local community into account. It creates a new structure for the resources of available child

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care and family support services; its features include work carried out in partnerships and cooperation with families and local communities.

As a result of the development, 107 settlements and professional workshops applied to start the programme. All organizations that initiated a programme could use a professional counselling day in order to be able to plan their programmes. Based on the elaborated programme plans, the expert workshop supported the start of 52 local programmes in 2006.

The Parliament has passed the "A Better Life for Children" (Legyen Jobb a Gyerekeknek) National Strategy, 2007-2013, the most important objective of which is to realize the protection of rights of children, i.e. to reduce the poverty of children and their families.

The National Strategy aims at the implementation of three comprehensive objectives during the life of a generation:

- 1.) The poverty of children and their families should decrease to a fraction of today's level and the chances of further education and the prospects of children should get closer.
- 2.) The extreme forms of child segregation and poverty should cease to exist, the frequency of deviances worsening life expectations should go down.
- 3.) The operation and approach of those institutions and services that contribute to the reproduction of poverty and segregation should be fundamentally change

In pursuance of the above mentioned objectives the National Strategy determines six development areas:

- 1.) Employment, the improvement of the labour market situation
- 2.) The development of provisions serving the improvement of the financial situation of families with children
- 3.) The improvement of the conditions, quality, and security of housing
- 4.) The development of institutions and services helping talent development and a successful school carrier, the reduction of segregation
- 5.) The development of personal services and professional care aiming at households with children
- 6.) Providing a healthier childhood

Measures related to the social integration of the Roma people:

The educational support of Hungarian Roma pupils, the objective of which is to motivate and assist the successful education of Roma children in order to foster equal opportunities. From 2002 almost 20,000 pupils received 900 million HUF in support annually. The solicitation for proposals has been published in 2007 as well in collaboration with the For the Hungarian Roma People Public Endowment, with a financial facility of 390 million HUF, in close cooperation with the Vademecum National Fellowship Programme (Útravaló Nemzeti Ösztöndíjprogram) of the Ministry of Education and Culture.

The underlying objective of the programme titled "Housing and social integration of those living in Roma settlements" is to create the conditions for the social integration for those living in Roma estates. In order to realize this objective, the construction of subsidized flats, infrastructure development, and the reconstruction of building has been implemented under the housing subprogramme. Within the framework of the social subprogramme, the initiation of employment and educational programmes; the improvement of the conditions required for the use of social care; and the development of the conditions required for the integrated education of children were supported by the ministry. The first round of the programme was announced in 2005, during which nine settlements have received support. The implementation of the proposals of the second round is currently in progress with the participation of ten settlements.

3.6.2.2 Social services.

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In the field of social services, the former structure is currently under a reform. The objective is a modern, quality, user-oriented service system that satisfies the emerging needs and is also financially sustainable.

During the professional development of social services it is a primary criterion that they should foster social reception in line with the strategy of the European Union against poverty and social segregation.

Short description of measures under implementation:

Defining and introducing the standards and protocols of specific services aims to aid measurability of service quality. With the help of these, it becomes possible to understand the criteria of efficient task implementation in the case of the specific service types. Correct accounting requires the administration of professional activities. Financing with the help of public sources has to go hand in hand with responsible management practices and the accurate and precise accounting of the financial assistance. The auditing of already existing services is served by the currently running (increased) auditing programme. Knowledge gained during these processes also serves the unambiguous definition of quality standards.

In order to help the accessibility of the services, the demand is being analyzed so that it will be easier to plan the future development of services, since the present service structure contains regional inequalities, especially in the case of some basic services. The introduced capacity regulation also serves the objective that, in harmony with available financial resources, services should fit demands.

3.6.2.3 Young people.

The ICSSZEM, the Council of the GYIA and the RITs distributed more than 1 billion HUF in 2005 through a tendering process to further objectives relating to the young. Solicitations provide incentives for the creation and operation of integrated, complex services for the young people, for the implementation of programmes promoting the social integration of young people through the labour market and for the provision of services in the small regions.

In cooperation of higher education and research institutions, the central and local administration and the civil sphere a working group has been created in order to improve the quality of vocational training and to adjust the content of the trainings to the social and economic situation in a more flexible way.

A Young expert continuing professional education specialty has been set up so that those working in the field in the different sectors and different institutions and organizations (state or non-governmental) at different control levels will all be capable to mobilize both intellectual and financial resources to foster the activity, opportunities, and successful walk of life of the young people.

The further development of regional youth programmes, youth planning, and the organizational network has been carried out in the framework of the programmes of the Regional Operational Programme. During the Central and Regional Operational Programme of the National Development Plan with the assistance of the Ministry of Youth, Family and Social Affairs and Equal Opportunities (ICSSZEM) and the Regional Welfare Planning and Development Network (RSZTFH) the planning matrices of the regions have been complemented with the most important aspects of youth development, from which concrete solicitations and financial sources resulted.

With the passing of Act LXXXVIII of 2005 on voluntary activities in the public interest, volunteers can carry out their activities in Hungary in the framework of a new, more regulated legal background which is tailored to their needs. The law contains a number of specific regulations in order to regulate the activities of volunteers under the age of 18, which helps the promotion of volunteer work by children and young people in Hungary, which seems to be necessary these days for the social integration of the young people.

Based on the agreement between the government and the European Council, the ICSSZEM provided 501 million HUF for the reconstruction of the European Youth Centre in Budapest, which was first opened 10 years ago.

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In the framework of the work of the European Council, the ministry participated in the preparation of the youth campaign titled "You are different, you are not different" (Te is más vagy, te sem vagy más)".

The Agora Office Network, founded by the ministry of education and youth, has been in operation since 2001 with 9 local offices in Budapest and in regions beyond the borders. The underlying objective of the Agora is to foster the relationship of young Hungarian people living beyond the borders of the country with Hungary.

The ministry maintains a continuous professional relationship with a number of youth NGOs. During its regulatory and other priority tasks, the ministry maintains relationships with national networks combining the organizations of the young people.

The ministry and the "For the Young People Local Authority Association" (Ifjúságért Önkormányzati Szövetség) organizes the conference titled "Settlements and their youth" in each year with the objective of information dissemination relating to government programmes started in the interest of the development of local government youth work and the determination of the needs of non-governmental organizations.

3.6.2.4 Equality between the sexes.

The government assumes the support of employment of women as a priority objective. For this reason a number of measures have been created which help improve the performance of women on the labour market with the improvement of the employability of women – paying special attention to disadvantaged women –, with the support of better harmonisation between family life and work, and with the provision of support to those groups disadvantaged on the labour market.

The better performance of women on the labour market is also supported by the labour market programmes of the State Employment Service (Állami Foglalkoztatási Szolgálat).

Between the years 2004-2006 using the funds of the European Social Fund (Human Research Development Operational Programme (HEFOP) and EQUAL Programmes), Hungary has spent a considerable amount of money on the improvement of the employment situation of women, the support of women entrepreneurs, the diffusion of family friendly work places and experimental programmes have been started in order to decrease vertical segregation and the isolation of employment by the two sexes.

The yearly plans of the Ministry of Social Affairs and Employment define the planned activities of the ministry relating to the social equality of men and women.

From these, the first important field is the prevention and management of violence within the family. Parliament Decree 45/2003 (16 April) on the national strategy aiming at this topic condemns all forms of violence in the family, including verbal manifestations as well.

Parliament Decree 115/2003 (28 October) on the national strategy of crime prevention names violence within the family as one of the five priorities of crime prevention.

In order to implement the resolutions, the ministry took the following steps:

- Further expanded the National Crises Management Network model experiment,
- Implementation of the National Crises Management and Information Phone Service, which provides an anonym aid line 24 hours a day, strengthened its cooperation with NGOs carrying out similar tasks,
- Implemented a campaign fostering a change of social approach with the objectives of information dissemination about helping services, especially the National Crisis Management and Information Telephone Service (OKIT), the demonstration of options available to victims. The campaign is being implemented through regional crises management centres involving the local media.
- Created the Closed Shelter (Zárt Menedékház) – while preserving confidentiality, it cooperates on a professional basis with the Regional Crises Management Network and organizations.
- Continues the trainers programme entitled "Family Group Conference" in order to

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help the abused and abusers and to prevent violence.

The institutional system of violence within the family is operated by the Ministry of Social Affairs and Labour (SZMM), while the Ministry of Justice and Law Enforcement (IRM) carries out the regulatory tasks.

The other important topic includes the tasks related to the trade of humans, which include the following major steps:

- Participation in the activities of the working group against the trade of humans between Hungary and the U.S., coordinated by the Ministry of Foreign Affairs (KÜM).
- Cooperation with the International Migration Organization in order to carry out the projects titled "Improving the efficiency of fighting the trade of humans in Hungary, 2007-2009" and "Mental health assistance for the child and teenager victims of human trade: train the trainers and the elaboration of minimum professional requirements"
- Demand side campaign: a campaign primarily designed for young men, the objective of which is to prevent the trade of humans – in cooperation with the International Migration Organization
- Training series for child protection and educational experts, the objective of which is prevention and the improvement of the efficiency of the handling of victims
- The implementation of basic research activities to survey the composition of the victims of the trade of humans with the involvement of the National Institute of Criminology (OKRI)
- The development of a new concept to help the support of the young victims of the trade of humans is planned.

The third most important area of the activities of the ministry is the implementation of objectives laid down in the document titled "Schedule for the equality of men and women 2006-2010", the reduction of inequalities between men and women and the promotion of the equality between men and women in all measures.

The Council determines the following priorities in its schedule aiming at the reduction of inequalities between men and women:

- the generation of equal financial independency of men and women,
- the promotion of better conformity between professional, private, and family life,
- the promotion of equal men-women participation in decision making processes,
- the elimination of sex based violence and the trade of humans,
- the elimination of stereotypes relating to the two sexes in the society,
- the support of the equality of the sexes outside of the EU.

The ministry considers these priorities to the highest extent during its activities and strives for their implementation in cooperation with NGOs, experts, and other affected ministries.

Further tasks and programmes affecting the social equality of men and women are the followings:

- Participation in the implementation of the New Hungary Development Plan in order to enforce gender aspects.
- The continuous operation of the Men and Women Social Equality Council and the implementation of its work plan.
- Family Friendly Work Place Award: a tender with several years of tradition, the objective of which is to motivate employer measures to help coordinate family life and employment.
- Building up relationships with the NGOs of women – cooperation within the framework of the schedule of the European Commission helping equality between men and women between 2006 and 2010. (The working groups have been formed with the participation of governmental organizations, NGOs, and experts, the members of the Council for Equality between Men and Women (Nők és Férfiak

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Társadalmi Egyenlősége Tanács) and the representatives of organizations working in the country and able to show professional results.)

- Campaign in the field of the legal, economic, and other consequences of common-law marriage: information campaign with the invitation of family jurists. Its objective is to demonstrate the social consequences of the current situation and the regulation under preparation with the help of a life cycle approach and in cooperation with the House of Opportunities (Esélyek Háza) network. A publication helps the implementation of the objectives of the campaign.
- Pocket book of the Hungarian Central Statistical Office (CSO): according to the practice of the previous years, the publication of statistical data according to sexes, in cooperation with the Hungarian Central Statistical Office.
- Research relating to questions of equality of the sexes is being conducted within the ministry and the leadership of the experts of the Family, Child, and Youth. Priority Non-Profit Association (CSAGYI).
- The dissemination of the gender mainstreaming approach in public administration, with a special emphasis on the gender budgeting strategy (with the creation of an inter-ministerial and an expert working group), as well as the utilization of the results of the Gender Pilot Project, involving the experts of the Council for Equality between Men and Women.
- The preparation of a National Action Plan to promote the social equity of men and women, which will significantly contribute to the necessary change of approach and the equity of men and women in all fields of life.

Since 2000, the Family Friendly Work Place Award is announced to foster a better fit between family and job commitments. The award can be won by businesses and institutions which implement family friendly measures.

Proposals can be submitted in four categories – small, medium, and large companies, and state budget organizations and NGOs – with the demonstration of the practices of the organization. Six different topics should be touched upon: working time models; trainings; relationship with those receiving child care assistance (child care allowance [GYES], child-care fee [GYED], child raising support [GYET]); work place programmes and holidays; the maintenance of child care institutions; and as a novelty the proposal should contain the information programmes offered to the employees in the fields of health, the prevention of illnesses, and the avoidance of harmful addictions. The winners of the award are entitled to use the "Family Friendly Work Place" logo for a year.

There is a relationship between employment segregation and wage differences: women employees are over represented in the traditionally underpaid public sphere.

At the same time, lower income is less appealing to men, which adds to the higher ratio of women in these positions. In the last few years, however, incomes in the public sphere were raised significantly. Improving compensations attract more and more men to the public sphere, which also reduces labour market segregation. Another important development is that the amendment of the Labour Code (Munka Törvénykönyve) introduced the principle of 'equal work – equal wage'. According to this regulation, from 2004, when determining the amount of compensation, the requirement of equal treatment must be enforced.

3.6.2.5 Aging, social protection system, pensions.

Beside the operation of the Board of Elderly Issues (Idősügyi Tanács), which is the institution of social dialogue with elderly people, the SZMM initiates projects and programmes in each year in order to foster an active, self commanded lifestyle, and the social contribution of the elderly. Real benefits appear in the widening of social awareness.

2004. "Friends of the Elderly Municipality Award"

2005. "Ezüstnet" computer user training tender

2005-2007. Elderly friendly housing programme

2007. Senior Consultant training programme

Recreational and training tenders for the NGOs of elderly people 2005-2007.

3.6.2.6 Demographic challenges.

With the 1st of January, 2006, the family support system has been restructured. The reform simplified the system as well as making it more transparent, the centre of which became the universal family allowance. The regular child protection support and the tax allowance for families with one or two children has been built into the family allowance, the amount of which has been raised by an average of 84%.

The coordination of employment and family life is served by the measure that made it possible for the parents to take on a full time job while receiving child care aid.

3.6.2.7 Impacts on land and resource use, energy consumption, and mobility.

3.6.2.8 Migration.

3.7 Global challenges posed by poverty and sustainable development

Overall objective: To actively promote sustainable development worldwide and ensure that the European Union's internal and external policies are consistent with global sustainable development and its international commitments.

3.7.1 EU SDS implementation: poverty, global challenges

3.7.1.1 International commitments.

Participation in the European decision making and representation process regarding international environmental policy cooperation (global/UN programmes, pan-European environmental policy cooperation, etc. within the framework of affected EU forum: WPIEI, EPRG, etc.)

Participation in the European Union decision making process regarding environmental policy, participation in the work of the major institutions of community environmental policy, and the relating national bodies (Environment Protection Council, COREPER, WPE, EEA, EPRG, EKTB, etc.)

Participation in the implementation of the tasks of the European Union relating to its environmental and sustainability programmes and tools (EU Sustainable Development Strategy, 6th Environmental Action Programme and its thematic strategies, Environmental Technology Action Plan, Sustainable Production and Consumption, etc.)

Contribution to the implementation of environmental policy tasks relating to the sectoral development strategies of the EU (Lisbon Strategy, energy policy, rural development, transport policy, etc.).

3.7.1.2 International environmental agreements and policies.

Participation in the execution and further development of different multilateral environmental agreements and participation in the identification and analysis of the relationships between the different agreements.

Participation in the work of international organizations (UN Committee on Sustainable Development, UN Framework Convention on Climate Change, UN Convention on Desertification, UNECE Committee on Environmental Policy Environmental Performance Review Expert Group, Council of the Global Environmental Fund, NATO SPS working group, etc.)

Participation in the OECD environmental policy performance analysis relating to Hungary.

Participation in the preparation for the Belgrade Conference to be held in October, 2007.

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Participation in the activities of the Hungarian International Development Cooperation expert working group, cooperation in the formation and implementation of the Hungarian policy.

Participation in the national implementation of the International Chemicals Management Strategy.

3.7.1.3 Supports.

3.7.1.4 Sustainable development and WTO.

3.7.1.5 Support policies.

3.7.1.6 External policy.

3.7.2 Specific national – NSDS actions in this field: poverty, global challenges

3.7.2.1 Initiatives on the area of water, poverty, energetics and chemicals.

3.7.2.2 Collective EU-level programming framework.

3.7.2.3 Africa, Latin-America, Pacific Ocean.

3.7.2.4 Globalization.

3.7.2.5 Africa.

3.7.2.6 Development of UNEP.

4. PROGRESS ON EU SDS CROSS-CUTTING ISSUES

4.1. Education and training

A modernization process has been launched in Hungary with the First National Development Plan, containing the Human Resource Development Operational Programs, the accordingly revised Nationwide Education Register, the vocational school program, and the development of adult education. This process may already ensure in the near future that professional training and adult education are available to a broad audience and can function as modern educational services, as well be able to satisfy the quantitative and qualitative labour market needs of the economy. The modification of the Act on professional training, adult education, and employment, as well as of the related decrees further strengthens the participation of the economy. 62% of the 195 qualifications that have been reformulated in connection with the renewal and modularization of the Hungarian professional training development include issues related to sustainable development, which we regard as prominently appropriate profession policy content.

The Government added the improvement of education quality of underprivileged people to the tasks related to modernization of adult education in the framework of life-long learning. The "Move one step forward" project was launched in 2006 with EU support to enlarge professional knowledge and increase the educational level of employees. The aim of the "Move one step forward" programme is to ensure professional trainings for adults, as a result of which participants reach a qualification level one level higher than previously.

Due to the opinion of professional training leadership, the strategy of sustainable development can be served most effectively by harmonized efforts of formal school education and environment protection. The importance of holding the strategy at issue in education and training (beside the energy policy and green policy) is in the opportunity of a strengthening social awareness of this task. Accordingly, almost every international organization adopted its policy related to sustainable development. The Council of Ministers of Education, Youth, and Culture discussed this issue 18-19 May 2006.

A) Specific national – NSDS actions in the field of public education:

The Paragraph 48(3) of Act No. LXXIX/1993 on public education obligatorily prescribes for schools the formulation of tasks related to environmental education, as well as to health development and education in their pedagogic program. To fulfil the task, the Ministry of Education and Culture published a brochure called "Assistance for the preparation of schools' educational program" to all stakeholder institutions. The introduction of the brochure includes information about the legal background regulating basic principles, where the document mentioned first is the resolution of the United Nations' 57th General Meeting of the 20th of December, 2002 about the declaration of the programme called "Decade of Education for Sustainability" for the time period of 2005-2014. The brochure included an attached CD with the title "Idea bag".

Government Decree No. 243/2003 (7 December) on the National Basic Curriculum defines environmental education as a preferential development task: "The overall objective of environmental education is to promote the evolution of environmentally aware behaviour and lifestyle of pupils and students in the interest of the up growing generation being able to impede the deepening of environmental crisis, facilitating the sustainability of living nature and the sustainable development of societies. The pedagogic practice of sustainability assumes life-long learning, which contributes to the education of well-informed and active citizens who have a creative, problem-solving way of thinking, know their way about nature and environment, society, law, and economy, and who manifest their responsible commitment in their personal or collective actions."

The Basic Programme of Kindergarten Education stresses the active cognition of the surrounding world, and the act on higher education formulates the appearance of sustainable development in the institutions' programme and activity as well as the

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transfer of health-conscious, environmentally aware attitude and the related values as objective.

Meanwhile, significant programs have been launched related to the Decade of Education for Sustainable Development (FNÉ), but these initiatives stopped or are stagnating due to the lack of financial sources. The Open-air School Programme (FSP), carried out in the cooperation of Ministry of Education and Culture and Ministry of Environment and Water Management, the Eco-school program, GLOBE, the Open-air and Green Kindergarten Program, as well as the mutually maintained coordination office (called the Environmental Education and Communication Program Office [KöNKomp]), with the role of planning and implementation, focusing on environmental education and communication, were exemplary also on an international level. There were further examples of supports for other areas of sustainability, financed by the National Environmental Fund and the budget of the Ministry of Education and Culture; and the professional background has evolved in the Admission to Higher Education National Institute (OFI). Outstanding is the Strategy of Environmental Education, prepared by civil coordination which also includes the education towards sustainability in a broader sense.

Relating to a former cooperation agreement between the Ministry of Education (ME) and the Ministry of Environment and Water Management (MEWM), the interministerial committee was established by cooperation of the Forest School Programme (EIP) in 2001 (members: ME, MEWM, Ministry of Youth and Sport [ISM], Office of Tourism, Prime Minister's Office) which provided the full leadership of the programme till 2006. In the first year 800 million HUF, in the last year 50 million HUF had been used of the ministries' financial sources, in the approved way of the interministerial committee. The success of EIP can be attributed to the fact that the unification of ministerial financial sources devoted to environmental education resulted in elaboration (and support) of postgraduate pedagogical education related to the program, of infrastructure development via tender procedure, of getting children to EIP, of preparing pilot programs, and of the proceeding of suppliers' qualification. Following EIP becoming "automatic," the committee broke up in 2006.

It is important to mention that the Ministry of Education and Culture continues to support – primarily professionally – the environmental educational programs of kindergartens and schools, as well as – regarding its sources – some programs financially.

B) Specific national – NSDS actions in the field of higher education:

- A multi-cycle educational system has been generally introduced since 2006. This system ensures a bigger flexibility of higher education and a better satisfaction of labour market needs.
- The allocation of state-supported educational places among individual education areas is carried out according to applicant needs and labour market feedback (needs of the economy).
- Starting in 2007, the total number supported by the state will be determined in line with demographic processes.
- In the framework of the new National Qualification Registry (OKJ), the higher professional education programs are going to be renewed, the organization of which is done in a module system, based on graduation competences, which are determined in the new Professional and Examination Requirements (SZVK).
- The short-cycle, professional postgraduate education programs are organized by higher education institutions in their own scope of authority, according to the needs of the economy, in cooperation with economic actors.
- Starting in 2007, the allocation of admitted students among higher education institutions will be due to the preferences of applicants, within the frame of education capacity. At an institutional level, the separation of numbers supported by the state and expensed will be abolished, including the non-state sphere as well.

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- The education and graduation requirements of undergraduate and master specializations make it possible that the institutions prepare their students – profession-specifically – for competences related to sustainable development.
- The higher education institutions promote their students' choice and the adaptation to labour market needs via obligatory carrier consultancy, the elaboration of "alumni-systems", and career follow-up.
- The adult training activities of accredited higher education institutions are supported by the educational government bodies, the allowance-based training programs are regarded as adult training programs.
- The expansion of the student crediting system supports equal accessibility to education.
- The introduction of training contribution motivates more realistic decision-making and an increased consideration of quality requirements.
- Using regulation and financial means, the educational government bodies support higher education institutions in order to develop regional knowledge centres and to establish multilateral partner relationships with the stakeholders of the region.
- Development of the higher education information system promotes well-based decisions of every participant of higher education.
- The educational government bodies carry on continuous dialogue with stakeholders of higher education, in the form of interest reconciliation at the so called "higher education roundtable".
- The economic councils partly representing economic actors in higher education institutions support the establishment and implementation of a higher education institution strategy, harmonized with social and economic needs.
- The economic separation and venture freedom of higher education institutions have been increased by educational government bodies which promote more efficient activities and those aimed at profit, as well as motivate broad economic relationships with other actors of the economy.
- The MEC lays a stronger emphasis on harmonizing the regulation and financing of educational sub-systems such as public education, higher education, professional training, and adult education than before.
- With harmonization of the higher education development strategy, the convergence program, and the NHDP, a strong concentration and purposeful use of resources will be ensured.

4.2. Research and development

The Government of Hungary has recently adopted a new strategy for science, technology, and innovation policy. The document was born as a result of a widespread, two-year long consultation, and one of its main objectives is to promote the sustainable development of Hungary through innovation and R&D.

The National Office for Research and Technology has enhanced Hungarian participation in the EU's 6th, and now in the 7th Framework Programme for R&D by providing information and consultancy for enterprises through the National Contact Points.

The Hungarian Government has launched several programmes during 2005-2006 in order to promote the research activity of both enterprises and research institutions. The National Office for Research and Technology had an annual budget for research and innovation programs of around 135 million EUR. The amount was used to promote programs that significantly contribute to the sustainable development of Hungary, such as:

- Market-oriented Agricultural Research: The main objective was to develop the production processes in the agricultural sector by starting R&D cooperation programs to promote the utilization of its production environment in a sustainable way.

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- The Jedlik Ányos Programme has provided funding for research and development projects in areas like environmental protection, agricultural economy, and biotechnology, social challenges of technological changes.
- The Asbóth Oszkár Innovation Programme for pull-sectors: The overall objective of the programme is to accelerate the development in the pull sectors i.e. health care industry, biotechnology and renewable energy sources through promoting the establishment of technology platforms and innovation clusters.

4.3. Financing and economic instruments

4.4. Communication, mobilizing actors, and multiplying success

- Communication
- Involvement of local and regional levels
- Involvement of business
- Involvement of other key stakeholders and civil society

The establishment of Nationwide Even Chances Network has been launched in 2004.

In the framework of the program, 18 so called Even Chances Coordination Offices – House of Chances (Bács-Kiskun, Baranya, Békés, Borsod-Abaúj-Zemplén, Csongrád, Fejér, Győr-Moson-Sopron, Komárom-Esztergom, Hajdú-Bihar, Heves, Jász-Nagykun-Szolnok, Nógrád, Somogy, Szabolcs-Szatmár-Bereg, Tolna, Vas, and Zala counties, and Budapest) have been founded up to this date.

The House of Chances Network came into existence in cooperation with county governments and cities with county rights.

The aim and task of individual Houses of Chances is to support the even chances policy and chance-creating programs of the related ministry, as well as to mediate inclusion policies promoting social reception of underprivileged groups (the Roma, handicapped, children, elderly people, women, and citizens living in disadvantaged regions).

The Even Chances Forum is operated with the participation of NGOs engaged in the guarding of interests, ensuring opportunity for professional reconciliation, harmonization of tasks, judgment of concepts, strategic plans, and law. One of their specific tasks is shaping public opinion in order to fight prejudice in society and to strengthen social solidarity.

The "Professional Supporting Network of Public Initiatives" programme was launched in 2004 with the aim of supporting local communities and local development processes, as well as promoting civil participation.

The network supporting local public initiatives and community-developing professionals has been developed in every county and in Budapest. In the first two phases of the program, local-level action plans and processes have been launched in almost four hundred settlements with the participation of voluntary community-developers.

Professional workshops, training programs, and visits providing for the exchange of experience have been regularly organized in the frame of county-level professional development tasks of the program. On-the-spot consultancy, as well as organization and implementation of various professional programs, are going on continuously. In 2006 workshops have been organized at county and regional levels to present and disseminate best practices.

Strengthening local democracy, increasing the retaining power of communities, cooperation of local inhabitants to realize their common objectives, ensuring necessary information for creating sources for funding and involvement, as well as skill development are considered to be the most important result of the program. Communities participating in the programme have better chances to apply for the involvement of EU financial sources further on.

4.5. Implementation, Monitoring and Follow-up

- Indicators
- Voluntary peer reviews

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- Advisory councils on sustainable development

The Environmental Section of the Hungarian Central Statistical Office (CSO) in close cooperation with other sections of the CSO and organizations belonging to the Official Statistical Service prepared a paper for the World Summit on Sustainable Development held in Johannesburg. This paper was the base for the publication entitled: Hungary: Basic Features and Indicators of Social, Environmental, and Economic Changes and Planning for Sustainability.

The Environmental Section also contributed to the publication entitled Indicators of Sustainable Development and Changes in Hungary in the Frame of EU Indicators, published by the Ministry of Environment and Water Management in 2004. This publication was in compliance with the recommendations of the UN and aimed at presenting the main goal of applying indicators on sustainable development, and monitoring the state of art of sustainable development in Hungary.

CSO has recently published (starting in 2006) its data collection on sustainable development that was based on a sustainable development indicator set (155 indicators all together) elaborated by the Statistical Bureau of the European Union (Eurostat). This publication compiles nearly two thirds of the EU indicator set. The themes presented in this publication: economic development; poverty and social exclusion; ageing society; public health, climate change and energy; production and consumption patterns; management of natural resources; transport, good government, global partnership.

CSO also took part in the preparation of National Sustainable Development Strategy and in the development of the related indicator set.

5. ELABORATION OF NSDS

5.1 Process and organization

- Title of the NSDS: National Sustainable Development Strategy
- Date of first version: The Government of Hungarian Republic put the first draft of the Strategy to social conciliation 23 April 2007, planned acceptance: June 2007
- Form and status of adoption: expected to be accepted by the Government of the Hungarian Republic in June, 2007
- Ministry responsible for the coordination of the NSDS: in the planning process the NDA and the MEWM are equal partners, the NDA is the coordinating body
- Other ministries involved in the strategy elaboration: every ministry
- Means of coordination for the successful implementation of the NSDS: two year Action Plans of the NSDS (from the end of 2007/Spring 2008, for two years, in a rolling planning process), Sustainability Basic Indicator System (SBIS).

Short summary of the planning process:

At the summit of 16 June 2006, the European Union adopted its renewed Sustainable Development Strategy. This document prescribes the preparation of National Sustainable Development Strategies and the related biennial Action Plans for member states till June 2007.

The Sustainable Development Strategies show an intersectoral approach and are long term, strategic planning framework documents, in which efforts should be made to develop the three preferential development dimensions (environmental, social, and economic) in a balanced, harmonized way. Accordingly, the coordination of planning and the implementation of the Strategy can be most efficiently carried out by an institution, cross-cutting the sectoral system horizontally.

Due to the above legal and professional framework, the National Development Agency proceeded to elaborate the working draft of the Strategy of its predecessor by title, in order to ensure compliance with the Council deadline, nonetheless a significant part of its capacities have been tied up by planning the New Hungary Development Plan (NHDP) and the Operational Programs (OP). In the course of planning, the NSDS, the NDA, and the MEWM cooperate, in the sense of a ministerial agreement between them:

- the two institutions are equal partners in the planning process, but the NDA is responsible at first place (coordinating role);
- within planning, the concrete reading tasks are carried out by a working group consisting of the NDA and MEWM planners, the coordinator of the group belongs to the NDA;
- two joint Government proposals are prepared about the Strategy: a first draft in the Spring of 2007, and a version for adoption in June 2007.

Due to the above mentioned, the planners' working group of the NDA and the MEWM completed the inside planners' working version of the Strategy, and requested – in a joint letter of the minister and the government commissioner – the ministries, the State Reform Committee (SRC), the Hungarian Central Statistical Office (CSO), and the Hungarian Scientific Academy (HSA) to appoint their NSDS experts.

The appointed experts finished judging the draft by February 2007 in written form. After revision, the draft was put to public administration reconciliation, afterwards the Government discussed it 25 April 2007 and put it to social reconciliation (Government Decree 1028/2007 (3 May)). Parallel to this process, the elaboration of the first biennial Action Plan has been launched.

The social reconciliation was pursued by the coordination of the National Development Agency between 26 April and 31 May 2007.

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In the framework of social reconciliation, the Strategy and the related structured questionnaire had been made available on the homepage of the NDA and the MEWM, along with all other information connected to the social reconciliation. The email with the request for participation in the social reconciliation of the strategy had been sent to several hundred professionals, interest representing and social organizations, as well as to representatives of the economic, local governmental, and civil spheres. The opinions were submitted via the homepage or were sent to a given e-mail address. During the reconciliation, several judgments arrived; the opinion-shapers will receive feedback about the integration of their proposals after the finalization of the NSDS.

Within the framework of social reconciliation, a four-round panel discussion series had also been organized between 22 and 31 of May. Almost 100 organizations had been invited to the panel discussions. Three of the four workshops were devoted to discussing the individual pillars of the strategy (environment, society, economy); one was organized specifically for environmental organizations about the whole strategy. A summary had been prepared of the remarks made in panel discussion series, which will be made available at the homepage.

The document has been discussed by the Nationwide Interest Reconciliation Council, the Nationwide Regional Development Civil Interest Reconciliation Forum, the Nationwide Regional Development Council, the Hungarian Scientific Academy, and the Nationwide Handicap Council since the middle of May – the Economic and Social Council is preparing a written judgment.

Based on the social reconciliation, the National Development Agency (NDA), in cooperation with the MEWM reviewed the Strategy in order that – according to Government Decree 1028/2007. (3 May) – it can be submitted again to the Government, and that the Government – after discussing its second reading – can bring a decision on the adoption of the Strategy, sending it to the European Council, and on the decision points of establishing a socialization, implementation, and institution system.

The Strategy is expected to be submitted to the Parliament in autumn. It may contribute to the increase of its legitimating level and may ensure the framework strategy character to prevail across consecutive governmental periods.

5.2. Strategic priorities and instruments

The National Sustainable Development Strategy (NSDS) is a long term (20-25 year) framework strategy document that formulates a positive, sustainable, socially stable future vision as well as a corresponding long term instrument system and reform framework for every social, economic, and environmental area.

The NSDS can be appropriate to mobilize and accept society and community efforts, as its purpose is not only to face society with the contemporary problems, but it is also able to show a positive direction.

The NSDS as a framework strategy aims to establish a competitive Hungary in the long run (25-50 years), which has the following features:

I. Sustainable use of the environment:

1. Appropriate and sustainable management of natural resources,
2. Wide range and acceptance of sustainable production procedures and consumption habits.

II. Sustainable energy use:

1. Reduction of energy use, by the spreading of energy efficiency and energy saving,
2. A significant ratio reduction of non-renewable energy sources – energy supply based on local, renewable energy sources, and energy safety.

III. Sustainable mobility, spatial structure, and availability:

1. Spatial structure and availability increasing cohesion;

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2. reduction of physical transport demand and its replacement with flexible distance working and communication opportunities;

3. Quality-based and sustainable public transport.

IV. Sustainable economic processes:

1. Maintenance of financial processes, avoidance of running into debt;

2. Efficient and cheap state.

V. Sustainable population and demographic processes:

1. Increased inclination to have children and to assure peaceful upbringing of children;

2. Living in harmony for various generations, as well as for domestic and migrant strata.

VI. Health conservation and healthy lifestyle:

1. Spreading and universalizing of health protection and disease prevention;

2. Healthy diets and environment for better living;

3. Modernization of health care system.

VII. Strengthening of social cohesion and employment situation:

1. The widely interpreted human and social security;

2. Modernization of social supply systems;

3. Strengthening of civil participation and activity;

4. Decreasing the ratio of poor people and groups, exposed to the risk of poverty within the inhabitants;

5. Strengthening social mobility – ensuring opportunities;

6. Flexible and ready-to-adapt employees, based on heavy improvement of basic skills;

7. Even chances: promotion of equal access to employment, habitation, mobility, health care system, communication and information services, as well as to education and training.

VIII. Protection of natural values and sustainable use of natural resources:

1. Radical reduction and protection of non-renewable natural resources;

2. Preferring the use of renewable natural resources – at the pace ensuring their reproduction and regeneration.

IX. Constrain of activities strengthening the threat of climate change and preparation for climate change:

1. Preparation for possible impacts of climate change;

2. Reduction and elimination of factors generating and/or strengthening climate change;

3. Replacement of fossil energy sources with renewable ones

X. Sustainable water management:

1. Improvement of water retaining ability of Hungary;

2. Protection of surface and under-surface water stock;

3. Preparation for flood and polder, as well as flood and polder protection.

Reaching these long term objectives can only take place through reforms – establishing the opportunity even in the case of objective conflicts –, and the conscious activity of every member of the society. For this, cooperation is needed among representatives of the public sphere, economy, and society.

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The implementation should be a process with as broad as possible social cooperation, based on a regular strategic review, which broadens and extends knowledge about sustainability, the processes threatening sustainability, and the necessary value change, and it should also strengthen scientific research and the exchange of knowledge, as well as availability of research results and extensive dissemination of knowledge about sustainability, and which enables politics and the executive institutions to regularly reform themselves via assessment and the monitoring of changes.

Most important action fields of the Strategy – institution system

Development of public administration – the service-character, cost-efficient transformation of public administration based on the principle of subsidiarity supports the objectives of sustainability; on behalf of these, basic principles and aspects of sustainability have to be considered during the transformation, as well as the purpose that development process efficiently ensures a sustainability-serving correspondence among public policies during their planning and implementation.

Scientific researches related to sustainability have to be integrated into the process of public policy creation for the sake of making it successful and accountable. Relating to this, establishing civil service professional administration and forums for the dialogue between decision-makers and scientific sphere is of outstanding importance

Development of legal environment – Hungarian legislation has to be further refined and developed in order to enforce current rules which support sustainability, and to elaborate and implement new regulation which supports the conditions of sustainability.

Validation of sustainability in the legislation process, in the implementation of laws, in making the government policy more active, and relating local government activities and public institutions – steps toward validation of sustainability have to be determined in legislation processes and in law implementation, in making government policy more active, and relating local government activities and public institutions. Possible elements of this are:

- (a) the establishment of a *body dealing with sustainable development* has to be considered, the members of which would be state institutions, the central government, delegates of the local government institutions, as well as representatives of the economy, the civil sphere, science, and other interest groups.
- (b) the sustainable development strategies are intersectoral approach, long term, strategic planning framework documents, in which efforts should be made to develop the three preferential development dimensions (environmental, social, and economic) in a balanced, harmonized way. Accordingly, for the coordination of planning, implementation, and continuous review, as well as of other member state tasks relating sustainability, the relevance and opportunity of a Sustainable Development Strategic and Coordination Centre within the Government, *binding the sectoral system horizontally and supporting the validation of sustainability aspects* have to be considered;
- (c) during the work of Committees of the *Parliament*, efforts have to be made to consider frames and basic principles laid down in the Strategy;
- (d) *in the process of law-preparation*, beyond the individual presentation of social, economic and environmental impacts relating to the proposals, efforts have to be made *to clearly present* significant relationship, interaction between *these impacts*;
- (e) establishing the *ombudsman of "Next generations" institution* – with the purpose that the protection of next generations' interests can be emphasised as much as possible and enforced during the decision-making process;
- (f) supporting the participation of *public institutions* (e.g. schools, etc.) in the implementation of the strategy and in promoting the necessary attitude change.

5.3. Monitoring and evaluation

The national Sustainability Basic Indicator System (SBIS) – in a process coordinated by the Eurostat – is under development.

Accordingly, the SBIS, included in the appendix of the NSDS is considered as a working version; a first draft is expected to be elaborated in the second half of 2007. However, it must not be forgotten that, in coherence with the biennial rolling planning of the EU and the Member States, the indicator system itself is going to be continuously reviewed and developed, so to speak about final indicator stock is relevant only at a given moment.

The concept of SBIS stands on two pillars:

a.) the first pillar is the implementation of the EU sustainability indicator system, on a strong and detailed methodological basis, elaborated together with Eurostat; this is an indicator system with a predominantly horizontal basis, consisting of internationally comparable indicators, which presents economic, social, and environmental processes.

b.) the second pillar includes some indicators, supporting the information of the wide public and the attitude-shaping towards sustainability, which are methodologically not so well-based, but appropriate to develop, and can be extremely well communicated and interpreted; this is an indicator system consisting of indicators under methodological development, in which aggregated and eventually composite indicators present – in international comparison – the sustainability situation of Hungary and its change, highlighting those indicators which are easy to communicate and understand (e.g. ecological footprint, ecological deficit, etc.). With the help of these understandable indicators sustainability can be presented and followed up more easily for citizens and education.

As far as possible, every element of the SBIS has to be made methodically adjustable to the sustainability indicators of the European Union. It is to be highlighted however, that due to the specialities of the Hungarian Strategy, a full adjustment cannot be achieved. Applied indicators have to be continuously reviewed.

Relationship between the Strategy and the Sustainability Indicator System

The indicator system and the Strategy support each other.

Accordingly, the indicator system has to be based upon the key aspects of the strategy. The indicator system has to provide information on areas of the society, economy, and the environment which are called priorities in the NSDS.

In line with the review of indicators, the indicators make it possible to modify the Strategy according to new aspects.

At the same time, modifying the Strategy makes the development, modification, shaping, and emphasis review of the indicator system necessary.

Therefore the Strategy and the related indicator system are in a continuous interrelationship.

Budapest, June 2007