

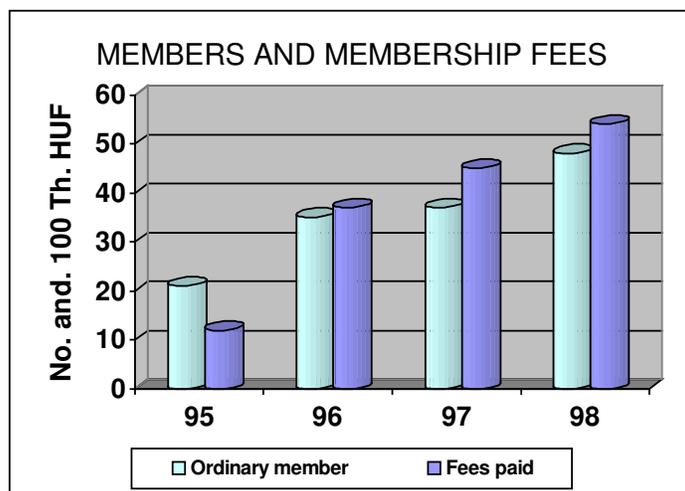
KÖVET ACTIVITIES IN 1998 AND PLANS FOR THE YEAR 1999

The Hungarian Association for Environmentally Aware Management (KÖVET-INEM Hungária) had a most successful year in 1998. The number of members and employees showed a progress, the project financing from successful applications reached triple of those incomes from membership fees. Our bulletin has expanded more and more people participate at our events, environmental management sometimes even appears in the media. The most critical task for 1999 is to sustain our progress, ensure the implementation of new projects, and to increase membership to a more representative part of the Hungarian industry, as we could only exert only minor influence to the Hungarian business sector, despite our good performance.

We would like to thank here our friends, members, sponsors, partners, contributors and the employees of the INEM Main Secretariat. Without their help, and the devoted, voluntary work of our secretary general and board members we were not at this point of development.

MEMBERS

Membership of the association is constantly on increase since its foundation in October 1995. The number of ordinary (business, paying) members have doubled in 3 years. Rise is less apparent in the income from membership fees¹, this is not due to



¹ 1 EUR = 255 HUF as of September, 1999.

	Ordinary members		No. of associated members
	number	total membership fee (EUR)	
October 95 (establishing)	21	4 760 (last quarter)	13
end 96	35	14 844	15
end 97	37	18 032	19
end 98	48	21 552	22

paying undiscipline, but the increasing ratio of small and medium sized enterprises. We foresee an ongoing turnup in the number of members, due to the new, attractive projects and the devoted work of our communications manager. 2-3 members do not pay their membership fee annually, in their case the Secretariat initiates

expulsion at the Presidium (Board).

The number of associated (non-profit, non-paying) members must not exceed two third of the ordinary members, so a parallel increase can be observed. The association also has some honorary individual members.

SECRETARIAT - EMPLOYEES

KÖVET could employ new professionals, as a beneficial "side-effect" of successful project applications. In 1998 this increase was dramatic, from 2 to 5. The recent goal is to stabilize the number of employees, as some of the sponsored programs will ruin out in 1999. We consider as a large accomplishment, that huge interest was shown when we advertised a vacancy. We searched a manager and an assistant for the POEMS program in October and interviewed over 30 applicants, 80 % environmental engineers.

The table summarizes employee responsibilities and qualifications:

Name	Responsibility	Qualification	Start of employment
Györgyi CICÁS	project manager (TISOT)	environmental engineer	Oct. 1998
Ágnes KRE CZ	communications manager (EMS register, events, PR, new programs, TISOT)	food engineer, human ecologist	Feb. 1998
Gergely TÓTH	executive director (programs: environmental manager and auditor training, GEMS, bulletin, training)	economist	May 1995
Tamás WEISZ on civil service	assistant (administration, library, registers, TISOT)	mechanic engineer, env. tech.	Nov. 1998

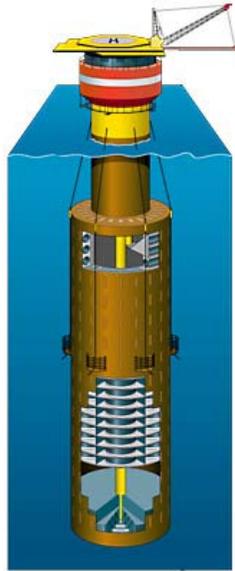
Gabriella ZSÓTÉR	project manager (environmentally friendly office, homepage, bulletin)	economist	Aug. 1997
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ONGOING ACTIVITIES

Events

Apart from internal meetings (general assembly, etc.) we have organized more experience exchanges:

- EMS – recent tasks
- integrated environmental management in trade - the example of a catalogue house
- Visiting the Paks Nuclear Power Plant
- Shell Hungary: Consequences of the Brent Spar case



The famous drilling platform of Shell UK, Brent Spar. First condemned to sinking, then recycled as a pier, after the international protest stimulated by GreenPeace. Its height is 137 m. GreenPeace

KÖVET organized its annual conference on the Earth Day, April 22, titled "Environmentally oriented business practice 3 - Hungarian and foreign experience at ISO 14001 certified companies". The conference, organized in an environmentally aware managed hotel in the Danube Bend (Visegrád) attracted 100 participants.

Our association cooperated with the Hungarian Cleaner Production Center (HCPC) in organizing the environmental conference of the Tech Com Hungary Project, on cleaner production. At the conference we could welcome the first KÖVET member from the USA, also fruitful cooperation seems to evolve with the Global Environmental Technology Foundation.

The representatives of KÖVET also hold several lectures at Hungarian and international conferences. One of them was the Summer Academy of the German Environmental Foundation (DBU), on material flow management. DBU is among the biggest donors of environmental projects.

Publications

- *Bulletin „Zölden és nyereségesen” (“Green and profitable”)*

The quarterly bulletin of KÖVET 1998 has a new name and appearance since mid 1998, due to the fact that KÖVET and the UNEP and UNIDO established HCPC joined forces to publish a more massive and professional magazine. Circulation and number of pages have roughly doubled.

Highlights in 1998:

- Environmental aspects of the plastics industry
- Environmental management in the trade sector
- Environmental security - a compulsory environmental liability insurance scheme
- The Ökoprofit program
- KÖVET's role in the Hungarian ISO 14000 process
- Environmental databases on the Internet
- Fifth INEM Partnership Exchange
- EMAS and the IPPC directive
- KÖVET national EMS register
- Regular sections: new environmental regulation, new members, calendar of events, vacancies

- *„KÖVET Up-to-date“*

A significant proportion of the news (e.g. events) become out-of-date by the time the bulletin is published, so we send a more frequent report on 2-3 pages to members and partners, through electronic mail.

- *"Georg Winter: Green and Profitable - A Guidebook to Environmentally Aware Business Management"*

Dr. Winter's "Blueprint of Environmental Management", published in 1997 in Hungarian, and became a basic piece of literature for environmental managers, ISO 14000 experts and other professionals. The book was awarded the title the "Environmental Management Handbook of the Year '98", by the Hungarian Quality Society.



- *„Overview of the Hungarian Environmental Technology Industry“*

The Foundation for the Technological Progress of Industry requested KÖVET to put together an informative guide to the Hungarian environmental technology market for American investors, in the frame of the Tech-Com project, on 80 pages.

- *„The Environmentally Friendly Office“ - a handbook*

As part of the project, a practical handbook is going to be published in May 1999, detailing opportunities for saving health and the environment e.g. related to paper consumption, furniture, office hazardous waste, procurement of office equipment.

Expert advice

- *Environmental Management Systems (ISO 14001 / EMAS)*

KÖVET is playing a catalyst role in the Hungarian ISO 14000 process. We are keeping the national ISO 14001 register and update it quarterly, to keep the list of EMS consultants, certifiers and certified companies. KÖVET's representatives also participate in the adaptation of all ISO 14000 standards, and have an indirect influence on the work of the ISO TC 207 through the Hungarian Standards Institute and INEM. We are collecting EMS best practice and guidebooks.

- *Environmental manager and auditor training - specification for qualification and model course*

The Hungarian Ministry for Foreign Affairs offered a tender from Phare sources, to work out a model course for environmental manager and auditor training, which would be the basis for an officially registered course in Hungary. Recipient institution is the Hungarian Standards Institute, who owns all material and is entitled to hold the training on a regular basis. An expert team lead by KÖVET-INEM Hungária won the contract, and worked out a 12 day course not limited to ISO 14001 and auditing, but offering up-to-date knowledge on environmentally friendly products, environmental performance evaluation, cleaner production, environmental cost accounting, etc. The training was very successful, 38 participants completed the four exams, although originally only 20 places were offered.



- *Case studies on environmentally aware company management at small and medium sized enterprises*

KÖVET completed this year four detailed case studies about companies BOKOM, Dunapack Packaging Factory, Herend Porcelain Manufactory and Hotel Silvanus. Case studies show the actions, development and results of the environmentally aware management illustrated by data.

- *KÖTET - The homepage for environmental management in Hungary*

KÖVET received HUF 3 million in 1998-1999 from the Central Environmental Fund, as an earmarked grant. The main goal was to

establish a homepage to promote and disseminate practical methods and positive examples of ecologically and economically sensible management through the Internet. Address of web-site is <http://kovet.ktm.hu>

At our proposal, Tibor Kőházi (Siemens Investor) got the joint award of the Foundation Industry for Environment and the Foundation for the technological progress of the Industry, among others.

We have assisted a number of students in their research activity, writing a thesis, via advice, addresses and special literature.

Future expert activities are outlined in the planned programs.

Training activity

- *The environmentally friendly office training and guidebook*

KÖVET's staffs hold one-day training for representatives of different companies, on a regular basis. Among participants the biggest Hungarian companies -such as MATÁV (Hungarian Telecommunication Co.), Hungarian Post- are represented, as well as smaller firms. After the training participants can take the necessary environmental measures in their offices based on the training material.

Model offices have been elaborated at Deloitte & Touche, Goma Rt and Zsiráf journal.



- *„How can we improve our market situation by environmentally aware management?“ - one-day training for top management of companies*

KÖVET organized a one-day training at the request of the Dreher Brewery Co. with four presentations from Dr. Sándor Kerekes (BUES), Dr. Csaba Kiss (EMLA), Miklós Galli (TTMK) and Gergely Tóth (KÖVET). The main goal was the further improvement of the operating environmental management system. The training on 30th November was successful, with more than 30 participants. There were other companies interested in the training, which is flexible enough to tailor it to the individual preferences of the client.

Publicity for environmental management

- *Media work*

Besides short interviews given by KÖVET representatives, the Hungarian public television devoted a half hour program to environmental management, on the occasion of publishing Georg Winter's Blueprint for Green Management in

Hungarian (GAIA, MTV 2, 27 February). Experts from KÖVET and member companies spoke on their experience. On the fall, Ilona Bayer's program, "The Green Zone" introduced KÖVET activities. Among others, the Herend Procelain Manufacture and TÜV Rheinland Hungária presented environmental management. Still, business and environment is far from being publicized enough.

- *Case studies*

Greenleaf Publishing will publish the English version of the four above-mentioned case studies (edited by the INEM Main Secretariat). We will publish shorter case studies in our bulletin (for example on Neckermann Versand AG). Some of the cases are used at the Budapest University of Economic Sciences, for environmental management training.

- *Special press*

KÖVET regularly reports actual events and other news in connection with the subject in the magazine "Műszaki Magazin" (Technology Magazine) since the middle of the year. One of our colleagues met several car factories and publishes her experiences as a series of articles. Occasionally we publish articles in other specialist journals². We have helped several journalists with data to write their articles³. We advertised our POEMS program in many newspapers, journals and magazines. (HVG, Sansz, Környezetvédelem, Műszaki Magazin, Magyar Minőség)

Ongoing and planned projects

The following table contains current and future programs of KÖVET. For the first group financing is guaranteed, implementation is underway, for some items in the second group we have already submitted grant proposals, others only exist on paper or in our heads.

Title	Short description	Implementation
CURRENT		
GEMS Global Environmental Management	GEMS have been conducted by INEM ⁴ organizations in Argentina and Brazil, in 1998-1999 the survey is conducted in Hungary. The survey is based on an interview method, the	KÖVET and INEM made a successful application to the German Environmental Foundation (DFU)

² For example Kék, Mónika – Nemcsicsné, Zsóka Ágnes – Tóth, Gergely: Banks turning green, Bankszemle, 1998/1-2, page 73-88.

Tóth, Gergely: Choice of career of economist: environmental protection and/or career? ,Környezetvédelem, vol. VI. No.'98/4.

³ For example: Thirsty for green, Figyelő, 23rd July, 1998

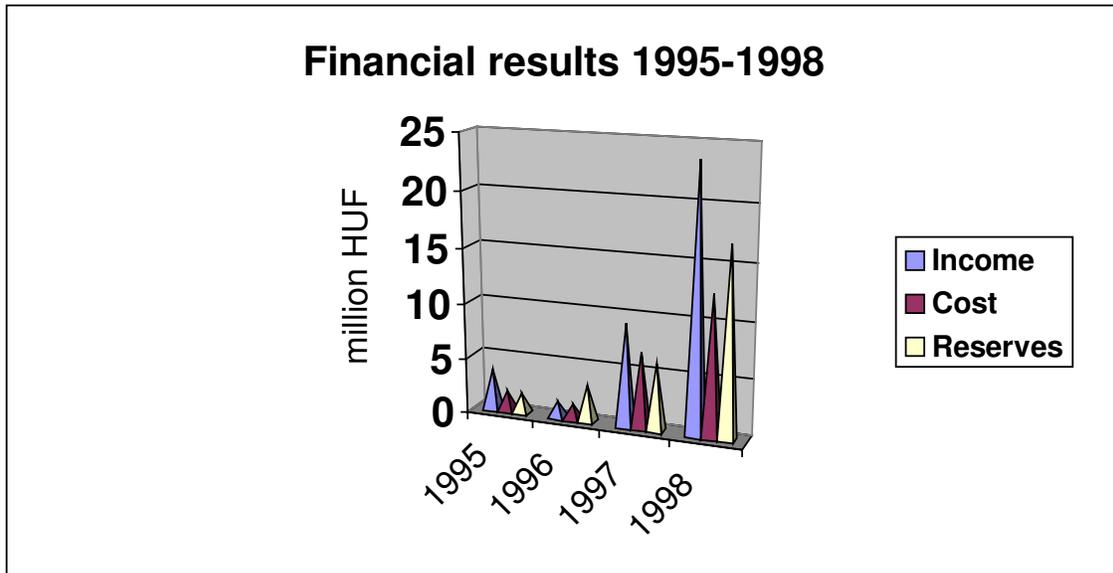
⁴ International Network for Environmental Management,

Title	Short description	Implementation
Survey implementation in Hungary	representative sample comprises 370 manufacturing companies of variable size, activity and location. Multivariable statistic methods are used for the analysis, which was worked out by the Budapest University of Economics.	Foundation (DBU), project budget exceeds 50 Th. DEM. The survey has started in April 1998 and finishes in July 1999.
The environmentally friendly office	Elaboration of a guide and training for implementation of the environmentally and human friendly office. Setting up 3 model offices at companies.	KÖVET and INEM made a successful application to the DBU, project budget is about 4 M HUF. The project has started in August 1997, and finished in May 1999.
POEMS Pollution prevention and environmental management system consultation	This project is based on experiences of the Ökoprofit program (worked-out by Austrian Stenum GmbH). Representatives of 10-20 Hungarian companies (including small and medium sized enterprises) meet on a monthly basis for a year, and introduce environmental management system and cleaner production measures simultaneously. The participants will achieve measurable pollution reduction and they will have operating EMS with the assistance of the POEMS.	KÖVET and INEM made a successful application to the Phare Partnership Program and DBU, project budget exceeds 20 M HUF. The project has started in autumn 1998, duration of it is 20 months.
Environmental manager and auditor training - specification for qualification and model course	Several firms offer different types of training in connection with ISO 14001. The Hungarian Ministry for Foreign Affairs offered a tender from Phare sources, to work out a model course for environmental manager and auditor training. An expert team lead by KÖVET-INEM Hungária won the contract.	The project budget is 4 M HUF. The two-week model training has started in February 1999 and finished in March.
Homepage for environmentally aware management in Hungary	Topics: What can we do on different areas of the operation of companies?, Guide for environmental purchasing, EMS, Pollution Prevention, Internal environmental training, motivation system, External communication (e.g. environmental reporting), Other tools of environmentally aware management, Environmentally friendly offices, Eco-sponsoring, Surveys about environmental orientation of Hungarian companies, Codes of Conduct, Case studies about environmentally aware management, Literature, etc.	Central Environmental Fund financial assistance: 3 M HUF, finish: June 1999.
PLANNED		
regEM Regional offices	KÖVET and TTMK have methods and information that can help companies' environmental management at the practical	KÖVET and TTMK made an application to the Phare Partnership Program

Title	Short description	Implementation
for dissemination of environmentally aware management and cleaner production, eco-mapping for micro-firms	environmental management at the practical level. We would like to establish 5-6 joint offices at existing institutes for dissemination of these methods. We would also distribute a tool developed in Belgium; eco-mapping, which gives an approximate environmental review and management program for micro enterprises, without complicated documentation system, with one-day work.	Phare Partnership Program.
TECCH Development of small and medium sized enterprises through the improvement of their environmental performance	UNIDO would like to start its TECCH program (sponsored by EU and OECD), which goals at developing the small and medium sized enterprises through the improvement of their environmental performance. The TECCH (Technology, Environment, Competitiveness and Change Management) program will be a part of the national economy development program according to the plans. This will contain projects for improvement of environmentally awareness and environmental performance of companies and their market position. UNIDO commissioned KÖVET to elaborate the national concept paper. 30 independent projects have been worked out in 6 categories.	UNIDO got the national concept paper of TECCH implementation at the end of 1998, we hope that they will be able to raise the necessary funds.
Evaluation of environmental performance of companies, awarding the national environmental prize.	This project aims at the elaboration of company specific system for environmental performance with indicators, based on experiences of the German Environmental Ministry and ISO 14031 standards. Creation of a central award system similar to Hungarian Quality Award, extending the award system of IMFA and IKA ⁵ .	Application for the Environmental Science Research and Nature Conservation Program: „Quantitative evaluation of environmental performance of companies”, Application to IMFA: „Environmental award for manufacturing companies”.
Environmental preparation and qualification of suppliers in 5 steps	EMAS and ISO 14001 prescribe the environmental survey and motivation of suppliers but the big enterprises often solve this only by sending questionnaires and acknowledging premature state of environmental management at SMEs. It is also usually unreal to require all very small suppliers to introduce EMS. There is a qualification system, developed by the	KÖVET plans with TTMK an application to Phare Partnership Program.

⁵ Foundation of Industry for Environment

Title	Short description	Implementation
	<p><i>Business Environment Association</i>, which is tested within the framework of a multinational project. The first step (bronze) requires only the complying with the relevant environmental legislation, and the fifth step (platinum) prescribes the certified EMS. Ten big English enterprises participated in a pilot project, which has good chance to be introduced at the EU level.</p>	
Solar Campaign	<p>The goal of the project "<i>Solar Kampagne 2000</i>" of BAUM (INEM Germany) is to achieve breakthrough in the utilization of solar energy, in three years, in Germany. The solar collectors used for heating and warm water production are economically compatible with the traditional energy sources. BAUM cooperating with the associations of designers, architectures and solar panel manufacturers started a large-scale campaign to put solar collectors to the roofs of the public buildings and private houses. The press also participates in the campaign. We would like to raise funds for a feasibility study of a similar project in Hungary.</p>	Application is under preparation.
Environmental cost accounting	<p>This project aims at showing the though costs related to environment in the business information system. The main goal is to present that pollution is more expensive than waste disposal, so environmentally aware operation is profitable. Demonstration projects and training are planned.</p>	Plan
Promotion of environmentally friendly products	<p>Life cycle analysis, extension of environmentally friendly products labeling. Demonstration projects, exchange of experience, education.</p>	Application for printing brochures: EU Approximation Grants, Hungarian Ministry of Foreign Affairs
Sectoral projects (based primarily on English, French and German experience)	<p>Check lists, codes of conduct, exchange of experience, dissemination of best practices among others in the following areas:</p> <ul style="list-style-type: none"> ■ industrial parks ■ agriculture ■ communities ■ "green" purchasing ■ banks ■ trade ■ hospitals ■ small and medium sized enterprises 	Plan



PLANS FOR 1999

The main goal of KÖVET is to extend the range of member services and to successfully complete the current projects, which are beneficial on the one hand, but strain the Secretariat on the other. Besides that, we will make new applications for realizing the above mentioned projects.

Our activities, trainings and events are continued similar to last year. Our annual conference is organized on 16-17th June about evaluation and improvement of company environmental performance.

Beyond that we participate in other projects cooperating with our members and partners (for example AIESEC - Planet). We would like to continue that and we are waiting for other possibilities.

Timing of the current projects is summarized in the following table:

Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
Env. friendly office											
GEMS											
KÖTET homepage											
Environmental manager and auditor training											
POEMS										→ June 2000	

We hope that in the second half of this year at least 1-2 of our applications will be successful, and we can start other projects.





Staff of the KÖVET Secretariat

(from right to left: Tamás Weisz, Györgyi Cicás, Gergely Tóth,
Ágnes Krecz, Gabriella Zsótér)