

FINAL REPORT

Project No. :	Project No.21710233
Name of the project:	Improvement of co-operatives' legislation for promotion of social coherence
Grantee (name, address)	Országos Szövetkezeti Tanács H-1075 Budapest Károly krt. 5/a
Name of the person responsible for the project, telephone number, e-mail	Mr. Zoltán SZABÓ dr. +36205657213;oszovtan@gmail.com
Participating Partners:	1. The Auditing Union of Housing Co-operatives of Poland
	2. Slovak University of Agriculture in Nitra
	3. Institute for Foreign Affairs and Trade Budapest
	4. "HANGYA" Co-operative Association
	5. University of Economy in Bratislava Dept. Social Development and Labour) joined later as volunteer

1. Short description of all events (incl. number of participants: performers, lecturers, organizers, visitors etc.)

Step 1

Preparation of project

Following the conclusion of the contract, under professional guidance of Mr. Zoltán Szabó, in order to overlook the situation questionnaire was prepared by searching the Embassies of the V4 countries in Hungary and the co-operative lobby organizations of V4 countries. The questionnaire was also sent to lobby organizations of some other neighbouring countries (HR, SLO, RO, BG) for a wider professional outlook. Primary processing of the questionnaires received was presented at the conference held in Budapest, October 16, 2017 (see In the attached presentations of the conference), final analysis on the basis of the conference discussion and the annex in Hungarian.

In addition to the outlined professional preparation, the first stage was the organizing work for the conference in Budapest and aftercare, including the invitation of domestic and foreign performers, the organization of related travelling, technical and catering services as well. The Cooperative Research Institute (Budapest) based on contract participated in the professional tasks of the organizing work, and the human conditions of organizational works were implemented by the cooperation of HANGYA Cooperatives as its "in kind" contribution.

Step 2

Conference in Budapest

On October 16, 2017, a professional event was held for the content review of the project for the codification of co-operative principles at European level. The event organized with the professional support of the Hungarian Cooperative Research Institute reviewed the direct and comprehensive scientific background of petition submitted by the partners to the European Parliament. The meeting analysed the implementation of co-operative principles in the participating countries on the basis of a questionnaire sent to partners and other Eastern European countries. The conference program (see the poster in attachment) was follows:

9 00- 1000 Registration

10 00 – 10 10 WELCOME AND OPENING SPEECHES

Lajos KÓSA Minister without portfolio

Krisztina VARJU Ministry of Foreign Affairs and External Trade, Ministerial Commissioner responsible for V4 Presidency of Hungary

10 10- 10 30 LAUDATIONS

PhD Jerzy JANKOWSKI, President of the Management Board, Auditing Union of Housing Cooperatives PL

Márton SCHŐBERL Director of Institute for Foreign Affairs and External Trade, Ambassador

Vilmos PATAY, President of National Co-operative Council HU

10 30- 12 20 PRESENTATIONS

10 30- 11 00 Prof. Hagen HENRY, Research Director, University of Helsinki Ruralia Institute, Expert of ILO and ICA

11 00- 11 20 Dr. habil. László VASA PhD, dep. Head of Foreign and Ext. Trade Inst. HU

11 20- 11 40 Jerzy JANKOWSKI, President of the Management Board, Auditing Union of Housing Cooperatives PLPL and Piotr PAŁKA, Legal advisor to the Auditing Union of Housing Cooperatives PL -
Correferatum to presentations Zoltán SZABÓ CSc. project coordinator

11 40- 12 00 Éva Pongraczová Ing. PhD Assistant Professor, University of Economy in Bratislava
12 00-12 20 Dr. habil. Mária RÉTI PhD Director of Cooperative Research Institute HU – Correferatum to presentation Dr. Klára BAK, colleague Cooperative Research Institute HU
12 20- 13 45 LUNCH
13 45- 15 45 ROUND TABLE DISCUSSION BASED ON THE QUESTIONNAIRE
all participants of conference, moderator Zoltán SZABÓ CSc. project coordinator
15 45 -16 00 SUMMARY AND CLOSING SPEECH
Vilmos PATAY President of National Co-operative Council HU

Including the foreign partners mentioned in the program above 69 people registered to the event, in line with the V4 + approach, from Romania (Transylvania) and Croatia. (Croatian participants did not arrive due to a technical failure.)

For the mutual understanding of Hungarian and foreign participants, it was simultaneous interpretation in Hungarian-English-Polish languages. Through the technical device system of simultaneous translation, recording was made in the original language of the contributors, which is owned by the OSZT. The presentations are available at <http://osz.hu/hirek/szovetkezeti-alapelvek-ervenyesuleseert> and in the attachment. The list of 43 participants, which not includes the organizers, and lecturers you will find also as attachment.

The professional summary of the conference is carried out by the Co-operative Research Institute on the basis of mentioned contractual framework, and edited under title "Recommendations" (see as attachment both in HU and its summary in EN). This document served as the main professional guideline for the next phase of the project.

Step 3

Conference on Co-operative Principles in Brussels

In the framework of the project supported by the Visegrád (V4) Fund, a conference was held on 31 January 2018 in the Permanent EU representation of Hungary about the implementation of co-operative principles in EU law. To this event a wide circle of decision makers and lobby organization was invited. The list of invited persons, respectively the 16 participants you will find as attachment as a separate file.

Opening of the event, MEP Mr. Norbert Erdős emphasized that the Christian-social roots of co-operatives is an important element of European identity, so it is important to enforce the co-operative principles in legislation. He stressed in his speech that this is in line with the spirit of the FIDESZ-KDNP fraction and he will personally work in furthering this theme towards fraction of EPP.

Mr. Vilmos Patay, Chairman of National Co-operative Council (HU), and organizer of event, pointed out that the main objective of this conference the continuation the professional work, which started on the conference held in October 2017 in order to provide to the EP a deeper professional proposal together V4 and V4 + partners. Jerzy Jankowski, president of the Polish Housing Co-operative Association, presented the processes in which, due to the absence of a single European regulation, the legal framework of co-operatives in the Polish legislation has moved towards company law.

As a professional start of the event, the relevance of the EU legal status of co-operative principles was summed up by Mrs. Klára Bak, expert of the Cooperative Research Institute Nonprofit Kft. (All presentations see as attachment.) Her lecture included different topic, including the importance of co-operative in Europe based on statistical data, and the EU documents which emphasizes the significance of the cooperative form, the benefits inherent in it, the form is seen as an effective and suitable tool in many areas, and its role as a whole in promoting economic, environmental, social and cultural sustainability. Mrs. Bak introduced the co-operative principles along which the cooperative can act as a "real" co-operative and enforce the complex advantages inherent in it. She emphasized that the ILO recommendations, the ICA principles, appear in European law as a reference and not as a normative rule, thus the legal environment of the co-operative sector in the new Member States has not developed in a coherent manner like in the old member states. Mr. Zoltán Szabó, the secretary general of HANGYA Co-operative Association, presented the differences in the application and legal interpretation of the principles based on the replies to the questionnaires sent to the cooperatives of the V4 + countries and the Embassies of V4 countries in Hungary, which is currently a brake on the economic development of the cooperative sector. In the absence of constitutional recognition it is important, there are no elements at the level of economic legislation which would have regard to the special situation of cooperatives related to profit-making.

During the debate of presentations Mr. Tomislav Klariz-Kukuz, Head of the Croatian Cooperative Enterprise Center explained that the special property and tax problems of co-operatives are not solved by the principles themselves, legal norms are needed. Mr. Jerzy Jankowski also emphasized that without the legal regulation of the co-operatives' speciality, the member and co-operative are forced to double taxation. Mr. Umberto DiPasquo, representative of COGECA, emphasized that the review of European co-operative law was initiated earlier by them and the participants of this project could count on their support for both the other international organizations and the EP as well.

After a coffee break was held a discussion about the materials presented at the Budapest Conference. As an introduction, Mr. Zoltán Szabó has drawn attention to the fact that the conditions arising from the allocation of capital results serious social inequalities without the recognition and application of common values and interests, and this is the case in relation of the global world and the V4 countries. He underlined that common

values are embodied by cooperative principles that almost completely relevant to public goods, so the co-operative system is primarily suitable for the management of economic and social inequalities. It also drew attention to the fact that the defining weakness of the regulations concerning the economic participation of members in the cooperative, ignoring the fact that this relationship not based on profits opposing to the cooperative's external profit-making activity. After this Mrs. Klára Bak presented the recommendations set out in the October conference. The participants welcomed the recommendations and expressed their support for the points included in the recommendations.

Mrs. Helene Diane, representative of DG Grow, underlined the need to find the institutional section in the EU that specifically addresses this issue. There is need some surfaces to be searched where they notice the subject. Mr. Umberto DiPasquo proposed that it would be worthwhile to contact Cooperatives Europe on behalf of the stakeholder organization. Mrs. Edit Lakatos expressed her support for the initiative as representative of Housing Europe.

As a conclusion of the event, Mr. Vilmos Patay informed the participants that the messages of the conference were clarified in a further event - a wider European participation - in May, preparing for the topic in autumn to be raised on level of People's Party. In his closing statement Mr. Jerzy Jankowski emphasized that the event provided a good starting point for further progress and expressed the hope that their domestic government support for the initiative would hopefully advance the enforcement of cooperative principles in the national legal system.

2. Description of achieved aims (compared with expected results from the application, changes against original plan)

The main objective of the project was the preparation of adequate background analysis and documents for European Parliament to the co-operative's legislation. In this context:

- the questionnaire overlooked the similarity and differences amongst the V4 countries but in comparison to the original plan overcame by the involvement of co-operative lobby organizations from other Central- East European countries.
- the two conferences (in Budapest and in Brussels) provided possibilities to perform professional dialogues about the co-operative legislation but also the economic and social role of co-operatives as well
- on the basis of two conferences the "Recommendations" provided a solid guideline to prepare further proposal to the decision makers both on EU and national level as well
- the final conclusions of conference in Brussels determined the next step and background document to convince the decision makers.

3. Description of participation of "Visegrad partners" at the project, description of the project's Visegrad feature

According to the "Visegrad partner" character of the project the partnership was strong amongst participants from HU,PL and SK although due to other obligations of Nitra University its activity was low. At the same time from University of Economy in Bratislava Dept. Social Development and Labour we involved important professional knowledge based on volunteer partnership.

On the governmental level the Embassies of all V4 countries provided appropriate support for the establishment of a professional survey giving information on the state of the national legislation of co-operatives.

Due to the special position that Hungary hosted the V4 Presidency, the Hungarian governmental bodies paid special attention concerned to implementation of the project and provided national support for the professional activities.

4. Description of media coverage, outcomes (publications, audio/video production etc.) and other enclosed project documentation

All steps of project published on the website of Országos Szövetkezeti Tanács under section V4 project (<http://oszt.hu/hirek/v4-hirek>) By this way the whole process were transparent and to the co-operative partners gave appropriate information.

Related to the conference in Budapest the media gave high attention. From media Hungarian Television (MTVA), Echo TV, Hír TV and MTI reported on the event, the latter being published on the website of the Foreign Ministry and Ministry of Foreign Affairs.

Due to the promotional activity in the Hungarian media the following news are:

<http://www.kormany.hu/hu/kulgazdasagi-es-kulugyminiszterium/hirek/a-visegradi-oroszok-soros-magyar-elnoksege-fontosnak-tartja-a-szovetkezeti-egyuttmukodest>

http://magyarhirlap.hu/cikk/100587/A_szovetkezetek_által_is_erositenek_a_visegradi_egyuttmukodest

<http://www.hirado.hu/2017/10/16/a-v4-ek-soros-magyar-elnoksege-fontosnak-tartja-a-szovetkezeti-egyuttmukodest/?source=hirkereso>

The photos of two conferences see in attachment.

5. Financial settlement

Description of cost items NOT covered by IVF

I T E M description		Amount in EUR	Paid by Grantee, partner or other sponsor (name)
1.	HANGYA Co-operative Association personal service	2500	in kind service (HANGYA)
2.	Conference facilities (Inst. Foreign Affairs and Trade)	500	in kind service (IFAT)
3.	Professional tasks of the organizing work (Co-operative Research Institute, Budapest)	8145	Min. of Foreign Aff. (sponsor)
4.	Interpretation (Budapest conference)	1122	Min. of Foreign Aff. (sponsor)
5.	Technical support of interpretation (booth, sound for interpreters)	562	Min. of Foreign Aff. (sponsor)
6.	Catering for 50 persons	1759	Saving Bank (sponsor)
7.	Contribution of seat costs	1202	Országos Szövetkezeti Tanács
TOTAL		15790	

AMOUNTS in EUR					
Total costs of the project	Approved grant	IVF payments so far	Amount covered by IVF (including last expected payment transfer)	Amount NOT covered by IVF	IVF share on the total costs of the project in %
28176.57	14065	11252	12386,57	15790	43,96



Signature of the statutory representative:

Prepared by: Zoltán SZABÓ
Telephone No.: +36 20 56 57 213
E-mail: oszovtan@gmail.com

Date: 10.04.2018.

Final Evaluation (please leave blank, filled out by the IVF)

Finances	
Organization	
Goals	
Comments	