






# **Centralized National Risk Assessment for Hungary**

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## Risk assessments that have been finalized for Hungary

<b>Controlled Wood categories</b>		<b>Risk assessment completed?</b>
1	Illegally harvested wood	YES
2	Wood harvested in violation of traditional and human rights	YES
3	Wood from forests where high conservation values are threatened by management activities	YES
4	Wood from forests being converted to plantations or non-forest use	YES
5	Wood from forests in which genetically modified trees are planted	YES

## Risk designations in finalized risk assessments for Hungary

Indicator	Risk designation (including functional scale when relevant)
Controlled wood category 1: Illegally harvested wood	
1.1	<a href="#">Low risk</a>
1.2	<a href="#">NA</a>
1.3	<a href="#">Low risk</a>
1.4	<a href="#">Low risk</a>
1.5	<a href="#">NA</a>
1.6	<a href="#">Low risk</a>
1.7	<a href="#">Low risk</a>
1.8	<a href="#">Low risk</a>
1.9	<a href="#">Low risk</a>
1.10	<a href="#">Low risk</a>
1.11	<a href="#">Low risk</a>
1.12	<a href="#">Low risk</a>
1.13	<a href="#">Low risk</a>
1.14	<a href="#">NA</a>
1.15	<a href="#">NA</a>
1.16	<a href="#">Low risk</a>
1.17	<a href="#">Low risk</a>
1.18	<a href="#">Low risk</a>
1.19	<a href="#">Low risk</a>
1.20	<a href="#">Low risk</a>
1.21	<a href="#">Low risk</a>
Controlled wood category 2: Wood harvested in violation of traditional and human rights	
2.1	<a href="#">Low risk</a>
2.2	<a href="#">Low risk</a>
2.3	<a href="#">Low risk</a>
Controlled wood category 3: Wood from forests where high conservation values are threatened by management activities	
3.0	<a href="#">Low risk</a>
3.1	<a href="#">Low risk</a>
3.2	<a href="#">Low risk</a>
3.3	<a href="#">Low risk</a>
3.4	<a href="#">Low risk</a>
3.5	<a href="#">Low risk</a>
3.6	<a href="#">Low risk</a>
Controlled wood category 4: Wood from forests being converted to plantations or non-forest use	
4.1	<a href="#">Low risk</a>
Controlled wood category 5: Wood from forests in which genetically modified trees are planted	
5.1	<a href="#">Low risk</a>

# Risk assessments

## Controlled wood category 1: Illegally harvested wood

### Overview

#### Forest history and current objectives

Hungary boasts one of the most elaborate and longstanding traditions regarding sustainable forest management of any country in the world. In addition, to complex current legal and regulatory frameworks, the sustainable culture is rooted in history. Some developments in the last decade are:

- 2004. Joined the EU and start complying with EU legislations.
- 2006-2015 The last decades brought extraordinary political and legal changes in Hungary, including the accession to the EU. The major result of the international forest policy developments in Hungary was definitely the set-up of the National Forest Programme (NFP) for the period 2006-2015. The NFP embraced ten main goals such as nature protection in forest, development of state and private forest management, or the modern forms of forest protection.
- 2009. One main aim of the Act Nr. XXXVII of 2009 is to drive forests closer to their natural conditions. On one hand, the act defines 'quantitative naturalness' and prescribes that it should not decrease due to management activities. On the other hand, it prescribes continuous cover forestry methods on a predetermined area of state-owned forests. Furthermore, it enables NGOs' contribution in forest management planning.
- 2010. Forest administration becomes the responsibility of the Forestry Directorate of National Food Chain Safety Office (coordinating and supervisory organ) and under its supervision, the ten Forestry Directorates of the County Government Offices. Legal predecessors were the Forestry Directorates of the Central and the County Agricultural Offices between 2007 and 2010, and the State Forest Service before 2007.
- 2015. The majority of the forests, more than 1 million ha, are owned by the state and managed by [22 state forest companies](#), of which 19 are now under the control of the Hungarian National Asset Management Company. The 3 remaining are managed by the ministry of defence. Most of the 22 companies were raised between 1965-1970.
- 2016. Hungary adopts the: ["National Forest Strategy 2016-2030"](#) (NFS). This is the follow up of the 2006-2015 NFP (see above). The NFS objectives concentrate on:
  - Development of state forest management
  - Development of private forest management
  - Rural and regional development, afforestation, conservation of forests
  - Nature protection in forest
  - Modern forest protection
  - Sustainable game management
  - Rational wood utilization

- Tasks of the forest administration
- Research, education and production development
- Efficient communication about the forest to improve man-forest relations

Thus, the NFS remains the high political commitment for sustainable forest management and addresses current challenges: ensuring the conservation and enrichment of the forest, reducing of the impacts of climate change and considering the impact of natural factors and human interventions on forest ecosystems and habitats. The NFS also takes into account an increasing social support for efforts to promote nature conservation in forests and the extension of close-to-nature forest management.

Hungary's vision for the forest is called 'Close-to-Nature Forest Management'. Systems ensuring continuous forest cover have been more and more applied in the last years. The common feature of these systems is that there is no final cutting and consequently contiguous large areas without tree stands do not occur. In Hungary, three kinds of such systems are defined: the selection system (harvests are carried out frequently but only in small patches), the transition system (the main objective of which is to switch from rotation system to selection system) and the 'non-productive' system (with the main aim to let natural processes take their course).

### **Forest statistics in Hungary**

National Food Chain Safety Office, Forestry Department (NFCSSO-FD) states that the total forest cover in the country has reached 20,8% of the total land area of the country, some 1 940 719 ha in 2016.

Almost 56% of the forests in Hungary is state owned, 1% by local communities (usually municipal, town and city councils) and 43% of the forests is in the hands of private owners.

The majority of Hungary belongs to the European deciduous forest zone, parts of the Great Plain to the forest-steppe zone. A substantial part of the Hungarian forests is categorized as natural, close-to-nature and semi-natural forest (24%). Second growth forest counts for 29% and cultivated and park forests for 34%. The remaining is made up of plantations (7%) and transition forests (6%).

An overwhelming majority of the forests consist of broad-leaved species. Black locust (*Robinia pseudoacacia*) (25%) and oak species (*Quercus petraea* and *Quercus robur*) (20%) take the biggest share, followed by Turkey oak (*Quercus cerris*) (8%) and poplar species. Conifers (10%) are classed as introduced species, but quite a high proportion of the broad-leaved forests also consist of introduced species, such as the Black locust (*Robinia pseudoacacia*) and improved poplars (*Populus spp.*). The most characteristic feature of the Hungarian forests is the wide variety of broad-leaved species, forming mixed, often multi-storey stands.

The total growing stock of the country (378 million m<sup>3</sup>) has been increasing steadily over the past few decades. Most of the growing stock can be found in productive forests (332 million m<sup>3</sup>). There is a 13 million m<sup>3</sup> gross annual increment. The annual harvest over 2015 was 7 355 000 m<sup>3</sup> of which 4 547 000 m<sup>3</sup> (61%) came from State forests and the remaining 2 808 000 m<sup>3</sup> (39%) from private forest owners. Thus, the annual harvest is about 53% of the annual increment.

## Forest Management

- **Minister for Agriculture.** Within the organization of the Ministry, the Department of Forestry and Hunting is in charge of carrying out the forestry sector's regulatory and legal management tasks.
- **Minister for Agriculture, Secretariat for Nature Conservation and Environment Protection.** National park management. Protected areas of Hungary include 10 national parks, 35 landscape protection areas and 145 minor nature reserves).
- **Forestry Authority/Forestry administration. The National Food Chain Safety Office, Forestry Department (NFC SO-FD)** is the central governmental body executing authority functions in forestry, acting at national level. It is part of the Minister of Agriculture and Rural Development. The forestry authority functions at first instance (local forestry authority) are the joined County Government Offices with a forestry department (CGO). There are 10 such CGO offices in Hungary. Each county forestry Department employs 25-50 people. Their tasks and responsibilities are forest management planning, forestry inspection, and other administrative tasks, meaning that the local forestry authority staff does not carry out any practical forest management activities. NFC SO-FD and CGO FD are in close cooperation but not subordinated to each other.
- **22 state forest management companies.** The management of the state forests is mainly carried out by 22 state forest management companies. 19 of these companies are under the control of the Hungarian National Asset Management Company. The 3 remaining ones are managed by the ministry of defence. Most of the 22 companies were raised between 1965-1970 (lit 4).
- **NARIC Forest Research Institute ([ERTI](#)).** The main Forest Research Institute in Hungary.

## Categories of protection in Hungary:

Protective forests in Hungary are mostly defined by legal regulations and forest management plans. In Hungary, protection forests and special purpose forests and the forest included in national, regional or landscape parks are treated as protected forests. Considering the current legislation in Hungary, protected areas are explicitly mentioned in the Act LIV of 1996 on Forests and the Protection of Forests, Act No. LIII of 1996 on Nature Conservation and Act No. XXXVII of 2009 on forests, on the protection and management of forests. There is an online tool ([NCIS](#)) where all protected areas can be found (including Natura2000). Besides that, there is a Natura2000 [online platform](#) where these and many other functions can be viewed.

The current definition of protected forests refers to forest areas with special (additional) legislative regulation adding some additional restrictions, so that forest management significantly defers from non-protected forest areas. Legally, forests are classified as protection forests mostly where rare site conditions are presented or where extraordinary environmental values are presented (habitats). Because of that, active intervention in protection forests is quite limited.

Protected areas of Hungary include 10 national parks, 35 landscape protection areas and 145 minor nature reserves. Please see Category 3 of this risk assessment for a full overview.

## Forest operations and felling permits



Forest planning is regulated at the highest level by the Forest Management Plan Regulation issued by the responsible Minister. The Regulation includes the main limits of forest management activities (e.g. the maximum volume or area of timber harvest are prescribed). The result of the forest planning activity is the forest management plan. It is based on field surveys and prescribes tasks and their timelines that must be fulfilled during the next 10-year-long-period. Each forest manager receives his or her forest management plan (in the form of a decision) which describes his or her rights and responsibilities. Requested derogation from the forest management plan might occur exceptionally, but only on request. Forest management planning activities cover the entire forest area of Hungary. About one tenth of the forest area of Hungary is subject to forest management planning each year. In other words, each forest sub compartment is planned once in every 10 years. Forest management planning is conducted in each forest district separately. 100% of the forests in Hungary are under forest management planning, and all such plans are made by the Forestry Authorities on regional levels. Please see Category 3 of this risk assessment for a more detailed description.

*The findings of this report have been supported by stakeholder consultation and expert input (2017/2018).*

### Sources of legal timber in Republic of Hungary

Forest classification type	Permit/license type	Main license requirements	Clarification
State owned (including communal forests, owned by municipalities, towns and cities) forests in semi-natural permanent forest. These include plantations.	Harvesting permit.  Written 'declaration on harvest', for plantation.	Issued by NFCSO FD on the basis of harvesting and silvicultural plans  'Declaration on harvest' to be made by Forestry Authority (for plantations).	Official limitations explained in harvesting permits.  No such limitations in case of plantations.
Private forest in Semi-natural permanent forest, including plantations as well.	Harvesting permit  Written 'declaration on harvest', for plantation.	Issued by NFCSO FD on the basis of harvesting and silvicultural plans  Declaration on harvest' to be made by Forestry Authority (for plantations).	Official limitations explained in harvesting permits.  No such limitations in case of plantations.

Important note: this assessment of category 1 refers to all types of ownerships unless stated otherwise.

## **Important terms**

### **Primary function**

According to the Law on Forests, forests are multifunctional, and they provide multiple products and services simultaneously. It also states that their primary function shall be specified, in order to set and represent the long-term objectives of their management, as well as the associated possibilities and restrictions. Primary functions can be production, protection and recreation. These functions are further detailed according to their special purpose. Protection primary function for instance can be soil protection, nature conservation, water protection, etc., while recreation can be park and game park, and production can be timber production, mushroom production, propagation material production etc.

### **State of naturalness**

The Law on Forests defines the state of naturalness by defining 6 stages between natural forests and plantations. State of naturalness is a classification of forests with reference to their species composition and the extent to which natural processes prevail. The following categories apply:

- a) natural forest: Forest that presents natural forest type without disturbances suitable for the site conditions, where natural processes prevail, regeneration takes place naturally and where there are no invasive tree species.
- b) semi-natural forest: Forest that is similar to natural forests, but where regeneration might take place in an artificial way, and the proportion of species not suitable for the region do not exceed 20%, and invasive tree species are not present.
- c) secondary-forest: Forest of tree species that are naturally occurring on the specific site, but the structure of forest is disturbed by human influence, typically regenerated with planting or coppicing. Invasive tree species do not exceed 20%, and species not suitable for the region do not exceed 50%.
- d) intermediate forest: Forest significantly influenced by human disturbances with regards to its structure and species composition, where invasive tree species do not exceed 50%, and species not suitable for the region do not exceed 70%.
- e) semi-plantation forest: Forest that consist of species not suitable for the region at more than 70%, or the proportion of invasive tree species exceed 50%, and the native tree species do not reach 30% proportion in area.
- f) plantation forest: Forest that consist of introduced species completely, planted in precise spacing and the rotation period exceeds 15 years.

### **Silvicultural regime**

The silvicultural regime is the system of forestry operations that are aiming at maintaining the cycle of tending, harvesting and regenerating of forests. The pattern of timber harvest and regeneration shape the structure of the forests. The Law on Forests defines four types of silvicultural regimes: cutting forestry, continuous cover forestry, transitional forestry, and non-productive forestry. Cutting forestry creates even-aged forest structure, and the final cuts take place in spatial order and cyclical time. Continuous cover forestry results in forests of various age and spatial distribution that provides continuous cover. Transitional forestry has the primary goal to transform the cutting forestry to continuous cover forestry. Non-productive forestry aims to create natural or semi-natural forests.

## Categories of wooded land

### Forest

According to the 2009. évi XXXVII. törvény az erdőkről, az erdő védelméről és az erdőgazdálkodásról (Law on Forests) forests are at least 5 000 m<sup>2</sup> in area, 2 m in height, 20 m in width, and the canopy cover shall reach 50%.

### Autonomous Forests (Szabadrendelkezésű erdő)

As from 2009 there is a possibility to establish tree stands on (1) land of other land use form than forests, (2) on land previously not covered by forests, (3) without state co-financing. It also can be natural regeneration on no forest land. These stands are subject to the Law on Forest, but not all regulations apply to them. These are the autonomous forests. Their establishment shall be based on a plan of establishment approved by the Forestry Authority, and in case of protected areas or Natura 2000 sites, the Nature Conservation Authority. Timber removal and the replanting also needs to be declared to the Forestry Authority. Autonomous forests are not subject to forest management planning, but regulations regarding soil protection, protection against fire, avoidance of damages, timber transport, public access apply. EUTR regulations (EU Timber Regulation) are fully applied to timber originating from autonomous forests. No statistics are so far available.

### Tree Plantation (Faültetvény)

There are tree plantations that are not subject to the Law on Forests. 135/2017. (VI. 9.). The Regulation on the Woody Plantations (WP) Nr. 135/2017 regulates them (135/2017. sz. Korm. rendelet a fásszárú ültetvényekről). These areas are defined as, a plantation larger than 5 000 m<sup>2</sup> in size, consisting of species listed in the regulation (*Populus spp.*, *Salix alba*, *Robinia pseudoacacia*, *Juglans spp.*, *Salix viminalis*, *Alnus glutinosa*, *Fraxinus excelsior*, *Fraxinus angustifolia danubialis*, *Quercus rubra*, *Acer platanoides*) and managed in a maximum of 20 year-long rotation cycle. Three types are defined: energy plantations with 5 year or shorter rotation period, energy plantations with longer than 5-year rotation period and industrial plantation producing mostly industrial wood. Establishment of such plantations are to be approved by the Forestry Authority. Protected areas and Natura 2000 sites cannot be used for this purpose. Inventory of WPs is maintained by the Forestry Authority. Harvesting operations in a WP shall be declared to the Forestry Authority 21 days before the execution.

### Tree plantings (Fásítás)

Such a tree stands, which is made up by forest tree species, is smaller than 5000 m<sup>2</sup> with a canopy cover of less than 50%, or land with a land use form of pasture with a canopy cover of less than 30% or can be planted trees in line or single trees, as well.

### Forests with no timber production options (faanyagtermelést nem szolgáló erdők)

Forests where due to legal, economic or silvicultural reasons, no timber harvest is approved or is possible. These can be a) strictly protected forests, or forest reserves, b) forests producing propagation material, c) game enclosures, d) forests with steep slopes (slopes over 25%), forests with high risks of exposure to

no regeneration or risks to high soil damages. According to statistics, ca. 170 000 ha of forests belong to one or more of the mentioned categories (NFC SO FD 2013-2016).

## Risk assessment

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
<b>Legal rights to harvest</b>			
<p>1.1 Land tenure and management rights</p>	<p><b>Applicable laws and regulations</b>            2013. évi V. törvény a Polgári Törvénykönyvről (Civil Code) Chapter XLIV. and VLV.  <a href="http://njt.hu/cgi_bin/njt_doc.cgi?docid=159096.339348">http://njt.hu/cgi_bin/njt_doc.cgi?docid=159096.339348</a></p> <p>2009. évi XXXVII. törvény az erdőkről, az erdő védelméről és az erdőgazdálkodásról (Law on Forests) §17 - §21  <a href="http://njt.hu/cgi_bin/njt_doc.cgi?docid=124614.338934">http://njt.hu/cgi_bin/njt_doc.cgi?docid=124614.338934</a></p> <p>2011. évi CXCVI. Törvény a nemzeti vagyonról (Law on National Assets) all paragraphs  <a href="http://njt.hu/cgi_bin/njt_doc.cgi?docid=142898.339948">http://njt.hu/cgi_bin/njt_doc.cgi?docid=142898.339948</a></p> <p>2010. évi LXXXVII. Törvény a Nemzeti Földalapról (Law on National Land-pool) all paragraphs  <a href="http://njt.hu/cgi_bin/njt_doc.cgi?docid=132222.328056">http://njt.hu/cgi_bin/njt_doc.cgi?docid=132222.328056</a></p> <p><b>Legal Authority</b>            Forestry Authority (Erdészeti Hatóság)</p> <p><b>Legally required documents or records</b></p>	<p>Erdészettudományi Közlemények 2017. Study on the structure of private ownership  <a href="http://real.mtak.hu/61056/1/01_Mertl_Schiberna_u.pdf">http://real.mtak.hu/61056/1/01_Mertl_Schiberna_u.pdf</a></p> <p>FAO global forest resources assessment report for Hungary, 2015  <a href="http://www.fao.org/forest-resources-assessment/current-assessment/country-reports/en/FAO_Forest_resources_policy_legislation_and_use_of_wood_in_Hungary_1995">http://www.fao.org/forest-resources-assessment/current-assessment/country-reports/en/FAO_Forest_resources_policy_legislation_and_use_of_wood_in_Hungary_1995</a>  <a href="http://www.fao.org/docrep/w3722E/w3722e20.htm">http://www.fao.org/docrep/w3722E/w3722e20.htm</a></p> <p>FAO Forestry in a transitional economy: Hungary 1993 (about history and others)  <a href="http://www.fao.org/docrep/t4620e/t4620e04.htm">http://www.fao.org/docrep/t4620e/t4620e04.htm</a></p> <p>Stakeholder consultation, interviews with experts 2017.</p> <p>Forestry statistics 2015  <a href="http://portal.nebih.gov.hu/documents/10182/206281/Merleg_2015_v2.pdf/7">http://portal.nebih.gov.hu/documents/10182/206281/Merleg_2015_v2.pdf/7</a></p>	<p><b>Overview of Legal Requirements</b>            The Civil Code lays down the general provisions on lease agreements and specifies the rules on leasehold contracts. Such contracts shall be executed in writing and in general the lessee is entitled to collect the benefits of the thing, but he shall use the land in accordance with the requirements of prudent management. Rent shall be paid to the lessor.</p> <p>The Civil Code also sets the rules for joint ownership, which is relevant, as ca. 65% of private forests belongs to this category. Rules refer to the rights of co-owners to use the land, share its benefits and take part in making decisions.</p> <p>According to the Law on Forests, forest areas can only be used if the entitled user is registered by the Forestry Authority as the forest manager. It specifies the registration process of the forest manager, the applied rules and the requirements for forest management. It allows that there can be multiple users of the forests for different forest products, but only the legal user of wood gets registered. The law also allows that some of the user rights can be withheld by the owners and practiced by themselves. Another specialty in this law is that registered forest management advisors can represent the forest owner in forest management related processes without gaining the actual management rights. These advisors are forest management expert that are registered in a governmental database (that can be consulted) and are allowed to develop forest management plans and represents the owner in various forest management processes.</p>

<p>Registry of Forest Managers Registry of Forestry Advisors Contracts for forest use</p>	<p><a href="https://doi.org/10.18454/88d83ce-ba20-4bf9-b27a-fb4cfb590900">88d83ce-ba20-4bf9-b27a-fb4cfb590900</a></p> <p>Geneva timber and forest study paper 26. Private forest ownership in Europe. UNECE 2010 <a href="http://www.unece.org/fileadmin/DAM/timber/publications/SP-26.pdf">http://www.unece.org/fileadmin/DAM/timber/publications/SP-26.pdf</a></p> <p>Wald-Prinz. Waldbesitzer: Wem gehört der Wald? 2018. <a href="http://www.wald-prinz.de/waldbesitzer-wem-gehört-der-wald/665">http://www.wald-prinz.de/waldbesitzer-wem-gehört-der-wald/665</a></p> <p>Lett Béla 2016. Study on asset management in state forests (<a href="http://publicatio.nyme.hu/768/1/02_Lett_Bela_EVG_allami.pdf">http://publicatio.nyme.hu/768/1/02_Lett_Bela_EVG_allami.pdf</a>)</p> <p>CPI index 2017 <a href="https://www.transparency.org/country/HUN">https://www.transparency.org/country/HUN</a></p> <p>Global Forest Watch, Country profile 2017. <a href="http://www.globalforestwatch.org/country/HUN">http://www.globalforestwatch.org/country/HUN</a></p> <p>Chatham House Illegal Logging Indicators Country Report Card, 2017 <a href="https://www.illegal-logging.info/regions/hungary">https://www.illegal-logging.info/regions/hungary</a></p> <p>European court cases against Hungary, <a href="#">CURIA</a>, 2017</p> <p>World Bank: Worldwide Governance Indicators 2018</p>	<p>In addition to the general rules concerning all types of ownership, there are specific rules of managing state owned forests. According to the Law on National Assets, state owned forests are part of the national assets, and they shall be managed by state organizations and state-owned companies. In case of forests without production functions (e.g. nature conservation or recreation), the Law on National Land-pool sets specific rules referring to how these forests can be sold or exchanged to other owners, and how the state as the owner can be represented in various legal actions.</p> <p>In summary the management rights can only be legally practiced if the right holder provided written evidence of his rights, and the Forestry Authority registers the forest manager. Although, there might be other users of the forest that utilize forest products other than wood, this activity can only take place with the approval of the forest manager.</p> <p>The database of forest managers is administered by the Forestry Authority. According to its data from 2015, on 191 000 ha of forests, ca. 10% of the total forest area had no registered forest manager. Out of this amount ca. 174 000 ha are private forests, while 14 000 ha are state forests and ca. 3 000 ha are community forest land.</p> <p><b>Description of Risk</b> Since the Law on Forests was amended in 2017 there is little experience on how the new regulations will be applied in practice, especially in cases, when user rights are divided, withheld, or practiced by forestry advisors (such as in the case of co-owners described above). This ‘user rights’ issue is the main change in the 2017 amendment.</p> <p>The need for registration of the forest managers serves as the basis for the identification of the legally responsible management entity since the privatisation process ended by 1995. However, in the past ca. two decades, the area of forests without registered forest manager shows a declining tendency (from ca. 350 000 ha down to 160-200 000 ha). The amount of private forests without a registered forest manager varies between ca. 5-10% also in a</p>	<p>In addition to the general rules concerning all types of ownership, there are specific rules of managing state owned forests. According to the Law on National Assets, state owned forests are part of the national assets, and they shall be managed by state organizations and state-owned companies. In case of forests without production functions (e.g. nature conservation or recreation), the Law on National Land-pool sets specific rules referring to how these forests can be sold or exchanged to other owners, and how the state as the owner can be represented in various legal actions.</p> <p>In summary the management rights can only be legally practiced if the right holder provided written evidence of his rights, and the Forestry Authority registers the forest manager. 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This ‘user rights’ issue is the main change in the 2017 amendment.</p> <p>The need for registration of the forest managers serves as the basis for the identification of the legally responsible management entity since the privatisation process ended by 1995. However, in the past ca. two decades, the area of forests without registered forest manager shows a declining tendency (from ca. 350 000 ha down to 160-200 000 ha). The amount of private forests without a registered forest manager varies between ca. 5-10% also in a</p>
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		<p><a href="http://info.worldbank.org/governance/wgi/index.aspx#home">http://info.worldbank.org/governance/wgi/index.aspx#home</a></p>	<p>number of other countries in Europe, too (e.g Germany, see sources in middle column page 5).</p> <p>The relatively large area of forest without registered forest manager is on the one hand due to no policy support and consequently, no state incentives to finance this process further. Also, the owners have low motivation to follow the regulation, unless significant income can be expected from the management of their forests. Further, a minor risk is that it can be assumed that a certain part of the entries in the forest managers' database is not valid, due to various reasons, such as death or bankruptcy,</p> <p>The above should not be confused with land 'ownership'. As per 2000 (FAO 2015) all forests have owners. Hungary made substantial efforts in the last decades to return all lands to their original owners.</p> <p>950 000 ha out of the total of 1 156 000 ha state-owned forests are managed by 22 state owned forest management companies, while the rest belongs to national parks, water management agencies and other governmental organizations. The management rights of the state forestry companies are based on asset management contract. These contracts, that have not yet been finalized but management is based on former, so-called 'temporal' asset management contract. This however, seems not to represent a risk in state forest management. Transparency International list the Corruption Perception Index (CPI) at 45 in 2017 (ranking 66 out of 176 countries). In this index 100 means very clean. Hungary was given 45 points in 2016, and 55 points in 2012 meaning corruptions seems to be increasing over the years.</p> <p>The Worldwide Governance Indicators list six dimensions of governance where the scores range from 0 (lowest rank) to 100 (highest rank) with higher values corresponding to better outcomes.</p>
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			<table border="1"> <thead> <tr> <th>Indicator</th> <th>Value 2007</th> <th>2012</th> <th>2017</th> </tr> </thead> <tbody> <tr> <td>Violence and Accountability</td> <td>81</td> <td>71</td> <td>58</td> </tr> <tr> <td>Political Stability and Absence of violence</td> <td>72</td> <td>69</td> <td>74</td> </tr> <tr> <td>Government Effectiveness</td> <td>75</td> <td>71</td> <td>70</td> </tr> <tr> <td>Regulatory Quality</td> <td>86</td> <td>79</td> <td>73</td> </tr> <tr> <td>Rule of Law</td> <td>82</td> <td>68</td> <td>70</td> </tr> <tr> <td>Control of Corruption</td> <td>73</td> <td>67</td> <td>59</td> </tr> </tbody> </table> <p>Other international sources like the FAO Resource report, Global Forest Watch and Chatham House do not state any problems with Land tenure and management rights. The EU has not filed any court case against Hungary with respect to this topic (CURIA database).</p> <p>There are no other articles to be found in national or international media that state a problem. The local expert declared that there are no major issues.</p> <p>Although some international indicators like CPI and Rule of Law are creating some doubts the overall situation with regards to this topic is under control.</p> <p><b>Risk Conclusion</b>  Low risk. Though, WGI and CPI is at medium level, all together the risk with regards to this indicator are low. Low risk thresholds number 1 counts.  (1) Identified laws are upheld. Cases where law/regulations are violated are efficiently followed up via preventive actions taken by the authorities and/or by the relevant entities.</p>	Indicator	Value 2007	2012	2017	Violence and Accountability	81	71	58	Political Stability and Absence of violence	72	69	74	Government Effectiveness	75	71	70	Regulatory Quality	86	79	73	Rule of Law	82	68	70	Control of Corruption	73	67	59
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1.2 Concession licenses	<p><b>Applicable laws and regulations</b> Not applicable</p> <p><b>Legal Authority</b> Not applicable</p> <p><b>Legally required documents or records</b></p>		<p><b>Overview of Legal Requirements</b> N/A There is no legal way to use forests based on concessions.</p> <p>By law State Forest Companies are the only ones who could operate on public lands. Non-state organisations can never manage public land or obtain concessions from state.</p>																												

	Not applicable		<b>Description of Risk</b> N/A  <b>Risk Conclusion</b> N/A
1.3 Management and harvesting planning	<p><b>Applicable laws and regulations</b> 2009. évi XXXVII. törvény az erdőkről, az erdő védelméről és az erdőgazdálkodásról (Law on Forests) §30 - §39 (<a href="http://njt.hu/cgi_bin/njt_doc.cgi?docid=124614.338934">http://njt.hu/cgi_bin/njt_doc.cgi?docid=124614.338934</a>)</p> <p>11/2010. (II. 4.) FVM rendelet az erdőterv rendelet előkészítésének, és a körzeti erdőterv készítésének szabályairól (Ministry of Agriculture Regulation on the Issuance of Regulation on Forest Management Planning) (<a href="http://njt.hu/cgi_bin/njt_doc.cgi?docid=130604.333669">http://njt.hu/cgi_bin/njt_doc.cgi?docid=130604.333669</a>)</p> <p><b>Legal Authority</b> Forestry Authority</p> <p><b>Legally required documents or records</b> National Forest Database</p> <p>Online map systems Hungary: Natura 2000 and other forest functions online map <a href="http://erdoterkep.nebih.gov.hu/">http://erdoterkep.nebih.gov.hu/</a></p> <p>Nature Conservation Information System (NCIS) <a href="http://geo.kvvm.hu/tir_en/viewer.htmv">http://geo.kvvm.hu/tir_en/viewer.htmv</a></p>	<p>FAO global forest resources assessment report for Hungary, 2015 <a href="http://www.fao.org/forest-resources-assessment/current-assessment/country-reports/en/">http://www.fao.org/forest-resources-assessment/current-assessment/country-reports/en/</a></p> <p>Forestry in Hungary. 2015. Nébih (National Food Chain Safety Office). <a href="http://www.mecsekerdo.hu/_user/browser/File/pdf/Efol/EFOL_Forestry%20in%20Hungary.pdf">http://www.mecsekerdo.hu/_user/browser/File/pdf/Efol/EFOL_Forestry%20in%20Hungary.pdf</a></p> <p>Forest resources and forest management in Hungary 2013 (Nébih). <a href="https://portal.nebih.gov.hu/documents/10182/861593/FR2013.pdf/19cf04a0-1639-401f-a3fb-644755057d0d">https://portal.nebih.gov.hu/documents/10182/861593/FR2013.pdf/19cf04a0-1639-401f-a3fb-644755057d0d</a></p> <p>Stakeholder consultation, interviews with experts 2017.</p> <p>PI index 2017 <a href="https://www.transparency.org/country/HUN">https://www.transparency.org/country/HUN</a></p> <p>Global Forest Watch, Country profile 2017. <a href="http://www.globalforestwatch.org/country/HUN">http://www.globalforestwatch.org/country/HUN</a></p> <p>Chatham House Illegal Logging Indicators Country Report Card, 2017</p>	<p><b>Overview of Legal Requirements</b> Forest management planning rooting back in the 19<sup>th</sup> century has been a major tool to ensure sustainable forest management in Hungary. Forestry measures are based on these plans, and many of the legal processes use the data of these plans.</p> <p>According to the Law on Forests all forest area regardless the type of ownership shall be registered in the National Forest Database, and a regional management plan shall be elaborated for a period of 10 years covering all forests in the region. Forest management planning is a result of a participatory process organized and executed by the Forestry Authority, which also includes field inspections and consultations with all the forest managers in the region.</p> <p>The planning process is regulated by a general regulation (Regulation on Forest Management Planning) issued by the Ministry of Agriculture. It describes the stages of the process, and how forest managers and other interested parties take part. The Ministry issues every year a separate specific regulation, which designates the forest regions that are undergoing the planning process that year. This includes also special considerations and principles of forest management planning in the specific forest regions.</p> <p>The planning process starts with the initial consultation with the participation of the legally authorized bodies that are responsible for nature protection, soil protection, national defence, border control or police, water management, public transport, cultural heritage, public health, hunting, agricultural production and the municipalities. Civil organizations can also take part in the initial consultation, if they can prove that their activity is affected by the management of the forests at hand. Initial consultation has the objective to define the principles of forest management planning</p>



		<p><a href="https://www.illegal-logging.info/regions/hungary">https://www.illegal-logging.info/regions/hungary</a></p> <p>European court cases against Hungary, <a href="#">CURIA</a>, 2017</p> <p>World Bank: Worldwide Governance Indicators 2018  <a href="http://info.worldbank.org/governance/wgi/index.aspx#home">http://info.worldbank.org/governance/wgi/index.aspx#home</a></p>	<p>in the region. In case of unsettled disputes, the minister responsible for nature conservation and forestry makes the final decision.  Based on the initial consultation a ministerial regulation is issued designating the region of forest management planning and the principles of planning with due regards to special forest functions.</p> <p>Based on this regulation the Forestry Authority executes a field inspection and updates the descriptive data of the forest compartments (species composition, growing stock, map, etc.). Based on the state of the forest the forestry operations are also planned. Harvesting possibilities in the next 10-year period and over the next 10-year period is determined. If the forest needs to be regenerated, due to the planned felling for instance, reforestation options are also planned. Planning of the next forestry operations are done by the Forestry Authority, but it is discussed with the forest manager at later stage of the process.</p> <p>As part of the planning process the sustainability of planned timber removals are analysed over a period of 30 years. If sustainable yield can only be ensured with restrictions on timber harvest, these restrictions shall be applied in state owned forests primarily.</p> <p>During the field inspection the participants of the initial consultation can submit their proposals concerning specific forest areas within the region in writing.</p> <p>After the field inspection the Forestry Authority organizes a detailed consultation for the authorities, the forest managers and the bodies responsible for managing protected areas. Planned operations on sub-compartment level are discussed. Based on this consultation the forest management plan on sub-compartment level is refined.</p> <p>A public hearing is organized where all participants are invited, including the municipalities and the resident population.</p> <p>After the consideration of the comments in the public hearing the Forestry Authority organizes the final consultation, where the</p>
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			<p>authorities, forest managers, the municipalities and the bodies responsible for the management of protected areas take part. This consultation serves the purpose to consider all aspects of forest management planning, and especially the impact assessment on Natura 2000 sites. If unsettled disputes may remain a Forest Management Planning Council is appointed by the minister responsible for forestry with due consideration of the special functions of the forests at hand.</p> <p>Regional forest management plans are the results of the above process, and they consist of a site description, the descriptive data of the tree stand including the growing stock and the growth rate and its classification according to 6 categories of the state of naturalness from natural forest to plantation. It specifies the primary function of the forest, the silvicultural regime, and if applicable, the cutting age, the allowable cut and the regeneration options. Specific restrictions on forest management are also included in the plan.</p> <p>Forest management operations shall comply with the forest management plan. The only exception is in case of private forests of plantations for which the cutting age is only a recommendation, but it must exceed 15 years.</p> <p>There is also an online map system where everything can be consulted (see left column).</p> <p><b>Description of Risk</b></p> <p>In recent years, forestry authorities were reorganized, and due to the lack of resources the management planning process got delayed. As a result, some of the forest management plans have not been renewed within the 10-year period. The validity of these plans was extended (and thus they are still valid), and they will undergo the planning process in the near future.</p> <p>Other international sources like the FAO Resource report, Global Forest Watch and Chatham House do not state any problems with Management and harvesting planning.</p> <p>The EU has not filed any court case against Hungary with respect to this topic (CURIA database).</p>
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			<p>There are no other articles to be found in national or international media that state a problem. The local expert declared that there are no major issues.</p> <p>Although some international indicators like CPI and Rule of Law (see indicator 1.1) are not positive the overall situation with regards to this topic is under control.</p> <p><b>Risk Conclusion</b>  Low risk. All together the risk with regards to this indicator are low. Low risk thresholds number 1 counts.  (1) Identified laws are upheld. Cases where law/regulations are violated are efficiently followed up via preventive actions taken by the authorities and/or by the relevant entities.</p>
1.4 Harvesting permits	<p><b>Applicable laws and regulations</b>  2009. évi XXXVII. törvény az erdőkről, az erdő védelméről és az erdőgazdálkodásról (Law on Forest) §41 - §42  (<a href="http://njt.hu/cgi_bin/njt_doc.cgi?docid=124614.338934">http://njt.hu/cgi_bin/njt_doc.cgi?docid=124614.338934</a>)</p> <p>153/2009. (XI. 13.) FVM rendelet az erdőről, az erdő védelméről és az erdőgazdálkodásról szóló 2009. évi XXXVII. törvény végrehajtásáról (Regulation on the Application of the Law on Forest)  (<a href="http://njt.hu/cgi_bin/njt_doc.cgi?docid=126182.333667">http://njt.hu/cgi_bin/njt_doc.cgi?docid=126182.333667</a>)</p> <p>88/2000. (XI. 10.) FVM rendelet az Erdőrendezési Szabályzatról (Regulation on Forest Supervision) §61; §71-§74  (<a href="https://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=A0000088.FVM">https://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=A0000088.FVM</a>)</p>	<p>Final warning for Hungary from the EU Commission concerning illegal logging on NATURA 2000 site at Sajólád, East-Hungary, 2017  <a href="http://europa.eu/rapid/press-release_IP-10-526_en.htm">http://europa.eu/rapid/press-release_IP-10-526_en.htm</a></p> <p>European court cases against Hungary, 2017 <a href="#">CURIA</a></p> <p>Illegal logging and trade of illegally-derived forest products. UNECE 2004. Hungary report.  <a href="http://www.unece.org/fileadmin/DAM/timber/docs/sem/2004-1/full_reports/Hungary.pdf">http://www.unece.org/fileadmin/DAM/timber/docs/sem/2004-1/full_reports/Hungary.pdf</a></p> <p>Article on illegal logging on Natura 2000 site at Sajólád  <a href="http://www.natura.2000.hu/hu/hirek/utolso-figyelmeztetes-">http://www.natura.2000.hu/hu/hirek/utolso-figyelmeztetes-</a></p>	<p><b>Overview of Legal Requirements</b>  According to the Law on Forests the forest manager can execute timber harvest based on the forest management plan primarily. In this case the forest manager shall report the planned timber removals min. 21 days in advance. The Forestry Authority has the right to prohibit or raise conditions on the execution of the forest harvest.</p> <p>The process is further regulated by the Regulation on the Application of the Law on Forest. Reporting the intention to execute forestry operations shall be done using the templates provided by the Forestry Authority, identifying the sub-compartment, and specifying the responsible forestry advisor, further the forestry operation, the affected area and timber volume. Reporting form shall be signed by the forest manager and the forestry advisor. A map is also needed to be submitted, in the case that the whole area is not being affected.</p> <p>The Forestry Authority considers the report on the intended forestry operations, and either issues a decision on restrictions, if needed, or accepts the report. If there is no response from the Forestry Authority within 21 days, the reported forestry operation can be started.</p>

	<p><b>Legal Authority</b> Forestry Authority</p> <p><b>Legally required documents or records</b> Forest Management Plan (erdőterv) Report on Planned Harvests (tervezett fakitermelés bejelentő). Reporting forms: <a href="http://portal.nebih.gov.hu/ugyintezes/nove ny/nyomtatvanyok">http://portal.nebih.gov.hu/ugyintezes/nove ny/nyomtatvanyok</a> Forestry Operation Document (műveleti lap) Record of supervision of forest harvest (műszaki átvételi jegyzőkönyv). Reporting forms: <a href="http://portal.nebih.gov.hu/ugyintezes/nove ny/nyomtatvanyok">http://portal.nebih.gov.hu/ugyintezes/nove ny/nyomtatvanyok</a></p> <p>Online map systems Hungary: Natura 2000 and other forest functions online map <a href="http://erdoterkep.nebih.gov.hu/">http://erdoterkep.nebih.gov.hu/</a></p> <p>Nature Conservation Information System (NCIS) <a href="http://geo.kvvm.hu/tir_en/viewer.htmv">http://geo.kvvm.hu/tir_en/viewer.htmv</a></p>	<p><a href="http://magyarorszag-nak-sajoladi-erdo-ugyebe-n">magyarorszag-nak-sajoladi-erdo-ugyebe-n</a></p> <p>Correspondence on alleged illegal logging <a href="http://rekk.hu/downloads/projects/rekk-valaszok-fvm.pdf">http://rekk.hu/downloads/projects/rekk-valaszok-fvm.pdf</a></p> <p>Forestry Authority yearly statistics and yearly reports</p> <p>Study on alleged illegal logging, Regional Research Centre for Energy, 2009. (p.12) <a href="http://rekk.hu/downloads/publications/rekk_jelentes_2009_4.pdf">http://rekk.hu/downloads/publications/rekk_jelentes_2009_4.pdf</a></p> <p>Hungary - Global Forest Resources Assessment 2015 – Country Report, FAO <a href="http://www.fao.org/documents/card/en/c/44ac644b-f4d5-4089-a17a-e487c33260ab/">http://www.fao.org/documents/card/en/c/44ac644b-f4d5-4089-a17a-e487c33260ab/</a></p> <p>CPI index 2017 <a href="https://www.transparency.org/country/HUN">https://www.transparency.org/country/HUN</a></p> <p>Global Forest Watch, Country profile 2017. <a href="http://www.globalforestwatch.org/country/HUN">http://www.globalforestwatch.org/country/HUN</a></p> <p>Chatham House Illegal Logging Indicators Country Report Card, 2017 <a href="https://www.illegal-logging.info/regions/hungary">https://www.illegal-logging.info/regions/hungary</a></p>	<p>The execution of forest harvest also needs to be reported, which is followed by a field inspection of the Forestry Authority. However, this takes place not in every particular case, but based on risk assessment conducted by the Forestry Authority.</p> <p>The process described above refers to all types of ownership.</p> <p>There is also an online map system where everything can be consulted (see left column).</p> <p><b>Description of Risk</b> Timber harvesting regulation and harvesting permits are based on the active information flow between the forest manager and the Forestry Authority. Forestry advisors can also play an important role as they can be made responsible for both signing the documents and for supervising the harvest operations on the spot (see indicator 1.1).</p> <p>However, illegal logging cannot be controlled with these mechanisms. Timber harvest without permit can be revealed during the forest management planning, or if the Forestry Authority is notified or denunciation is made at the police by the owner or by a third party.</p> <p>Illegal logging`s range varies by regions. In the most severe cases, forests of larger scale can experience degradation, usually due to unregistered harvest or illegal timber harvest for subsistence (fuelwood). There are cases, when the degradation of forest took place in Natura 2000 site in Sajólád, East-Hungary. The EU Commission stated that the implementation of Natura 2000 regulations is not effective enough in the national legislation and warned Hungary before taking this case to the European Court of Justice. There is no court case active between the EU and Hungary (see CURIA link) related to this matter. Furthermore, since 2016, private forest owners receive from 41 to 237€/ha annually for protecting Natura 2000 areas. Forest managers are not able to receive this funding if the Nature Protection Agency has fined them for destroying these areas. And forest managers need a state approved plan to receive those fundings. According to experts, this funding changed the forest</p>
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		<p>Government of Hungary website.  <a href="https://www.kormany.hu/hu/belugyminiszterium/onkormanyzati-allamtitkarsag/hirek/otmilliard-forint-szocialis-tuzeloanyagra">https://www.kormany.hu/hu/belugyminiszterium/onkormanyzati-allamtitkarsag/hirek/otmilliard-forint-szocialis-tuzeloanyagra</a></p> <p>Interview with two local experts, (one in 2017 and one in 2020).</p> <p>Interviews the Forest Authority staff, 2017.</p> <p>Expert stakeholder input (private correspondence with FSC). 2020-2021.</p>	<p>Recorded illegal logging entails a penalty for the forest manager or if there is no registered forest manager, then for the owner, unless it is a criminal case as the wood was stolen. If illegal logging is not reported, the forest owner or administrator will be fined and brought to court. Therefore, forest owners/managers have the interest to inform authorities about illegal logging (wood-theft) in their forests (Prof. Dr. Laszlo Jager).</p> <p>Additionally, all trucks in Hungary are monitored by the EKAER-System (introduced in 2015 which results a strict state monitoring), loaded or empty, open or close domestic or international. This is done by stationary and mobile checkpoints. At all stages of the transport of any good, the origin and the destiny need to be known and this information needs to be entered in the EKAER-System prior the shipment. Currently, there are more than 1,000 fixed and transportable checking stations. Those 1,000 checking points are installed all across the country (<a href="http://ekaer.hu/information/en/">http://ekaer.hu/information/en/</a> and <a href="http://ekaer.hu/en/">http://ekaer.hu/en/</a>).</p> <p>While illegal logging could still occur, the timber will not enter the market. The Hungarian system requires that all members of a supply-chain need to be registered and all contracts and invoices need to be available at any time. Transportation documents that accompany the timber supply need to state, where the timber does come from and who is the customer. Traders and all members of the timber supply chain need to get an EUTR license number (<a href="https://portal.nebih.gov.hu/documents/10182/1277079/EUTR+szakmai+tajekoztato.pdf">https://portal.nebih.gov.hu/documents/10182/1277079/EUTR+szakmai+tajekoztato.pdf</a>).</p> <p>Unrecorded illegal harvesting  Literature distinguishes between organised harvesting activities without logging permits and small-scale timber stealing, mainly for local fuelwood need. Estimates from the Forestry Authority state around 300 000 m<sup>3</sup> timber yearly harvested without permits and not recorded (illegally). This is often happening in areas where the forest owners are not known or based on false contracts, and normally before reaching the cutting age of the stand (source: interviews Forest Authority staff). With an average standing volume of 195 m<sup>3</sup>/ha this is around 1795 hectares affected each</p>
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			<p>year, or 0,09% of the total forest. In reality there will be hardly any clear-cut forest management, because most cases are small scale harvests for firewood and harvested in a coppice kind of system (see below).</p> <p>Forests without registered manager are affected the most. Between 58-70% of the known cases are dealing with private lands that have no registered forest manager.</p> <p>The fuelwood case: In 2009 a study (see link to the left, page 12) was published by REKK (Regional Research Centre for Energy) analysing the balance of the growing stock, the growth of forest and the timber harvest statistics. According to its claim, the real amount of harvested timber exceeds statistics of the authorities by almost <u>2,0 million m<sup>3</sup> per year</u>. Instead of around 6,0 million it is 8,0 million m<sup>3</sup> (between 1999-2006). This is mainly due to local fuelwood cutting on small-scale (not industrial). The following could be argued about this situation:</p> <ol style="list-style-type: none"> <li>1. The research is based on official statistics provided by the Forestry Authority and the Hungarian Central Statistical Office general national figures; thus, they are not based on field data or measurements in the forests. Therefore, we should be careful to draw far reaching conclusions, but this analysis reveals a certain inaccuracy of forestry related national statistics.</li> <li>2. The main causes of these cuts are for fuelwood. As many people rely on fuelwood for consumption. Following most sources, Hungary consumes almost 3,0 million m<sup>3</sup> of timber and fuelwood annually. The research used its own calculation instead of the official statistics (see FAO report link to the left). The annual increment is 13,1 million m<sup>3</sup> and the annual harvest is in average 7,0 million m<sup>3</sup>.</li> <li>3. Official production (6 million) + import = consumption + export. This balance is correct in Hungary. There are no signs in the local or international market that Hungary is producing large quantities of illegal timber (an additional 2 million m<sup>3</sup> production). There is also no 'surplus' in the local market. This proves that the wood in question is not</li> </ol>
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			<p>sawmilling timber and would not enter industrial supply chains. It is only used for local fuelwood consumption, by the private forest owners (source: local expert). Thus, such timber will not enter the timber industry, and there is no risk for the sector.</p> <p>4. There are reasons to believe that local Forestry Authority staff, and small forest owners, are not eagerly working on getting and issuing small harvesting permits for 1 or 2 trees of smaller diameters or from small scale private lands thinnings, just for fuelwood consumption. People in small villages often rely on their own firewood (source: local expert). Regulations are the same regardless the size or volume of harvest.</p> <p>5. The total amount of forest and growing stock is growing every year, over the last decades. The growing stock (volume per ha) increased from 60 m<sup>3</sup>/ha in 1947 to 160 m<sup>3</sup>/ha in 2016. The forest cover increased from 52% in 1980 till 58% in 2016. If large scale deforestation was to take place this should have been seen in mapping and forest management planning. This confirms that the forests stay as they are, but fuelwood is extracted on small scale in a coppice-type system.</p> <p>Additionally, it is worth mentioning that this problem has decreased in the last years with the implementation of the national social firewood program, which started in 2011 with 42,000 m<sup>3</sup> and increased to 226,000 m<sup>3</sup> during the following 8 years. It totals up to over 1 million m<sup>3</sup> for social firewood. Through this program, municipalities are able to distribute social firewood, from state forest management. Everyone who applies will receive support. The basic idea is that the smallest ones get full support up to a demand of 20 m<sup>3</sup>, and if there is more demand than the allocation, it will be proportional. Municipalities with less than 5,000 inhabitants may apply for additional subsidies for the purchase of fuel for social purposes. Non-refundable budget support is available for the purchase of firewood and lignite. Practice shows that municipalities provide 180-200,000 families with enough fuel for two to three months during tenders</p> <p><a href="https://www.kormany.hu/hu/belugyminiszterium/onkormanyzati-allamtitkarsag/hirek/otmilliard-forint-szocialis-tuzeloanyagra">https://www.kormany.hu/hu/belugyminiszterium/onkormanyzati-allamtitkarsag/hirek/otmilliard-forint-szocialis-tuzeloanyagra</a>).</p>
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			<p>The social firewood program is going to be permanent and confiscated timber (from illegal trading/transportation) is used for this national social firewood program (<a href="https://portal.nebih.gov.hu/-/a-raszorulokat-segiti-majd-a-lefoglalt-illegalis-eredetu-tuzifa">https://portal.nebih.gov.hu/-/a-raszorulokat-segiti-majd-a-lefoglalt-illegalis-eredetu-tuzifa</a>).</p> <p>Other international sources like the FAO Resource report, Global Forest Watch and Chatham House do not state any problems with harvesting permits. The EU has not filed any court case against Hungary with respect to this topic (CURIA database).</p> <p>WWF has stated that, because of the amendment of the Law on Forest (see indicator 1.1), it is now easier to get a harvesting permit for semi-natural old growth forest (oak above 100 years old). Such seems indeed to be the case, although not confirmed by any other source.</p> <p>There are no other articles to be found in national or international media that state a problem. Some international indicators like CPI and Rule of Law (see indicator 1.1) are not positive. One of the local experts declared that there are no major issues in relation to this legal requirement.</p> <p><b>Risk Conclusion</b></p> <p>Taking into consideration all the information provided above that confirms the decrease in illegal logging numbers in recent years, as well as the strengthening of the monitoring system in the country, and other important government efforts like the national social firewood program, incentives for protection of Natura 2000 sites, this indicator is considered as low risk in Hungary.</p> <p>'Low risk' threshold (1) applies:  (1) Identified laws are upheld. Cases where law/regulations are violated are efficiently followed up via preventive actions taken by the authorities and/or by the relevant entities.</p>
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**Taxes and fees**

<p>1.5 Payment of royalties and harvesting fees</p>	<p><b>Applicable laws and regulations</b> N/A</p> <p><b>Legal Authority</b> N/A</p> <p><b>Legally required documents or records</b> N/A</p>		<p><b>Overview of Legal Requirements</b> There are no laws or regulations covering payment of royalties or harvesting fees in Hungary.</p> <p><b>Description of Risk</b> N/A</p> <p><b>Risk Conclusion</b> N/A</p>
<p>1.6 Value added taxes and other sales taxes</p>	<p><b>Applicable laws and regulations</b> 2007. évi CXXVII. Törvény az általános forgalmi adóról (Law on Value Added Tax) (<a href="http://njt.hu/cgi_bin/njt_doc.cgi?docid=111467.336481">http://njt.hu/cgi_bin/njt_doc.cgi?docid=111467.336481</a>)</p> <p><b>Legal Authority</b> National Tax and Customs Administration (NTCA)</p> <p><b>Legally required documents or records</b> Value Added Tax Return</p>	<p>News article about NTCA audits, Adózóna, 2016. <a href="http://adozona.hu/adozas_rendje/NAV_uj_ellenorzesi_rendszer_brutalis_szamok_UBFTTV">http://adozona.hu/adozas_rendje/NAV_uj_ellenorzesi_rendszer_brutalis_szamok_UBFTTV</a></p> <p>Source: local expert 2017</p>	<p><b>Overview of Legal Requirements</b> The Law on Value Added Tax states that value added tax (VAT) shall be paid only if the annual net sales income is above HUF 12,0 million (ca. € 37 500). VAT to be paid to the state by the taxpayer is the difference between the VAT calculated on its sales value and the VAT the payer paid to its suppliers in connection to its costs.</p> <p>VAT is not to be paid after the sales to foreign countries (export), but it has to be paid after imports. If a taxpayer exports, its VAT balance will show VAT surplus, meaning that the taxpayer does not need to pay VAT, but he can claim the VAT from the NTCA that he already paid to its suppliers.</p> <p>Since VAT is the largest income source of the central budget, NTCA is regularly auditing the taxpayers.</p> <p>There are no other sales taxes in the country, only VAT.</p> <p><b>Description of Risk</b> The VAT rate is 27%, which creates a considerable pressure on the sellers to avoid it. Small-scale forest owners are usually not subject to this law, while the large-scale forest managers usually establish precise documentation and accounting.</p> <p>Value added tax is the most important income source of the central budget, therefore NTCA (National Tax and Customs Administration) is thoroughly investigating suspicious</p>

			<p>transactions, and most of the tax audits are targeted to this tax. There are no available official figures on the findings of those investigations, however, according to a news article, in more than 50% of the cases there is infringement. There are no findings in media or press, national or international that shows problems related to forestry in particular.</p> <p>A forestry expert highlighted the fact that forest managers are either small-scale, thus they are not subject to VAT, or the NTCA puts enough pressure on them to obey the rules.</p> <p><b>Risk Conclusion</b>  Low risk. All together the risk with regards to this indicator are low. Low risk thresholds number 1 counts.  (1) Identified laws are upheld. Cases where law/regulations are violated are efficiently followed up via preventive actions taken by the authorities and/or by the relevant entities.</p>
1.7 Income and profit taxes	<p><b>Applicable laws and regulations</b>  General rules of tax administration:  2003. évi XCII. Törvény az adózás rendjéről (Law on Rules of Taxation), all paragraphs  (<a href="http://njt.hu/cgi_bin/njt_doc.cgi?docid=75807.323034">http://njt.hu/cgi_bin/njt_doc.cgi?docid=75807.323034</a>)</p> <p>2010. évi CXXII. Törvény a Nemzeti Adó- és Vámhivatalról (Law on National Tax and Customs Administration), all paragraphs  (<a href="http://njt.hu/cgi_bin/njt_doc.cgi?docid=132692.336487">http://njt.hu/cgi_bin/njt_doc.cgi?docid=132692.336487</a>)</p> <p>Personal income tax:  1995. évi CXVII. Törvény a személyi jövedelemadóról (Law on Personal Income Tax) all paragraphs  (<a href="http://njt.hu/cgi_bin/njt_doc.cgi?docid=24312.323399">http://njt.hu/cgi_bin/njt_doc.cgi?docid=24312.323399</a>)</p>	<p>NTCA annual report, 2016  <a href="https://www.nav.gov.hu/data/cms436895/NAV_evkonyv_2016.pdf">https://www.nav.gov.hu/data/cms436895/NAV_evkonyv_2016.pdf</a></p> <p>CPI index 2017  <a href="https://www.transparency.org/country/HUN">https://www.transparency.org/country/HUN</a></p> <p>World Bank: Worldwide Governance Indicators 2018  <a href="http://info.worldbank.org/governance/wgi/index.aspx#home">http://info.worldbank.org/governance/wgi/index.aspx#home</a></p>	<p><b>Overview of Legal Requirements</b>  Private residents and corporates registered in Hungary are subject to paying taxes. The applicable laws are the Law on Rules of Taxation and the Law on National Tax and Customs Administration.</p> <p>Tax calculation is based on self-assessment, and its result is reported to NTCA through various tax return forms. Self-assessments are controlled using the NTCA's database comparing the reported figures from different tax payers. For instance, the reports of the employer are compared to the self-assessment of the employee.</p> <p>Based on risk assessments audits are also performed, during which the taxpayer is required to justify the self-assessment. An electronic reporting system is applied, in which automatic error-checking system ensures coherency. Payment of taxes are also mostly done through wire transfer, and overdue payment is recorded and fined. Balance report on taxes can be requested electronically by the tax payer.</p>

	<p>Corporate tax: 1996. évi LXXXI. Törvény a társasági adóról és az osztalékadóról (Law on Corporate and Divident Tax) (<a href="http://njt.hu/cgi_bin/njt_doc.cgi?docid=27087.340065">http://njt.hu/cgi_bin/njt_doc.cgi?docid=27087.340065</a>)</p> <p>Simplified entrepreneurship taxes: 2002. évi XLIII. Törvény az egyszerűsített vállalkozói adóról (Law on Simplified Entrepreneurial Tax) (<a href="http://njt.hu/cgi_bin/njt_doc.cgi?docid=65352.336478">http://njt.hu/cgi_bin/njt_doc.cgi?docid=65352.336478</a>)</p> <p>2012. évi CXLVII. Törvény a kisadózó vállalkozások tételes adójáról és a kisvállalati adóról (Fixed-Rate Tax of Low Tax-Bracket Enterprises and on Small Business Tax) (<a href="http://njt.hu/cgi_bin/njt_doc.cgi?docid=155155.340029">http://njt.hu/cgi_bin/njt_doc.cgi?docid=155155.340029</a>)</p> <p><b>Legal Authority</b> National Tax and Customs Administration (NTCA)</p> <p><b>Legally required documents or records</b> Personal Income Tax Return Corporate Tax Return Specific returns on simplified taxes (if any)</p>		<p>Personal incomes (Law on Personal Income Tax) are either to be consolidated or taxed without the option of consolidation. Consolidation of incomes means that eligible costs can be deducted from the incomes or a flat rate of the alleged costs can be applied. Incomes from forest is subject to income tax, and the cost of the reforestation can be considered. Forest leasing fees are free of income tax, if originated from a lease contract for a period of longer than 5 years.</p> <p>Regulation on corporate tax (Law on Corporate and Dividend Tax) applies to all forest management enterprises with no special differences. Corporate tax is based on the annual profit of the enterprise. Costs related to the operation, as well as the depreciation of the assets can be deducted</p> <p>For small scale companies in general there are some simplified rules stated in the Law on Simplified Entrepreneurial Tax and the Fixed-Rate Tax of Low Tax-Bracket Enterprises and on Small Business Tax. This is mainly about paying a fixed amount of tax when turnovers are low.</p> <p><b>Description of Risk</b> Taxation is regulated by laws described above and supervised by NTCA. Supervision of taxation follows systematic control mechanisms that apply risk assessment and addressing known issues. There are tax control programs targeted to geographical regions, specific economic activities or organizational forms. Forestry or wood industry have not been in the focus of such programs in recent years. According to the NTCA's report in 2016 there were 364 complaints about NTCA employees claiming that they exhibited partial behaviour or committed crime including accepting bribe. Of which 149 could not be investigated due to inadequate information. 171 cases were found unjustified. The remaining 44 were found justified. Justified cases resulted in 20 disciplinary actions and 5 criminal denunciations. These are general figures for all NTCA activities, not only related to forestry. Specific figures for forestry are not available.</p>
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Transparency International list the Corruption Perception Index (CPI) at 45 in 2017 (ranking 66 out of 176 countries). In this index 100 means very clean. Hungary was given 45 points in 2016, and 55 points in 2012 meaning corruptions seems to be increasing over the years.

The Worldwide Governance Indicators list six dimensions of governance where the scores range from 0 (lowest rank) to 100 (highest rank) with higher values corresponding to better outcomes.

Indicator	Value 2007	2012	2017
Violence and Accountability	81	71	58
Political Stability and Absence of violence	72	69	74
Government Effectiveness	75	71	70
Regulatory Quality	86	79	73
Rule of Law	82	68	70
Control of Corruption	73	67	59

There are no other articles to be found in national or international media that state a problem with regards to income and profit taxes in the forest sector. The local expert declared that there are no major issues to be found in the local media either.

Altogether the international indicators are not positive but the fact that action is taken by the NTCA, laws are in place and no specific news can be found about the forest sector in general justifies a low risk.

**Risk Conclusion**

Low risk. All together the risk with regards to this indicator are low. Low risk thresholds number 1 counts.

(1) Identified laws are upheld. Cases where law/regulations are violated are efficiently followed up via preventive actions taken by the authorities and/or by the relevant entities.

### Timber harvesting activities

<p>1.8 Timber harvesting regulations</p>	<p><b>Applicable laws and regulations</b>                  2009. évi XXXVII. törvény az erdőkről, az erdő védelméről és az erdőgazdálkodásról (Law on Forest) §27-§28/A; §70 - §74  <a href="http://njt.hu/cgi_bin/njt_doc.cgi?docid=124614.338934">http://njt.hu/cgi_bin/njt_doc.cgi?docid=124614.338934</a></p> <p>153/2009. (XI. 13.) FVM rendelet az erdőről, az erdő védelméről és az erdőgazdálkodásról szóló 2009. évi XXXVII. törvény végrehajtásáról (Regulation of the Implementation of the law on forests) all paragraphs  <a href="http://njt.hu/cgi_bin/njt_doc.cgi?docid=126182.333667">http://njt.hu/cgi_bin/njt_doc.cgi?docid=126182.333667</a></p> <p><b>Legal Authority</b>                  Forestry Authority</p> <p><b>Legally required documents or records</b>                  Forest Management Plan (erdőterv)                  Report on Planned Harvests (tervezett fakitermelés bejelentő)                  Forestry Operation Document (műveleti lap) (FOD)</p> <p>Record of supervision of forest harvest (műszaki átvételi jegyzőkönyv):  <a href="http://portal.nebih.gov.hu/ugyintezes/nove ny/nyomtatvanyok">http://portal.nebih.gov.hu/ugyintezes/nove ny/nyomtatvanyok</a></p>	<p>Hungary - Global Forest Resources Assessment 2015 – Country Report, FAO  <a href="http://www.fao.org/documents/card/en/c/44ac644b-f4d5-4089-a17a-e487c33260ab/">http://www.fao.org/documents/card/en/c/44ac644b-f4d5-4089-a17a-e487c33260ab/</a></p> <p>Illegal logging and trade of illegally-derived forest products. UNECE 2004. Hungary report.  <a href="http://www.unece.org/fileadmin/DAM/timber/docs/sem/2004-1/full_reports/Hungary.pdf">http://www.unece.org/fileadmin/DAM/timber/docs/sem/2004-1/full_reports/Hungary.pdf</a></p> <p>European court cases against Hungary, <a href="#">CURIA</a>, 2017</p> <p>Global Forest Watch, Country profile 2017.  <a href="http://www.globalforestwatch.org/country/HUN">http://www.globalforestwatch.org/country/HUN</a></p> <p>Chatham House Illegal Logging Indicators Country Report Card, 2017  <a href="https://www.illegal-logging.info/regions/hungary">https://www.illegal-logging.info/regions/hungary</a></p> <p>Local expert, 2017</p>	<p><b>Overview of Legal Requirements</b>                  A separate section within paragraph VII on forest uses of the Law on Forest is dedicated to the rules of timber harvesting. There is also a special 'Regulation of the Implementation of the law on forests'.</p> <p>The protection of water resources, habitats of protected organisms, nature monuments, landscape and man-made objects of outstanding importance shall be considered, which can serve as the basis for prohibiting timber-harvest by the Forestry Authority responsible for the relevant subject areas.</p> <p>Felling age is determined by the Forestry Authority as part of the forest management planning process, which shall be considered as recommendation in case of non-state forests of low degree of naturalness (plantations and semi-plantations).</p> <p>A Timber harvest permit for clear-cuts can be issued with special limitations or in special cases. For example, if the Forestry Authority issues a warning in connection to delayed reforestation or regeneration for more than 5% of the managed forest area in the last three-years period. Forest owners can also request for a clear cut to ensure that they reach obligatory regeneration levels/ages.</p> <p>Trees to be harvested shall be marked except in plantations and semi-plantations by the Forestry advisor.</p> <p>The Forestry Authority can prescribe, for soil- and landscape protection, or for silvicultural reasons, a number of remnant trees up to 5% of the standing volume. This for every type of owner. In flatland and hilly regions, the maximum size of clear-cut in forests of the categories of naturalness: plantation and semi-plantation productive forests is 20 ha, whereas in the categories of secondary and intermediate productive forest it is 10 ha. In other forests this is 5 ha. In mountain areas, the maximum size of area under reforestation shall not exceed 5 ha. Clear-cuts are further limited in state-forests.</p>
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			<p>For protected areas there are specific rules for timber harvest. Forests under nature protection shall be with a determined primary function of conservation. Strictly protected forests can only be managed as an integral part of nature protection management. In protected forests, forestry operations with soil preparation and burning shall be avoided, and low impact technologies shall be applied in order to promote close-to-nature forest stands. Clear-cuts can only be applied in non-indigenous stands, and its area must not exceed 3 ha, in case of the final cut of shelter wood regime the maximum size is 5 ha. Timber harvesting can be prohibited between April and July.</p> <p>The Regulation on the Implementation of the Law on Forests specifies, that the person responsible for the execution of the timber harvest shall bear the Forestry Operation Document (FOD) during the whole time of the timber harvest. This person is usually the head of the contractor, for example. The Forestry Operation Document is a document issued by the forest advisor describing the major characteristics of the forestry operation. It also includes instructions to the executor of the forestry operation (typically contractors) focusing on the restrictions that needs to be complied with, or the specialties of the forest at hand.</p> <p>During and after the harvest specialized NFCSO-FD personnel is entitled to supervise and inspect the harvest site at any time during work, and to take suitable measures for immediate termination of work in case of non-compliance with regards to the harvest regulation itself or the environmental regulations. Frequent inspections do take place in the field.</p> <p><b>Description of Risk</b>  Timber harvesting regulations are in place and are also reminded each time in the Forestry Operation Document (FOD). A responsible person is appointed in any forest operation to follow the regulations. There are no further, or additional risk identified in this section based on legal documentation or missing information.</p> <p>With regards to law enforcement NFCSO-FD forest inspections are organised and do take place, as explained above. But</p>
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			<p>inspection reports are not publically available or summarized in annual reports.</p> <p>In Hungary there is also an active fuelwood consumption as explained in indicator 1.4. Regulations are the same for any harvest, including fuelwood. As explained earlier such fuelwood harvest is on a very local scale (individual trees and branches, no larger forest areas). It is therefore unlikely that this result in large scale violations of the harvesting regulations, even when this fuelwood is harvested without permits.</p> <p>Other international sources like the FAO Resource report, Global Forest Watch and Chatham House do not state any problems with Timber harvesting regulations. The EU has not filed any court case against Hungary with respect to this topic (CURIA database).</p> <p>There are no other articles to be found in national or international media that state a problem.</p> <p>The local expert declared that there are no major issues</p> <p>Some international indicators like CPI (corruption) and Rule of Law (see indicator 1.1) are not positive about the country in general.</p> <p>Altogether there is mixed conclusion because there is no evidence that regulations are violated, but there are also no public reports available to assess the situation in detail. But in this case, there is no direct economical driver to avoid the current regulations in place.</p> <p>Altogether the situation is under control and a robust system is in place and this justifies a low risk.</p> <p><b>Risk Conclusion</b> Low risk. All together the risk with regards to this indicator is low. Low risk thresholds number 1 counts.</p>
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			(1) Identified laws are upheld. Cases where law/regulations are violated are efficiently followed up via preventive actions taken by the authorities and/or by the relevant entities.
1.9 Protected sites and species	<p><b>Applicable laws and regulations</b></p> <p>1996. évi LIII. Törvény a természet védelméről (Law on Nature Protection) §16; §32; (<a href="http://njt.hu/cgi_bin/njt_doc.cgi?docid=26858.338580">http://njt.hu/cgi_bin/njt_doc.cgi?docid=26858.338580</a>)</p> <p>1996. évi LV. A vad védelméről, a vadgazdálkodásról, valamint a vadászatról (Law on the protection of game, game management and hunting) ) all paragraphs (<a href="http://njt.hu/cgi_bin/njt_doc.cgi?docid=26880.338581">http://njt.hu/cgi_bin/njt_doc.cgi?docid=26880.338581</a>)</p> <p>67/1998. (IV. 3.) Korm. Rendelet a védett és fokozottan védett életközösségekre vonatkozó korlátozásokról és tilalmakról (Regulation on Limitations and Prohibitions Regarding Protected and Strictly Protected Biomes) all paragraphs (<a href="http://njt.hu/cgi_bin/njt_doc.cgi?docid=35193.291159">http://njt.hu/cgi_bin/njt_doc.cgi?docid=35193.291159</a>)</p> <p>275/2004. (X. 8.) Korm. rendelet az európai közösségi jelentőségű természetvédelmi rendeltetésű területekről (Regulation on the Areas with Nature Conservation Purpose of Community Importance) all paragraphs (<a href="http://njt.hu/cgi_bin/njt_doc.cgi?docid=86484.291496">http://njt.hu/cgi_bin/njt_doc.cgi?docid=86484.291496</a>)</p> <p>13/2001. (V. 9.) KöM rendelet a védett és a fokozottan védett növény- és</p>	<p>Data on Nature Protection, Ministry of Agriculture, 2016 <a href="http://www.termeszetvedelem.hu/us/er/browser/File/Tenyek&amp;Adatok/Termeszetvedelmi_adatok-20161231.pdf">http://www.termeszetvedelem.hu/us/er/browser/File/Tenyek&amp;Adatok/Termeszetvedelmi_adatok-20161231.pdf</a></p> <p>European court cases against Hungary, <a href="#">CURIA</a>, 2017</p>	<p><b>Overview of Legal Requirements</b></p> <p><i>For a complete overview of all regulations, and their enforcement, about protected sites, habitats, species and a full threat assessment see the CNRA cat 3 assessment (also with full literature list).</i></p> <p>According to the Law on Nature Protection and the Law on the protection of game, game management and hunting, forest areas are natural areas and shall be managed in sustainable manner. Afforestation shall aim at establishing forest stands of indigenous species. All activities shall respect the natural environment and avoid damages.</p> <p>In order to effectively protect natural heritage and ecosystems that developed in coexistence with traditional land-use forms a network of protected areas is designated. The categories of protection can be: national park, landscape protection area, nature protection area, natural monument.</p> <p>In connection to international obligations, biosphere reserves can be designated within protected areas. Forests of natural and semi-natural state can be declared forest reserves, in order to allow natural process to prevail without disturbance of human disturbance. The Minister can allow specific regions to use the name of 'naturpark'.</p> <p>The law on Nature Protection defines <i>ex lege</i> protection over springs, moorlands, caves, saline lakes, kurgans, and earth forts. These landscape elements are protected by the force of law without special designation.</p> <p>According to the Regulation on Limitations and Prohibitions Regarding Protected and Strictly Protected Biomes, protected ecosystems can only be used for economic production with restrictions. Many restrictions are listed in the regulation addressing the different types of ecosystems, and the typical</p>

	<p>állatfajokról, a fokozottan védett barlangok köréről, valamint az Európai Közösségben természetvédelmi szempontból jelentős növény- és állatfajok közzétételéről (Regulation on the Announcement of Protected and Strictly Protected Species and Caves, as well as on the Plants and Animals of Community Importance) all paragraphs (<a href="http://njt.hu/cgi_bin/njt_doc.cgi?docid=56000.313262">http://njt.hu/cgi_bin/njt_doc.cgi?docid=56000.313262</a>)</p> <p>12/2005. (VI. 17.) KvVM rendelet a fokozottan védett növény-, illetve állatfajok élőhelyén és élőhelye körüli korlátozás elrendelésének részletes szabályairól (Ministerial Regulation on Stipulating Limitations in and around the Habitats of Protected and Strictly Protected Plants and Animals) (<a href="http://njt.hu/cgi_bin/njt_doc.cgi?docid=93133.291501">http://njt.hu/cgi_bin/njt_doc.cgi?docid=93133.291501</a>)</p> <p>3/2008. (II. 5.) KvVM rendelet a természetvédelmi kezelési tervek készítésére, készítőjére és tartalmára vonatkozó szabályokról (Ministerial Regulation on the elaboration and content of the management plans for nature protection purposes) (<a href="https://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=A0800003.KVV">https://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=A0800003.KVV</a>)</p> <p>11/2010. (II. 4.) FVM rendelet az erdőterv rendelet előkészítésének, és a körzeti erdőterv készítésének szabályairól (Ministerial Regulation on the elaboration of regional forest management plans)</p>		<p>economic activities. Normal forest harvest related restrictions can be found under indicator 1.8.</p> <p>The above regulation states that these ecosystems can only be managed in accordance with their conservation plan that shall be elaborated by the local national park directorate with the involvement of the manager of the land. Restrictions can be suspended based on the conservation plan. The content of the conservation plan is specified in the Ministerial Regulation on the elaboration and content of the management plans for nature protection purposes.</p> <p>The Ministerial Regulation on the elaboration of regional forest management plans stipulates that conservation plans shall be considered during the forest management planning process and impacts on Natura 2000 sites shall be assessed.</p> <p>Protected and strictly protected plants and animals are defined by the Regulation on the Announcement of Protected and Strictly Protected Species and Caves, as well as on the Plants and Animals of Community Importance. They shall be protected through the protection of their habitats primarily. Habitat protection measures have been touched upon in the above paragraphs. This also includes the option of designating a buffer zone, which is the most important measure for protection. It is regulated by the Ministerial Regulation on Stipulating Limitations in and around the Habitats of Protected and Strictly Protected Plants and Animals. This buffer zone creation tool is often used in case of strictly protected vertebrates, especially birds. The occurrence of their population or specimens shall be registered in the National Forest Database, and a 50m wide buffer zone can be designated around it. Seasonal limitation can also be applied within a 100m wide buffer zone.</p> <p>Although there is a considerable overlap between Natura 2000 sites and areas protected by national legislation, Natura 2000 sites are not necessarily protected (protected and strictly protected areas). Therefore, separate regulation, the Regulation on the Areas with Nature Conservation Purpose of Community Importance applies to sites that are not protected but are part of</p>
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			<p>All required legislation is in place and there are also no further requests from the European Union (Natura 2000 related) to adjust laws (Source: European court cases against Hungary, CURIA).</p> <p>See also the CNRA cat 3 assessment for much more details about protected species and habitats, where the 6 indicators are also low risk. Therefore, it is saving to repeat the conclusion of that assessment here.</p> <p><b>Risk Conclusion</b> Low risk. All together the risk with regards to this indicator are low. Low risk thresholds number 1 counts. (1) Identified laws are upheld. Cases where law/regulations are violated are efficiently followed up via preventive actions taken by the authorities and/or by the relevant entities.</p>
1.10 Environmental requirements	<p><b>Applicable laws and regulations</b> 2009. évi XXXVII. törvény az erdőkről, az erdő védelméről és az erdőgazdálkodásról (Law on Forest) §15; §62-§63; §87-§89 (<a href="http://njt.hu/cgi_bin/njt_doc.cgi?docid=124614.338934">http://njt.hu/cgi_bin/njt_doc.cgi?docid=124614.338934</a>)</p> <p>153/2009. (XI. 13.) FVM rendelet az erdőről, az erdő védelméről és az erdőgazdálkodásról szóló 2009. évi XXXVII. törvény végrehajtásáról (Implementation rules of the Law on Forests) §3-§9; §20/A; (<a href="http://njt.hu/cgi_bin/njt_doc.cgi?docid=126182.333667">http://njt.hu/cgi_bin/njt_doc.cgi?docid=126182.333667</a>)</p> <p>1993. évi XCIII. törvény - a munkavédelemről (Act XCIII/1993 on Occupational Safety and Health). <a href="http://www.ilo.org/dyn/natlex/natlex4.detail?p_lang=en&amp;p_isn=38155">http://www.ilo.org/dyn/natlex/natlex4.detail?p_lang=en&amp;p_isn=38155</a></p>	<p>Environmental Investigation Agency (check for 'Hungary') : <a href="http://www.eia-international.org">http://www.eia-international.org</a></p> <p>Local expert, 2017</p> <p>CPI index 2017 <a href="https://www.transparency.org/country/HUN">https://www.transparency.org/country/HUN</a></p> <p>World Bank: Worldwide Governance Indicators 2018 <a href="http://info.worldbank.org/governance/wgi/index.aspx#home">http://info.worldbank.org/governance/wgi/index.aspx#home</a></p> <p>Global Forest Watch, Country profile. <a href="http://www.globalforestwatch.org/country/HUN">http://www.globalforestwatch.org/country/HUN</a></p> <p>Natura 2000 Network viewer <a href="https://natura2000.eea.europa.eu/#">https://natura2000.eea.europa.eu/#</a></p>	<p><b>Overview of Legal Requirements</b> <u>Protection of soils</u> According to the Law on Forest, and the Implementation rules of the Law on Forests forest operations must not cause damages to the soil, or if so, soils shall be restored. This is controlled by field inspections after the execution of the timber harvest by of the Forestry Authority.</p> <p>The technical state of machinery used in forestry is controlled. Heavy machines, but also small machines like chain saw, ground drill and motor mowers are subject to periodic technical inspection, with particular emphasis on fuel and lubricant tanks, hose conditions, sealing, exhaust systems, as well as noise and vibration levels. Such is prescribed in the following Acts and Decrees:</p> <ul style="list-style-type: none"> <li>• Act XCIII/1993 on the Occupational Safety and Health</li> <li>• Decree 15/1989 of the Ministry of Agriculture and Food Industry (MÉM)</li> <li>• Decree 15/2016 of Ministry of Agriculture (FM)</li> <li>• Decree 10/2016 of Ministry for National Economy (NGM)</li> </ul>

	<p>Decrees under the above law: Decree 10/2016: Regulation of the Minister of National Economy 10/2016. (IV.5) on the minimum level of safety and health requirements for the use of work equipment.</p> <p>15/1989. (X. 8.) MÉM rendelet az Erdészeti Biztonsági Szabályzat kiadásáról (Decree on the issue of the Forest Safety Code) <a href="https://net.jogtar.hu/jogszabaly?docid=98900015.MEM">https://net.jogtar.hu/jogszabaly?docid=98900015.MEM</a></p> <p>15/2016. (VI. 6.) MvM rendelet a közalkalmazottak jogállásáról szóló 1992. évi XXXIII. törvénynek a Nemzeti Örökség Intézeténél történő végrehajtásáról (implementation of the Law on the National Heritage) <a href="https://net.jogtar.hu/jogszabaly?docid=A1600015.MVM&amp;searchUrl=/gyorskereso%3Fkeyword%3D15/2016%2520">https://net.jogtar.hu/jogszabaly?docid=A1600015.MVM&amp;searchUrl=/gyorskereso%3Fkeyword%3D15/2016%2520</a></p> <p>43/2010. (IV. 23.) FVM rendelet a növényvédelmi tevékenységről (Regulation on Plant Protection) (<a href="https://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=A1000043.FVM">https://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=A1000043.FVM</a>)</p> <p>103/2003. (IX. 11.) FVM rendelet a növényvédő szerrel szennyezett csomagolóeszköz hulladékok kezeléséről (Regulation on the Treatment of Chemical Contaminated Packaging Materials) all paragraphs (<a href="http://njt.hu/cgi_bin/njt_doc.cgi?docid=75985.342641">http://njt.hu/cgi_bin/njt_doc.cgi?docid=75985.342641</a>)</p>	<p>Life in Forests. Natura 2000 in Hungary <a href="https://lifeinforesets.eu/natura2000/natura_2000_in_hungary">https://lifeinforesets.eu/natura2000/natura_2000_in_hungary</a></p> <p>European Union, 2019. The Environmental Implementation Review 2019. Country Report Hungary. <a href="https://ec.europa.eu/environment/eir/pdf/report_hu_en.pdf">https://ec.europa.eu/environment/eir/pdf/report_hu_en.pdf</a></p> <p>palyazat.gov.hu. Call for application of Natura 2000 forest compensation payment. <a href="https://www.palyazat.gov.hu/vp4-1221-16-natura-2000-erdterleteknek-nyitott-kompenzcis-kifizetsek-#">https://www.palyazat.gov.hu/vp4-1221-16-natura-2000-erdterleteknek-nyitott-kompenzcis-kifizetsek-#</a></p> <p>Court of Hungary webpage. Collection of court cases. <a href="https://birosag.hu/birosagi-hatarozatok-gyujtemeny">https://birosag.hu/birosagi-hatarozatok-gyujtemeny</a></p> <p>CEEweb, 2010. Experiences on the implementation of Natura 2000 – Infringement cases from Central and Eastern Europe Cases from Bulgaria, Estonia, Hungary, Poland, Romania and Slovakia. <a href="http://www.ceeweb.org/wp-content/uploads/2012/02/N2K_infringement_cases_from_CEE.pdf">http://www.ceeweb.org/wp-content/uploads/2012/02/N2K_infringement_cases_from_CEE.pdf</a></p> <p>Management of Natura 2000 sites in CEE workshop Fertőújlak, 3 May 2017. András Schmidt, Deputy Head of Department for Nature Conservation Ministry of Agriculture</p>	<p>Additionally, the forestry sector continuously monitors the subcontractors contracted for forestry activity to ensure that they comply with their obligations under the forestry contracts including the usage of machines in appropriate technical state.</p> <p>Entrepreneurship contracts include that the contractors take care for the proper technical conditions of the machines and devices they use in form of periodic overview of them.</p> <p>Specialized NFCSO-FD personnel is entitled to supervise these at any time during work, and to take suitable measures for immediate termination of work in case of non-compliance. According to local experts, frequent inspections do take place in the field. Unfortunately, such inspections are not made public, nor are there any annual summaries made.</p> <p>It is prohibited to release sewage water, or any harmful material such as fertilizer on forest soil unless the forest manager ensures soil and ecosystem monitoring for at least 20 years with the involvement of an accredited and independent research organization. Soil of forest must not be exploited.</p> <p><u>Waste</u> It is prohibited to dump waste or litter on forest soils. The forest manager is responsible for the state of these forest soils.</p> <p><u>Use of chemicals</u> Through the Regulation on the Plant Protection, the use of chemicals is regulated. It declares that these activities can only be carried out trained professionals wearing proper personal protection accessories. Furthermore, only licenced materials can be used, and the leftover as well as the packaging material shall be treated according to the Regulation on the Treatment of Chemical Contaminated Packaging Material. These materials shall be returned to the seller or to designated sites of disposal. The use of chemicals and the handling of the packaging material shall be recorded by the user.</p> <p>According to the Regulation on Agricultural and Forestry Works from the air, chemicals can be used from the air only if an</p>
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<p>44/2005. (V. 6.) FVM–GKM–KvVM együttes rendelet a mező- és erdőgazdasági légi munkavégzésről (Regulation on Agricultural and Forestry Works from the Air), all paragraphs (<a href="http://njt.hu/cgi_bin/njt_doc.cgi?docid=94121.343130">http://njt.hu/cgi_bin/njt_doc.cgi?docid=94121.343130</a>)</p> <p>2011. CCIX of 2011 Törvény a víziközműszolgáltatásról (Law on water supply). <a href="https://www.ecolex.org/details/legislation/act-no-ccix-of-2011-on-water-public-utility-service-lex-faoc116034/">https://www.ecolex.org/details/legislation/act-no-ccix-of-2011-on-water-public-utility-service-lex-faoc116034/</a></p> <p><b>Legal Authority</b> Forestry Authority Environmental Authority Plant Protection Authority</p> <p><b>Legally required documents or records</b> Construction Plans Licences to use machinery Proof of competence to use chemicals</p> <p>Annual NFCSO-FD reports. <a href="http://portal.nebih.gov.hu/web/guest/-/magyaroszag-erdejeivel-kapcsolatos-adatok">http://portal.nebih.gov.hu/web/guest/-/magyaroszag-erdejeivel-kapcsolatos-adatok</a></p> <p>Natura 2000 reports. EU Habitats Directive, country reporting, Article 17 report to the EU (2007-2012) <a href="https://bd.eionet.europa.eu/activities/Reporting/Article_17/Reports_2013">https://bd.eionet.europa.eu/activities/Reporting/Article_17/Reports_2013</a></p> <p>EU Habitats Directive, country reporting, Article 12 report to the EU (2008-2012) <a href="https://circabc.europa.eu/faces/jsp/extension/wai/navigation/container.jsp">https://circabc.europa.eu/faces/jsp/extension/wai/navigation/container.jsp</a></p>	<p><a href="http://www.europarc.org/wp-content/uploads/2017/05/N2000-implementation-in-Hungary.pdf">http://www.europarc.org/wp-content/uploads/2017/05/N2000-implementation-in-Hungary.pdf</a></p> <p>Hungarian Central Statistics Office. Summary Tables – Time series annual data – Environment. <a href="https://www.ksh.hu/stadat_eves_5">https://www.ksh.hu/stadat_eves_5</a></p> <p>Hungarian Central Statistical Office, 2018. Environmental situation Picture 2018. <a href="https://www.ksh.hu/docs/hun/xftp/idoszaki/pdf/kornyhelyzetkep18.pdf">https://www.ksh.hu/docs/hun/xftp/idoszaki/pdf/kornyhelyzetkep18.pdf</a></p> <p>Hungarian Central Statistical Office, 2018. Indicators of sustainable development in Hungary, 2018. <a href="https://www.ksh.hu/docs/hun/xftp/idoszaki/fenntartfejl/fenntartfejl18.pdf">https://www.ksh.hu/docs/hun/xftp/idoszaki/fenntartfejl/fenntartfejl18.pdf</a></p> <p>National Chamber of Agriculture. July, 2020. New management system of the forestry sector. <a href="https://www.nak.hu/tajekoztatasi-szolgalatas/erdogazdalkodas/102234-az-erdeszeti-agazat-uj-igazgatasi-rendszere">https://www.nak.hu/tajekoztatasi-szolgalatas/erdogazdalkodas/102234-az-erdeszeti-agazat-uj-igazgatasi-rendszere</a></p> <p>BSR. Criminal records in Hungary. <a href="https://bsr.bm.hu/">https://bsr.bm.hu/</a></p> <p>Expert stakeholder input (private correspondence with FSC). 2020-2021.</p>	<p>execution plan is elaborated by the user and approved by the Plant Protection Authority. Flight details are to be recorded and kept for 5 years.</p> <p><b>Construction and use of forestry roads</b> The Law on Forest declares that the construction of forestry roads with solid surface shall consider the protection of the environment and the biodiversity of forests. It requires the approval of the Forestry Authority.</p> <p><b>Construction and maintenance of recreational facilities</b> Recreational facilities can be established based on a plan describing the area, the function of the facility, the design and structure of the facility, a map with the exact location, and the approval of the manager of the forest. This plan shall be approved by the Forestry Authority. Their establishment shall comply with the general requirements of forest and nature protection described at indicator 1.9 and 1.10. The Nature Conservation Authority is involved in the approval process if the area is protected or Natura 2000 sites are affected.</p> <p><b>Water sources</b> The protection of water resources is also a principal objective of the government. Improving waste water treatment, modernizing landfills, implementing the nitrate action programme and the new Act CCIX of 2011 all contribute to a reduction in adverse effects on waters and the realization of sustainable water management. Basic elements of the Act are principles of protection of natural resources and of recovery of costs, and the 'polluter-pays' principle. The continued improvement of natural water retention and reservation technologies also play an important role in climate change adaptation. Further hydro-morphological measures are to be made to expand the good ecological status of surface waters.</p> <p><b>Description of Risk</b> Since July 2020, forest planning and monitoring in the country are completely separated. Forest planning is performed by the Forestry Department of the National Agricultural Center, and forest monitoring by the 10 country government offices</p>
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	<p>CBD reports. Direct link to 5th National report <a href="https://www.cbd.int/doc/world/hu/hu-nr-05-en.pdf">https://www.cbd.int/doc/world/hu/hu-nr-05-en.pdf</a></p> <p>Direct link to National Biodiversity Strategy and action plan <a href="https://www.cbd.int/doc/world/hu/hu-nbsap-v2-en.pdf">https://www.cbd.int/doc/world/hu/hu-nbsap-v2-en.pdf</a></p>		<p>(<a href="https://www.nak.hu/tajekoztatasi-szolgalatas/erdogazdalkodas/102234-az-erdeszeti-agazat-uj-igazgatasi-rendszere">https://www.nak.hu/tajekoztatasi-szolgalatas/erdogazdalkodas/102234-az-erdeszeti-agazat-uj-igazgatasi-rendszere</a>, and <a href="http://www.fataj.hu/2020/06/298/NFK_szervezeti_abra_2020-06-01.pdf">http://www.fataj.hu/2020/06/298/NFK_szervezeti_abra_2020-06-01.pdf</a>).</p> <p>Constructions are usually connected to subsidies, and they are significant operations that are difficult to hide, so illegal activities would be easily revealed during field inspections of forestry operations or during forest management planning. Therefore, these activities are well controlled by the agency responsible for controlling the subsidy, which is also subject to EU control. The operation of machineries, and their mechanical conditions is an area where things can go wrong in the field. There are no public reports published where illegal or accidental cases are listed. And although local experts declare that the system in place does ensure proper monitoring and prevention of calamities caused by machine leakages or other malfunctions, there is no way to check this as there are no records available.</p> <p>With regards to waste dumping and illegal use of chemicals there are no public records of cases either.</p> <p>National criminal records are available at: <a href="https://bsr.bm.hu/">https://bsr.bm.hu/</a>, including criminal activities in relation to environment and nature (per years and regions, since 2012). General statistics are also available based on the national monitoring of environmental features, such as forest management, wildlife and nature conservation, water, air, waste management, among others (<a href="https://www.ksh.hu/stadat_eves_5">https://www.ksh.hu/stadat_eves_5</a>; and <a href="https://www.ksh.hu/docs/hun/xftp/idoszaki/pdf/kornyhelyzetkep18.pdf">https://www.ksh.hu/docs/hun/xftp/idoszaki/pdf/kornyhelyzetkep18.pdf</a>). Furthermore, national statistics about sustainable development are also available (<a href="https://www.ksh.hu/docs/hun/xftp/idoszaki/fenntartfejl/fenntartfejl18.pdf">https://www.ksh.hu/docs/hun/xftp/idoszaki/fenntartfejl/fenntartfejl18.pdf</a>).</p> <p>National or international sources are not showing any risk nor are they contradicting the statements above in the national media.</p>
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			<p>In the annual NFCSO-FD report over the last years there are no cases of polluted water catchment areas due to forest harvesting, nor are there any cases found in international sources or in Natura 2000 or CBD reports.</p> <p>Some international indicators like CPI (corruption) and Rule of Law (see indicator 1.1) are not positive about the country in general.</p> <p>All court decisions in Hungary are available from 2004 and there had been 5 criminal cases since then regarding “forest” and “environmental protection” in the years 2009, 2010, 2011, 2012 and the last one in 2015 (<a href="https://birosag.hu/birosagi-hatarozatok-gujtemenye">https://birosag.hu/birosagi-hatarozatok-gujtemenye</a>).</p> <p>One of them was the case of Körösladány (in South East Hungary), which affected this Natura 2000 site of 1455 hectares. The main issue was that in 2005 a company wanted to establish a 500 hectare boar game park in this forest area, rich in natural values, that was in the process of designation as a Natura 2000 site (<a href="http://www.ceeweb.org/wp-content/uploads/2012/02/N2K_infringement_cases_from_CEE.pdf">http://www.ceeweb.org/wp-content/uploads/2012/02/N2K_infringement_cases_from_CEE.pdf</a>).</p> <p>833 000 ha of forests (41% of all forested areas) of Hungary can be found on Natura 2000 sites. This includes 412 000 ha forests under national protection as well. Most of them are state owned (647 000 ha), but share of private owners and managers is about 25% (186 000 ha). Due to the unique biogeographical features of Hungary (e.g. Pannonian ecoregion), some of these forests are important not only for the national conservation strategies, but also from European point of view (<a href="https://natura2000.eea.europa.eu/#">https://natura2000.eea.europa.eu/#</a> and <a href="https://lifeinforesets.eu/natura2000/natura_2000_in_hungary">https://lifeinforesets.eu/natura2000/natura_2000_in_hungary</a>) (see indicator 1.10 for further information on this regard).</p> <p>Currently, the EU does not have any open cases against Hungary regarding the fully implementation and protection of Natura2000 areas. The management plans for the protected areas are already finalized or on finalization stage and the implementation is necessary to receive subsidies. In May 2018, 325 Natura 2000</p>
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			<p>sites (61,9 % of the total) had management plans in place, an additional 96 plans were prepared and waiting for adoption, and further 20 plans were under preparation.  <a href="https://ec.europa.eu/environment/eir/pdf/report_hu_en.pdf">https://ec.europa.eu/environment/eir/pdf/report_hu_en.pdf</a>, and <a href="http://www.europarc.org/wp-content/uploads/2017/05/N2000-implementation-in-Hungary.pdf">http://www.europarc.org/wp-content/uploads/2017/05/N2000-implementation-in-Hungary.pdf</a>.  Since 2016, private forest owners receive from 41 to 237€/ha annually for protecting Natura 2000 areas (call for application of Natura 2000 forest compensation payment: <a href="https://www.palyazat.gov.hu/vp4-1221-16-natura-2000-erdterleteknek-nyjtott-kompenzcis-kifizetsek-#">https://www.palyazat.gov.hu/vp4-1221-16-natura-2000-erdterleteknek-nyjtott-kompenzcis-kifizetsek-#</a>). Forest managers are not able to receive this funding if the Nature Protection Agency has fined them for destroying these areas. And forest managers need a state approved management plan to receive those fundings. According to experts, this funding changed the forest managers behaviour towards Natura 2000, because now it is seen as a benefit to have a Natura 2000 forests. The funds that are available annually are 17,26 billion HUF (50 million euro). (<a href="https://lifeinforests.eu/natura2000/natura_2000_in_hungary">https://lifeinforests.eu/natura2000/natura_2000_in_hungary</a>) (see indicator 1.10 for further information on this regard).</p> <p><b>Risk Conclusion</b>  Taking into consideration the amount of available data on monitoring of environmental aspects in the country and the fact that no major cases have been found in relation to non-compliance with legally required environmental protection measures connected to forest management and harvesting, as well as the improvement in terms of protection of Natura 2000 sites in recent years, this indicator is considered as low risk.</p> <p>The following threshold applies:  (1) Identified laws are upheld. Cases where law/regulations are violated are efficiently followed up via preventive actions taken by the authorities and/or by the relevant entities.</p>
1.11 Health and safety	<b>Applicable laws and regulations</b> 2009. évi XXXVII. törvény az erdőkről, az erdő védelméről és az erdőgazdálkodásról (Law on Forest) §101	Official Report on Work Safety, Ministry of Economy, 2015 <a href="http://ommf.gov.hu/letoltes.php?d_id=6988">http://ommf.gov.hu/letoltes.php?d_id=6988</a>	<b>Overview of Legal Requirements</b> The listed laws provide general rules regarding the relationship between the employer and the employee and on the working

	<p><a href="http://njt.hu/cgi_bin/njt_doc.cgi?docid=124614.338934">http://njt.hu/cgi_bin/njt_doc.cgi?docid=124614.338934</a></p> <p>2012. évi I. törvény a munka törvénykönyvéről (Law on Labour) Section 51; 97; 212; 218 <a href="http://www.ommf.gov.hu/letoltes.php?d_id=6903">http://www.ommf.gov.hu/letoltes.php?d_id=6903</a></p> <p>65/1999. (XII. 22.) EüM rendelet a munkavállalók munkahelyen történő egyéni védőeszköz használatának minimális biztonsági és egészségvédelmi követelményeiről (Decree on the minimum safety and health requirements for the use of personal protective equipment by workers at work) <a href="https://net.jogtar.hu/jogszabaly?docid=99900065.eum">https://net.jogtar.hu/jogszabaly?docid=99900065.eum</a></p> <p>1993. évi XCIII. törvény a Munkavédelemről (Law on Labour Safety) all paragraphs <a href="http://www.ommf.gov.hu/letoltes.php?d_id=6904">http://www.ommf.gov.hu/letoltes.php?d_id=6904</a></p> <p>1996. évi LXXV. törvény a munkaügyi ellenőrzésről (Law on Labour Inspection) all paragraphs <a href="http://njt.hu/cgi_bin/njt_doc.cgi?docid=27047.340223">http://njt.hu/cgi_bin/njt_doc.cgi?docid=27047.340223</a></p> <p>15/1989. (X. 8.) MÉM rendelet az Erdészeti Biztonsági Szabályzat kiadásáról (Regulation on the Forestry Safety Code), all paragraphs <a href="http://njt.hu/cgi_bin/njt_doc.cgi?docid=10811.319377">http://njt.hu/cgi_bin/njt_doc.cgi?docid=10811.319377</a></p>	<p>Hungary 2016 human rights report <a href="https://www.state.gov/j/drl/rls/hrrpt/2006/78816.htm">https://www.state.gov/j/drl/rls/hrrpt/2006/78816.htm</a></p> <p>FAO Forest resources, policy, legislation and use of wood in Hungary <a href="http://www.fao.org/docrep/w3722E/w3722e20.htm">http://www.fao.org/docrep/w3722E/w3722e20.htm</a></p> <p>FAO Forestry in a transitional economy: Hungary 1993 (about history and others) <a href="http://www.fao.org/docrep/t4620e/t4620e04.htm">http://www.fao.org/docrep/t4620e/t4620e04.htm</a></p> <p>ILO Rights at Work: country report <a href="http://www.ilo.org/gateway/faces/home/ctryHome?locale=EN&amp;countryCode=HUN&amp;_adf.ctrl-state=19vpbs7ael_9">http://www.ilo.org/gateway/faces/home/ctryHome?locale=EN&amp;countryCode=HUN&amp;_adf.ctrl-state=19vpbs7ael_9</a></p> <p>ELDIS country profiles: <a href="http://www.eldis.org/search?country=A1098">http://www.eldis.org/search?country=A1098</a></p> <p>UK government, people killed in forestry. 2016 <a href="http://www.hse.gov.uk/agriculture/pdf/ag-fatal-1617.pdf">http://www.hse.gov.uk/agriculture/pdf/ag-fatal-1617.pdf</a></p> <p>Study that compares fatal accidents in forestry throughout the world. 2014 <a href="http://www.scielo.cl/pdf/cyt/v16n51/art02.pdf">http://www.scielo.cl/pdf/cyt/v16n51/art02.pdf</a></p> <p>EUROSTAT. Data browser. Employment in forestry and forest based industry. <a href="https://ec.europa.eu/eurostat/databrowser/view/for_emp_lfs/default/table?lang=en">https://ec.europa.eu/eurostat/databrowser/view/for_emp_lfs/default/table?lang=en</a></p>	<p>conditions. Law on Labour specifies the legal ways of employment, and the rights and responsibilities of the parties.</p> <p>One of the most important provisions in the Law on Labour and the Law on Labour Safety is that the employer is responsible for assessing the health and safety risks in connection to all workplaces and provide the employee with the necessary relevant information and training, personal safety equipment and safe working conditions. Employers are also obliged to arrange regular health-check on the employees, and to enforce safety regulations.</p> <p>It is also regulated that machinery and equipment of special-purpose can only be operated by licensed personnel (Regulation on the Issuance of Licences for Operating Agricultural and Forestry Machinery).</p> <p>The Forest Safety Code is a detailed description on how forest operations shall be carried out. Specific rules apply to the various forestry operations, the use of safety equipment, protection against dangerous living organisms and natural conditions, maximum working hours etc.</p> <p>The Decree on the minimum safety and health requirements for the use of personal protective equipment by workers at work establishes the requirement for first-aid training and the need to have fast and easy access to first-aid equipment.</p> <p><b>Description of Risk</b> According to EUROSTAT about 20,000 people work in the forest sector, including logging in Hungary in 2020 <a href="https://ec.europa.eu/eurostat/databrowser/view/for_emp_lfs/default/table?lang=en">https://ec.europa.eu/eurostat/databrowser/view/for_emp_lfs/default/table?lang=en</a>.</p> <p>The safety regulations are in general thoroughly controlled by the Hungarian Labour Inspectorate, as forestry work, especially timber harvest, is among the most dangerous and harmful types of work. Their mandate is stipulated in the Law on Labour Inspection. State forest companies have established internal procedures to comply with the regulations. They apply detailed</p>
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	<p>83/2003. (VII. 16.) FVM rendeletet a mezőgazdasági és erdészeti gépkezelői jogosítvány bevezetéséről és kiadásának szabályairól (Regulation on the Issuance of Licences for Operating Agricultural and Forestry Machinery), all paragraphs (<a href="http://njt.hu/cgi_bin/njt_doc.cgi?docid=75665.333632">http://njt.hu/cgi_bin/njt_doc.cgi?docid=75665.333632</a>)</p> <p><b>Legal Authority</b> Hungarian Labour Inspectorate</p> <p><b>Legally required documents or records</b> Labour contract (munkaszerződés) Attendance sheet of safety trainings and instructions Driving licence or other licences for the use of machinery Certificate of labour related health-check Work safety risk-assessment</p>	<p>Department of Labour Inspection of Hungary. Labour accident statistics. <a href="http://www.ommf.gov.hu/index.php?akt_menu=223">http://www.ommf.gov.hu/index.php?akt_menu=223</a></p> <p>Agrarszektor, 25 January 2019. There has been an increase in the labour inspections – that is the reason. <a href="https://www.agrarszektor.hu/agrarpenezek/latvanyosan-nott-a-munkavedelmi-ellenorzesek-szama-ez-az-oka.12419.html">https://www.agrarszektor.hu/agrarpenezek/latvanyosan-nott-a-munkavedelmi-ellenorzesek-szama-ez-az-oka.12419.html</a></p> <p>Interview with two local experts, 2020.</p> <p>Expert stakeholder input (private correspondence with FSC). 2020-2021.</p>	<p>instructions for their employees, and there are designated persons responsible to enforce these instructions, and to control compliance.</p> <p>Forest operations, including timber harvest and transport is typically carried out by contractors in forests of all types of ownership. Since these contractor enterprises are SMEs, often with low quality equipment, safety issues can be detected. The risk of violating safety regulations can be higher, if the contractor enterprise is regularly changing its partners, which mostly takes place in private forests.</p> <p>According to the official report on work safety in agriculture, forestry and fisheries, the most important infringements are working without personal protection and operating machinery without licence. But this report is about the combined figures for agriculture, forestry and fisheries. Nevertheless, according to these figures, violation of health and safety regulations was found at 77,4% of the visited employers. These 3 sectors are regarded as the most dangerous ones in terms of work safety and therefore, they are in the focus of the field inspections. In 2015 there were 726 such field inspections done. More people works in the agricultural sector when compared to the forest sector.</p> <p>There is data available for fatal occupational accidents in forestry, since 2000. The figures for the period 2000-2010 ranged between 4,0-4,33 fatal accidents/year, according to the National Labour Agency. Non-fatal accidents ranged between 243-133 yearly for the same period. In literature these numbers are usually calculated by the number of fatal accidents/million m<sup>3</sup> harvested in the country. If we calculate 4,33 / 7,3 million m<sup>3</sup> harvested (2016 figure) = 0,61 fatal/million<sup>3</sup>.</p> <p>To compare with other countries in the similar period of time here are some figures:</p>
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COUNTRY	Fatal Cases/Million M3 (2010–2012 Average)
Germany	0
Belgium	0
Finland	0.0064
Australia	0.01
Sweden	0.04
New Zealand	0.16
Canada (Province of BC)	0.17
Spain	0.18
Chile	0.21
USA	0.22
United Kingdom	0.23
Austria	0.30
Italy	2.05

(Source: Occupational Accidents Footprint – SciELO (see left column)).

The figure for Hungary was higher than other countries, but this is also caused by the much higher amount of broadleaves harvested. Broadleaves, when compared with conifers, are usually harvested by chainsaw, and not by bigger harvesting machines. Working with chainsaws is more dangerous than harvesters and thus a higher number of fatalities can be expected in Hungary when compared to countries like Sweden where almost everything is conifers. Pap Laszlo, employee of the Hungarian Ministry of Agriculture identifies the manually harvesting techniques in Hungary as one of the main drivers of accidents in the forestry sector.

If we compare Hungary to Slovenia (also more conifers) it can be seen that Slovenia had a score of 1,31 fatal/million, which is very high for a country with conifers.

Although safety regulations refer to all kinds of forestry works, it is difficult to control whether private forest owners working in their

			<p>own forest comply with the regulations. Although all people working in the forests need a license when working with specialised equipment many inspections (77,4%) found irregularities. According to the interviewed local expert, forest workers conduct their work in both, state and private forests. The contractors have to carry out the same safety measures in both types of forest ownership.</p> <p>Nevertheless, when we observe the most updated (2016-2020) official statistics on accidents at work in the forest sector (including private and state forests) in Hungary, the trend has clearly declined over the years, not only in numbers but also in severity. During 2016, 186 accidents happened, 6 of them fatal, and 0 serious (e.g. mutilations, among others); in 2017, 128 accidents were registered, 7 of them fatal, and 3 serious; for 2018, 84 accidents happened in that year, 4 fatal, and 0 serious; in 2019, 75 accidents, 3 fatal and 5 serious; and during 2020, 74 accidents were registered, with 2 fatal accidents, and 2 of them serious.</p> <p>The forest authority needs to inform the health and safety authority, in case they would identify any health and safety infringements  <a href="http://www.ommf.gov.hu/index.php?akt_menu=223">http://www.ommf.gov.hu/index.php?akt_menu=223</a>).</p> <p>In addition to that, the number of safety inspections carried out by authorities in the agricultural sector (including forest sector) doubled up to 1530 employers in 2018. As a result of the strengthening in the monitoring and enforcement system along time, the number of accidents reduced from 837 in 2016 down to 654 in 2017, and 590 in 2018 (reduction by 30%). This is also applicable for fatal accidents  <a href="https://www.agrarszektor.hu/agrarpenzek/latvanyosan-nott-a-munkavedelmi-ellenorzesek-szama-ez-az-oka.12419.html">https://www.agrarszektor.hu/agrarpenzek/latvanyosan-nott-a-munkavedelmi-ellenorzesek-szama-ez-az-oka.12419.html</a>).</p> <p>Furthermore, other national or international sources are not showing any other risk nor are they listing any problems with H&amp;S.</p>
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			<p><b>Risk Conclusion</b></p> <p>Taking into consideration the decrease in the number of accidents at work in the forest sector (including fatal and serious accidents) and the comparison with the total number of workers, as well as the increase of the inspections for health and safety requirements from the government authorities in recent years in Hungary, this indicator is considered as low risk.</p> <p>The following threshold applies:</p> <p>(1) Identified laws are upheld. Cases where law/regulations are violated are efficiently followed up via preventive actions taken by the authorities and/or by the relevant entities.</p>
1.12 Legal employment	<p><b>Applicable laws and regulations</b></p> <p>2012. évi I. törvény a munka törvénykönyvéről (Law on Labour) Section 51; 97; 212; 218 (<a href="http://www.ommf.gov.hu/letoltes.php?id=6903">http://www.ommf.gov.hu/letoltes.php?id=6903</a>)</p> <p>2003. évi CXXV. Törvény az egyenlő bánásmódról és az esélyegyenlőség előmozdításáról (Law on Equal Treatment and Promotion of Equal Opportunities) all paragraphs (<a href="http://www.egyenlobanasmod.hu/data/SZMM094B.pdf">http://www.egyenlobanasmod.hu/data/SZMM094B.pdf</a>)</p> <p>298/2011. (XII. 22.) Korm. rendelet a kötelező legkisebb munkabér (minimálbér) és a garantált bérminimum megállapításáról (Government Regulation on Mandatory Minimum Wage and on the Guaranteed Wage Minimum) (<a href="http://www.ommf.gov.hu/letoltes.php?id=7152">http://www.ommf.gov.hu/letoltes.php?id=7152</a>)</p> <p>2010. évi LXXV. törvény az egyszerűsített foglalkoztatásról (Law on Simplified Employment)</p>	<p>Hungary 2016 human rights report <a href="https://www.state.gov/j/drl/rls/hrrpt/2006/78816.htm">https://www.state.gov/j/drl/rls/hrrpt/2006/78816.htm</a></p> <p>ILO Rights at Work: country report <a href="http://www.ilo.org/gateway/faces/home/ctryHome?locale=EN&amp;countryCode=HUN&amp;_adf.ctrl-state=19vpbs7ael_9">http://www.ilo.org/gateway/faces/home/ctryHome?locale=EN&amp;countryCode=HUN&amp;_adf.ctrl-state=19vpbs7ael_9</a></p> <p>ELDIS country profiles: <a href="http://www.eldis.org/search?country=A1098">http://www.eldis.org/search?country=A1098</a></p> <p>Consultation with forest experts, 2017 and 2020.</p> <p>CPI index 2017 <a href="https://www.transparency.org/country/HUN">https://www.transparency.org/country/HUN</a></p> <p>World Bank: Worldwide Governance Indicators 2018 <a href="http://info.worldbank.org/governance/wgi/index.aspx#home">http://info.worldbank.org/governance/wgi/index.aspx#home</a></p> <p>Department of Labour Inspection of Hungary. Occupational Security. Data</p>	<p><b>Overview of Legal Requirements</b></p> <p>The Law on Labour explains general principles of equal treatment of humans are declared and specific banned cases of in-equality are specified. The Law on Equal Treatment and Promotion of Equal Opportunities establishes organizations and procedures to ensure equal treatment including the application of principles in connection to employment.</p> <p>Minimum wage is mandatory, and it is regularly reviewed. Tax and social service payments are harmonized with minimum wages (Government Regulation on Mandatory Minimum Wage and on the Guaranteed Wage Minimum).</p> <p>Simplified administration of employment (Law on Simplified Employment) is targeted to agriculture and forestry related seasonal works and short-term employment. The relevant law describes the conditions for applying this form of employment, and the rules of paying public expenses. It refers to the general requirements of the Law on Labour and adds specific regulations.</p> <p>Several governmental organizations manage forests, and their employees are subject to the Law on Civil Servants, such as e.g. national water and environment and nature conservation authority entities and others.</p> <p>Self-Employment (Law on Self-employment) is regulated by specific rules regarding the legal criteria for starting, operating</p>

<p>(<a href="http://njt.hu/cgi_bin/njt_doc.cgi?docid=132066.329445">http://njt.hu/cgi_bin/njt_doc.cgi?docid=132066.329445</a>)</p> <p>1992. évi XXXIII. törvény a közalkalmazottak jogállásáról (Law on Civil Servants), all paragraphs (<a href="http://njt.hu/cgi_bin/njt_doc.cgi?docid=17120.338679">http://njt.hu/cgi_bin/njt_doc.cgi?docid=17120.338679</a>)</p> <p>2009. évi CXV. törvény az egyéni vállalkozóról és az egyéni cégről (Law on Self-employment) (<a href="http://njt.hu/cgi_bin/njt_doc.cgi?docid=125865.328149">http://njt.hu/cgi_bin/njt_doc.cgi?docid=125865.328149</a>)</p> <p>1997. évi LXXX. törvény a társadalombiztosítás ellátásaira és a magánnyugdíjra jogosultakról, valamint e szolgáltatások fedezetéről (Law on Eligibility for Social Services and Private Pension); all paragraphs (<a href="http://njt.hu/cgi_bin/njt_doc.cgi?docid=30360.340226">http://njt.hu/cgi_bin/njt_doc.cgi?docid=30360.340226</a>)</p> <p>1995. évi CXVII. Törvény a személyi jövedelemadóról (Law on Personal Income Tax) §14-§15 (<a href="http://njt.hu/cgi_bin/njt_doc.cgi?docid=24312.323399">http://njt.hu/cgi_bin/njt_doc.cgi?docid=24312.323399</a>)</p> <p><b>Legal Authority</b> Hungarian Labour Inspectorate Equal Treatment Authority</p> <p><b>Legally required documents or records</b> Labour contract (munkaszerződés) Certificate of the payment of taxes and social duties (Igazolás a levont és befizetett adókról és járulékokról)</p>	<p>from Labor Inspection: 2015 - 2020. <a href="http://www.ommf.gov.hu/index.php?akt_menu=563">http://www.ommf.gov.hu/index.php?akt_menu=563</a></p> <p>CEIC. Hungary Unemployment Rate 2020-2021. <a href="https://www.ceicdata.com/en/indicator/hungary/unemployment-rate">https://www.ceicdata.com/en/indicator/hungary/unemployment-rate</a></p> <p>EUROSTAT. Data browser. Employment in forestry and forest based industry. <a href="https://ec.europa.eu/eurostat/databrowser/view/for_emp_lfs/default/table?lang=en">https://ec.europa.eu/eurostat/databrowser/view/for_emp_lfs/default/table?lang=en</a></p> <p>Expert stakeholder input (private correspondence with FSC). 2020-2021.</p>	<p>and finishing such an enterprise. Self-employment in the field of forestry requires the same competencies as in the form of regular employment.</p> <p>Social Security system (Law on Eligibility for Social Services and Private Pension) includes public health insurance, pension, social payments in connection to unemployment, family support, maternity leave, injuries etc. Eligibility criteria are specified.</p> <p>Personal income and social security payments shall be calculated, deducted from wages and paid by the employer (Law on Personal Income Tax).</p> <p><b>Description of Risk</b> According to regulations, employment shall be based on written contract and the rights of the employees are protected by laws. In the field of forestry, the large employers are the state forest companies and other state organizations, where there are established procedures and responsible persons are designated to ensure legal compliance. Based on the consultations with forest experts, legal employment at the contractor enterprises is difficult to control, thus effective control is lacking. Some of these enterprises have to deal with high level of fluctuation, and they very often apply 'simplified employment' (see above).</p> <p>Data from the Labour Inspection Department for the period 2015-2020 concludes based on the audit experience that undeclared work overall in 2020 in Hungary remains dominant, which accounted for 15% of the workers that were part of the inspections (9,644). The proportion of workers affected by undeclared work in relation to workers decreased compared to 2019. Nevertheless, since 2011 it is the third highest year. In recent years, the effectiveness of inspections has increased in labour. The vast majority of inspections are targeted at workplaces where there is a real breach of the workers' rights, i.e. the effective selection of control targets, exploring undeclared work. At the same time, the number of workers affected by undeclared work has not decreased in proportion.</p>
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	Social security number (TAJ szám)		<p>One of the most volatile aspects of agriculture in Hungary is undeclared work, which can be traced back to the special nature of the sector and the complexity of control: larger and more hidden areas of work, seasonal nature, and sometimes larger number of workers. In terms of non-compliance, in 2019, a total of 517 measures were taken and 121 labour fines were imposed in the amount of HUF 29,440,000. Of the 2 348 employees audited, 1 719 were affected by an irregularity, of which undeclared work accounted for 487 people. In 2020, a total of 618 measures were taken and 177 labour fines were imposed in the amount of HUF 38,030,000. Of the 3 613 employees audited, 2 246 were affected by an irregularity, of which undeclared work accounted for 859 people (Department of Labour Inspection of Hungary). According to interviewed experts, forestry accounts for 5 to 10% of the agricultural sector numbers.</p> <p>EUROSTAT estimates that approximately 20,000 people work in the forest sector, including logging in Hungary in 2020 (<a href="https://ec.europa.eu/eurostat/databrowser/view/for_emp_lfs/default/table?lang=en">https://ec.europa.eu/eurostat/databrowser/view/for_emp_lfs/default/table?lang=en</a>).</p> <p>It is experienced by acting government officials that agricultural work is more determined by 'customary law' than by written legislation. The wages are as agreed in the farm context, the area of employment also adapted to its situation. Guaranteed wages, overtime, holidays, daily and weekly resting time are supplement "unknown" concepts by workers (Department of Labour Inspection of Hungary).</p> <p>According to expert stakeholder input, the illegal employment found in agriculture and forestry is often based on seasonal work. Forestry is not as seasonal work as field work in agriculture and more trained staff is needed. This is especially true for work on high-priced broadleaf-species (Broadleaf species harvesting is the most common form of harvesting in Hungary) and other forms of timber harvesting which are dangerous (like harvesting in general, thinning, etc.). So, workers are normally employed for a whole year and most problems in the statistics are based on mistakes that happened on the registration of seasonal-employees in the agriculture/forestry sector.</p>
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			<p>Furthermore, several key social benefits are linked to legal employment, such as social/family subsidies and health and safety insurance for forest workers. As a result, workers are disincentivized from engaging in illegal employment in the forestry sector.</p> <p>Additionally, according to CEIC, unemployment rates in Hungary reached an all-time high of 11.56% in March 2012 and a record low of 3.19% in December 2019. In December 2020 was 4.05% (<a href="https://www.ceicdata.com/en/indicator/hungary/unemployment-rate">https://www.ceicdata.com/en/indicator/hungary/unemployment-rate</a>).</p> <p>International sources do not state any problem in Hungary in relation to legal employment. Nevertheless, some international indicators like CPI (corruption) and Rule of Law (see indicator 1.1) are not positive about the country in general.</p> <p><b>Risk Conclusion</b></p> <p>Undeclared work in recent years does not seem to be high in the forest sector in Hungary compared to the total number of registered workers (20,000). However, the number of infringements found by labour inspection authorities in the agricultural sector (which includes forestry) is in general very high. Furthermore, there is no available information of the forest sector regarding compliance with legal requirements covered by this indicator (e.g. obligatory insurance, payment of social and income taxes withheld by the employer, child and forced labour, discrimination and freedom of association), which would allow to analyse if found infringements are related to these requirements and the magnitude of them.</p> <p>Nevertheless, there are also several institutional elements about labour in the Hungarian forestry sector that in many ways safeguards the forestry sector in Hungary from systemic issues of illegal employment.</p> <p>Thus, this indicator is considered as low risk.</p> <p>The following threshold applies:</p>
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			(1) Identified laws are upheld. Cases where law/regulations are violated are efficiently followed up via preventive actions taken by the authorities and/or by the relevant entities.
<b>Third parties' rights</b>			
1.13 Customary rights	<p><b>Applicable laws and regulations</b> 2009. évi XXXVII. törvény az erdőkről, az erdő védelméről és az erdőgazdálkodásról (Law on Forest) §39; §43; §69(7); §91-§94 (<a href="http://njt.hu/cgi_bin/njt_doc.cgi?docid=124614.338934">http://njt.hu/cgi_bin/njt_doc.cgi?docid=124614.338934</a>)</p> <p>153/2009. (XI. 13.) FVM rendelet az erdőről, az erdő védelméről és az erdőgazdálkodásról szóló 2009. évi XXXVII. törvény végrehajtásáról (Regulation on the Application of the Law on Forest) §3(f); §5; §11; §40-§41 (<a href="http://njt.hu/cgi_bin/njt_doc.cgi?docid=126182.333667">http://njt.hu/cgi_bin/njt_doc.cgi?docid=126182.333667</a>)</p> <p><b>Legal Authority</b> N/A</p> <p><b>Legally required documents or records</b> N/A</p>	<p>Hungary 2016 human rights report <a href="https://www.state.gov/j/drl/rls/hrrpt/2006/78816.htm">https://www.state.gov/j/drl/rls/hrrpt/2006/78816.htm</a></p> <p>ELDIS country profiles: <a href="http://www.eldis.org/search?country=A1098">http://www.eldis.org/search?country=A1098</a></p> <p>European court cases against Hungary, <a href="#">CURIA</a>)</p> <p>Minority rights: <a href="http://minorityrights.org/country/hungary/">http://minorityrights.org/country/hungary/</a></p> <p>Consultation with forest experts, 2017.</p>	<p><b>Overview of Legal Requirements</b> Customary rights are not recognized in Hungarian legislation (Forest law and Regulation on the Application of the Law on Forest).</p> <p>Third parties' rights in connection to forests can be identified in the following cases:</p> <ul style="list-style-type: none"> <li>- Visiting the forest Visiting the forest on foot, by bicycle, on horse is free of charge on the roads and on all types of forest ownership. Access to the forest can be limited temporarily (less than 6 months), if it is justified by safety reasons (forestry operations, hunting, etc.) Limitations longer than 1 month shall be reported to the Forestry Authority.</li> <li>- Utilization of non-wood forest products In state forests, picking mushrooms and berries, fruits and herbs is allowed for personal use to a limited amount. In other ownership types this rule does not apply.</li> <li>- Access to information and public hearing The responsible Minister (currently the Minister of Agriculture) shall publish a report on the state of forests in every five years. The data in the National Forest Inventory is open-access. Major forestry operations are defined, and Forestry Authority shall publish related information after the finalization of forest management plans and in case of issuing permits for these operations. The public has the right to submit comments and the Forestry Authority hold public hearing, if necessary.</li> <li>- Third party involvement in forest management planning Regional forest management planning process includes public consultation, and municipalities are involved.</li> </ul>

			<p><b>Description of Risk</b>  Most of the processes above are either in the responsibility of state organizations, or state forest companies. One exception is public access, which shall be granted in all types of ownership. Although private forest owners see this regulation as against their right to protect their properties, no conflicts have been reported in the national media since the time of privatization (source local expert).</p> <p>Other national or international sources are not showing any other risk nor are they contradicting the statements above.</p> <p>Relevant indicator 2.3 (The rights of Indigenous and Traditional Peoples) and 3.5 (community needs) are also low risk.</p> <p><b>Risk Conclusion</b>  Low risk. All together the risk with regards to this indicator are low. Low risk thresholds number 1 counts.  (1) Identified laws are upheld. Cases where law/regulations are violated are efficiently followed up via preventive actions taken by the authorities and/or by the relevant entities.</p>
1.14 Free prior and informed consent	<p><b>Applicable laws and regulations</b>  N/A</p> <p><b>Legal Authority</b>  N/A</p> <p><b>Legally required documents or records</b>  N/A</p>		<p><b>Overview of Legal Requirements</b>  This term is not used in Hungarian legislation. Free prior and informed consent is connected to indigenous peoples and to collective ownership regarding third party's rights. None of them is applicable in Hungary.</p> <p><b>Description of Risk</b>  N/A</p> <p><b>Risk Conclusion</b>  N/A</p>
1.15 Indigenous people's rights	<p><b>Applicable laws and regulations</b>  N/A</p> <p><b>Legal Authority</b></p>	<p>Minority rights:  <a href="http://minorityrights.org/country/hungary/">http://minorityrights.org/country/hungary/</a></p>	<p><b>Overview of Legal Requirements</b>  Not applicable, as there are no legally recognized indigenous peoples and there are no legally recognized traditional peoples. Nevertheless, see CNRA cat 2, indicator 2.3.</p>

	<p>N/A</p> <p><b>Legally required documents or records</b> N/A</p>		<p><b>Description of Risk</b> See indicator 2.3. Although traditional people are identified there as low risk.</p> <p><b>Risk Conclusion</b> N/A</p>
<b>Trade and transport</b>			
<p>1.16 Classification of species, quantities, qualities</p>	<p><b>Applicable laws and regulations</b> 153/2009. (XI. 13.) FVM rendelet az erdőről, az erdő védelméről és az erdőgazdálkodásról szóló 2009. évi XXXVII. törvény végrehajtásáról (Regulation on the Application of the Law on Forest) Annex I. (<a href="http://njt.hu/cgi_bin/njt_doc.cgi?docid=126182.333667">http://njt.hu/cgi_bin/njt_doc.cgi?docid=126182.333667</a>)</p> <p>5/2015. (II. 27.) NGM rendelet az Elektronikus Közúti Áruforgalom Ellenőrző Rendszer működéséről (Regulation on the Electronic Public Road Trade Control System) (<a href="http://njt.hu/cgi_bin/njt_doc.cgi?docid=174308.327608">http://njt.hu/cgi_bin/njt_doc.cgi?docid=174308.327608</a>)</p> <p>26/2016. (IV. 11.) FM rendelet a faanyag kereskedelmi lánc felügyeletével kapcsolatos bejelentés, nyilvántartás és ellenőrzés részletes szabályairól (Regulation on the Control of Timber Trade-chain) all paragraphs (<a href="http://njt.hu/cgi_bin/njt_doc.cgi?docid=194909.320637">http://njt.hu/cgi_bin/njt_doc.cgi?docid=194909.320637</a>)</p>	<p>CPI index 2017 <a href="https://www.transparency.org/country/HUN">https://www.transparency.org/country/HUN</a></p> <p>World Bank: Worldwide Governance Indicators 2018 <a href="http://info.worldbank.org/governance/wgi/index.aspx#home">http://info.worldbank.org/governance/wgi/index.aspx#home</a></p> <p>European court cases against Hungary, (<a href="http://eur-lex.europa.eu/curia/">CURIA</a>)</p> <p>EUTR portal in Hungary: <a href="http://portal.nebih.gov.hu/eutr">http://portal.nebih.gov.hu/eutr</a></p> <p>EUTR portal Europe <a href="http://ec.europa.eu/environment/forests/timber_regulation.htm">http://ec.europa.eu/environment/forests/timber_regulation.htm</a></p> <p><a href="http://ec.europa.eu/environment/forests/pdf/EUTR%20implementation%20s-coreboard.pdf">http://ec.europa.eu/environment/forests/pdf/EUTR%20implementation%20s-coreboard.pdf</a></p>	<p><b>Overview of Legal Requirements</b> A list of tree species that can be used in forest is provided in the annex 1 to the Regulation on the Implementation on the Law on Forest.</p> <p>Quantities are measured in net m<sup>3</sup>, gross m<sup>3</sup>, green ton, dry ton.</p> <p>Timber transport shall be documented by a 'Transport Ticket' issued by the sender, typically by the manager of forest (Regulation on the Electronic Public Road Trade Control System). Such transport Ticket summarizes the origin, classification and the amount of the timber with reference to the Forestry Operation Document.</p> <p>This is also related to the implementation of EUTR. Description of the implementation of EUTR in Hungary can be found under indicator 1.21. EU DDR regulation is applied in the law and managed by the Forestry Authority.</p> <p><b>Description of Risk</b> Wood is transported with a Transport ticket as this is also requested by the EUTR implemented regulations in Hungary.</p> <p>Implementation of the EUTR demands that delivery documents are to be divided by tree species. A system of classification of species, quantities and qualities does exist and is thus used. Since the implementation of the EUTR the situation in Hungary has become stricter. Extra controls were done for the purpose of</p>

	<p>EU Timber Regulation No. 995/2010</p> <p><b>Legal Authority</b> Forestry Authority National Tax and Customs Administration (NTCA)</p> <p><b>Legally required documents or records</b> Forestry Operation Document Transport Ticket EPRTSC registration</p>		<p>EUTR reporting to Brussels, there are no significant problems with timber classifications at this moment. Such is stated by the European EUTR portal where status and inspection data can be found. There is no shortcoming to the system listed on the portal.</p> <p>Other national or international sources are not showing any other risk nor are they contradicting the statements above. Some international indicators like CPI (corruption) and Rule of Law (see indicator 1.1) are not positive about the country in general.</p> <p><b>Risk Conclusion</b> Low risk. All together the risk with regards to this indicator are low. Low risk thresholds number 1 counts.</p> <p>(1) Identified laws are upheld. Cases where law/regulations are violated are efficiently followed up via preventive actions taken by the authorities and/or by the relevant entities.</p>
1.17 Trade and transport	<p><b>Applicable laws and regulations</b> 5/2015. (II. 27.) NGM rendelet az Elektronikus Közúti Áruforgalom Ellenőrző Rendszer működéséről (Regulation on the Electronic Public Road Trade Control System) (<a href="http://njt.hu/cgi_bin/njt_doc.cgi?docid=174308.327608">http://njt.hu/cgi_bin/njt_doc.cgi?docid=174308.327608</a>)</p> <p>2009. évi XXXVII. törvény az erdőkről, az erdő védelméről és az erdőgazdálkodásról (Law on Forest) §87-§90/M (<a href="http://njt.hu/cgi_bin/njt_doc.cgi?docid=124614.338934">http://njt.hu/cgi_bin/njt_doc.cgi?docid=124614.338934</a>)</p> <p>26/2016. (IV. 11.) FM rendelet a faanyag kereskedelmi lánc felügyeletével kapcsolatos bejelentés, nyilvántartás és</p>	<p>Global Forest Watch, Country profile. <a href="http://www.globalforestwatch.org/country/HUN">http://www.globalforestwatch.org/country/HUN</a></p> <p>Chatham House Illegal Logging Indicators Country Report Card, 2016 <a href="https://www.illegal-logging.info/regions/hungary">https://www.illegal-logging.info/regions/hungary</a></p> <p>EUTR portal Europe <a href="http://ec.europa.eu/environment/forests/timber_regulation.htm">http://ec.europa.eu/environment/forests/timber_regulation.htm</a></p> <p>Report of Forestry Authority discovery of illegal timber. <a href="http://portal.nebih.gov.hu/-/tobb-mint-10-000-mazsa-tuzifat-zaroltak-a-nebih-ellenorei">http://portal.nebih.gov.hu/-/tobb-mint-10-000-mazsa-tuzifat-zaroltak-a-nebih-ellenorei</a></p>	<p><b>Overview of Legal Requirements</b> All trade related transport by vehicles over 3.5 tons and/or by vehicles subject to road toll shall be registered in the Electronic Public Road Trade Control System (EPRTCS) (Regulation on the Electronic Public Road Trade Control System).</p> <p>Timber transport shall be documented by a 'Transport Ticket' issued by the sender, typically by the manager of forest. Transport Ticket summarizes the origin, classification and the amount of the timber with reference to the Forestry Operation Document (explained further in the Law on Forests). This is also related to the implementation of EUTR. Description of the implementation of EUTR in Hungary can be found under indicator 1.21. EUTR regulation is applied by the law (Regulation on the Control of Timber Trade-chain) and managed by the Forest Authority.</p> <p><b>Description of Risk</b></p>

	<p>ellenőrzés részletes szabályairól (Regulation on the Control of Timber Trade-chain) all paragraphs (<a href="http://njt.hu/cgi_bin/njt_doc.cgi?docid=194909.320637">http://njt.hu/cgi_bin/njt_doc.cgi?docid=194909.320637</a>)</p> <p>EU Timber Regulation (EUTR) No. 995/2010</p> <p><b>Legal Authority</b> Forestry Authority National Tax and Customs Administration (NTCA)</p> <p><b>Legally required documents or records</b> Forestry Operation Document Transport Ticket EPRTSC registration</p>	<p>European court cases against Hungary, <a href="#">CURIA</a>)</p>	<p>The timber transport regulations are controlled by the Forestry Authority with a special task force and non-compliance is regularly reported. Audits are based on random public road control in cooperation with the National Tax and Customs Administration and the Transport Authority, as well as on random audits at the location of wood working or wood trading enterprises, and on complaints from the public.</p> <p>Non-compliance can lead to suspension of operation and confiscation of the timber.</p> <p>Hungary introduced the EUTR field control system only in 2017. So far there are no annual report available. Single cases are published on the Forestry Authority website. One case was published this far: A load of fuel wood of 1 163 m3 having no license of origin, was discovered by the Forestry Authority and operations of the company in question was suspended.</p> <p>The European EUTR portal Dec 2017 till June 2018 report that risk criteria and random checks are in place. Substantiated concerns are followed up on. The 'Check plan' is defined in national legislation (page 5 of the report).</p> <p>The reports showed that during this period the inspections only just started, and most operators and traders were only just implementing the new rules. 3 domestic operator inspections were executed and 1 led to a court case. Besides that, 2 importers were checked (1 got a financial penalty) and 30 timber traders. Out of these traders 11 did not yet have the correct paperwork. 9 got a financial penalty, and 3 had to appear in court.</p> <p>Altogether 159 Substantiated concerns (cases) were reported by the police (44 cases), individuals (8), customs (81) and other state organisations (26). Many of these are still ongoing and not included in the above findings.</p> <p>This is an evidence that the system includes field checks and worked. The system is still in its initial stage but is clearly working. The pressure from Europe is also in place and this leads to a proper EUTR follow up by itself. There is no reason to assume</p>
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			<p>that the trade or transport system in Hungary itself is failing, it is important to state that almost all cases above are dealing with compliance with the new system of EUTR paperwork. This doesn't mean that illegal timber is traded or transported in the true sense of the word. In almost all cases the people and organisations involved did not have their paperwork organised or present according to the new rules. Such was/is happening in other EU countries as well, during EUTR implementation and is not uncommon.</p> <p><b>Risk Conclusion</b> Low risk. All together the risk with regards to this indicator are low. Low risk thresholds number 1 counts.</p> <p>(1) Identified laws are upheld. Cases where law/regulations are violated are efficiently followed up via preventive actions taken by the authorities and/or by the relevant entities.</p>
1.18 Offshore trading and transfer pricing	<p><b>Applicable laws and regulations</b> 1996. évi LXXXI. Törvény a társasági adóról és az osztalékadóról (Law on Corporate and Divident Tax) (<a href="http://njt.hu/cgi_bin/njt_doc.cgi?docid=27087.340065">http://njt.hu/cgi_bin/njt_doc.cgi?docid=27087.340065</a>)</p> <p><b>Legal Authority</b> National Tax and Customs Administration (NTCA)</p> <p><b>Legally required documents or records</b> Custom declaration Delivery document Bill of lading Certificate of origin Sales invoice</p>	<p>Deloitte 2016 Global Transfer Pricing Country Guide. <a href="https://www2.deloitte.com/content/dam/Deloitte/us/Documents/Tax/us-tax-2016-global-transfer-pricing-country-guide-051816.pdf">https://www2.deloitte.com/content/dam/Deloitte/us/Documents/Tax/us-tax-2016-global-transfer-pricing-country-guide-051816.pdf</a></p> <p>KPMG 2018, country report. <a href="https://home.kpmg/xx/en/home/insights/2018/04/hungary-taxation-of-cross-border-mergers-and-acquisitions.html">https://home.kpmg/xx/en/home/insights/2018/04/hungary-taxation-of-cross-border-mergers-and-acquisitions.html</a></p> <p>Announcement on the agreement on the Global Forum on Transparency and Exchange of Information for Tax purposes. (<a href="http://www.kormany.hu/en/ministry-for-national-economy/news/international-">http://www.kormany.hu/en/ministry-for-national-economy/news/international-</a></p>	<p><b>Overview of Legal Requirements</b> Hungary is a Member of the Organisation for Economic Co-operation and Development (OECD) and its Global Forum on Transparency and Exchange of Information for Tax Purposes. This organization is an international body for ensuring the implementation of the internationally agreed standards of transparency and exchange of information in the tax area. Members of OECD have agreed on exchange of information and standardization. The 'Berlin Agreement' of the organization was signed in 2014 by Hungary, which ensures that Hungary is exchanging information related to tax and financial transactions with 145 members, including the most popular tax havens.</p> <p><i>Offshore trading</i> In Hungarian law, there is no limitation on establishing offshore companies, or on establishing companies in Hungary by offshore companies. In addition, a number of other types of income are also exempt from corporate tax, and there is no withholding tax imposed on income paid from Hungary. There is no tax payment obligation for</p>

		<p><a href="#">agreement-on-exchanging-tax-related-information</a>)</p> <p>Crystal worldwide 2018 <a href="http://crwwgroup.net/en/company_for_mation/hungary/">http://crwwgroup.net/en/company_for_mation/hungary/</a></p> <p>Jordans, 2018 <a href="https://www.jordanstrustcompany.com/our-thinking/if-january-2017-3?utm_source=Mondaq&amp;utm_medium=syndication&amp;utm_campaign=View-Original">https://www.jordanstrustcompany.com/our-thinking/if-january-2017-3?utm_source=Mondaq&amp;utm_medium=syndication&amp;utm_campaign=View-Original</a></p> <p>Personal interviews with exporters and experts.</p> <p>CPI index <a href="https://www.transparency.org/country/HUN">https://www.transparency.org/country/HUN</a></p> <p>Global Forest Watch, Country profile. <a href="http://www.globalforestwatch.org/country/HUN">http://www.globalforestwatch.org/country/HUN</a></p> <p>Chatham House Illegal Logging Indicators Country Report Card, 2016 <a href="https://www.illegal-logging.info/regions/hungary">https://www.illegal-logging.info/regions/hungary</a></p>	<p>dividends paid by Hungarian companies, and under certain conditions, the income stemming from the sale of shares in their subsidiaries is not subject to tax either. Hungary has entered into a number of international tax treaties, which also ensure optimal conditions for investments outside the EU.</p> <p>Hungarian companies pay no withholding tax on dividends, interest and royalties paid to non-Hungarian corporates (including offshore companies), although there is a withholding tax of 15% on such distributions paid to individuals. This suggests that non-residents of Hungary should invest via holding companies. Hungary is not an offshore financial centre, but its corporation tax rate is the lowest in the EU.</p> <p><i>Transfer pricing</i></p> <p>Hungary's transfer pricing rules broadly comply with the OECD transfer pricing guidelines. The rules allow the tax authorities to adjust taxable profits where transactions between related parties are not at arm's length. The current legislation prescribes not only the methods applicable for determining a fair market price but also the way in which these must be applied. The taxpayer may calculate the fair market price using any method, provided it can prove that the market price cannot be determined by the methods included in the Act on Corporate Income and Dividend Tax and that the alternative method suits the purpose. Since 2005, these rules should also be applied to transactions where registered capital or capital reserve is provided in the form of non-cash items, reduction of registered capital, or in-kind withdrawal in the case of termination without successor, if this is provided by or to a shareholder that holds majority ownership in the company. Taxpayers are obliged to produce detailed transfer pricing documentation. This documentation should be prepared by the deadline for the submission of the annual tax return of the company. These records do not have to be filed with the tax return itself but must be available at the time of the tax authority investigations.</p> <p><b>Description of Risk</b></p> <p>There is no information on money laundering or tax evasion in the field of forestry or in the forest-based industry specifically.</p>
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			<p>Other national or international sources are not showing any other risk nor are they contradicting the statements above.</p> <p><b>Risk Conclusion</b>  Low risk. All together the risk with regards to this indicator are low. Low risk thresholds number 1 counts.  (1) Identified laws are upheld. Cases where law/regulations are violated are efficiently followed up via preventive actions taken by the authorities and/or by the relevant entities.</p>
1.19 Custom regulations	<p><b>Applicable laws and regulations</b>  2016. évi XIII. Törvény az uniós vámjog végrehajtásáról (Law on the Implementation on the EU Custom Legislation) all paragraphs  (<a href="http://njt.hu/cgi_bin/njt_doc.cgi?docid=194898.340034">http://njt.hu/cgi_bin/njt_doc.cgi?docid=194898.340034</a>)</p> <p>2017. évi CLII. törvény az uniós vámjog végrehajtásáról (Act CLII of 2017 on the implementation of the Union customs legislation)  <a href="http://njt.hu/translated/doc/J2017T0152P20180825_FIN.pdf">http://njt.hu/translated/doc/J2017T0152P20180825_FIN.pdf</a></p> <p><b>Legal Authority</b>  National Tax and Customs Administration (NTCA)</p> <p><b>Legally required documents or records</b>  Custom declaration  Delivery document  Bill of lading  Certificate of origin  Sales invoice</p>	<p>PWC, 2018  <a href="http://taxsummaries.pwc.com/ID/Hungary-Corporate-Other-taxes">http://taxsummaries.pwc.com/ID/Hungary-Corporate-Other-taxes</a></p> <p>EU customs legislation  <a href="https://eur-lex.europa.eu/browse/directories/legislation.html?root_default=CC_1_COD_ED%3D02.CC_2_CODED%3D0210&amp;displayProfile=allRelAllConsDocProfile&amp;classification=in-force#arrow_0210">https://eur-lex.europa.eu/browse/directories/legislation.html?root_default=CC_1_COD_ED%3D02.CC_2_CODED%3D0210&amp;displayProfile=allRelAllConsDocProfile&amp;classification=in-force#arrow_0210</a></p> <p>Personal interviews with exporters and experts.</p> <p>Global Forest Watch, Country profile.  <a href="http://www.globalforestwatch.org/country/HUN">http://www.globalforestwatch.org/country/HUN</a></p> <p>Chatham House Illegal Logging Indicators Country Report Card, 2016  <a href="https://www.illegal-logging.info/regions/hungary">https://www.illegal-logging.info/regions/hungary</a></p> <p>European court cases against Hungary, <a href="#">CURIA</a>)</p>	<p><b>Overview of Legal Requirements</b>  Hungarian customs legislation and policies have been fully harmonised with EU legislation.  This is based on the Law on the Implementation on the EU Custom Legislation. There is no specific national legislation with regard to export/import licences for forest products. Traders should simply follow the EU legislation.</p> <p>As of 1 January 2018, the EU customs legislation comprises the following main regulations:</p> <ul style="list-style-type: none"> <li>• Regulation (EU) No 952/2013 of the European Parliament and of the Council laying down the Union Customs Code.</li> <li>• Commission Delegated Regulation (EU) 2015/2446 supplementing Regulation (EU) No 952/2013 of the European Parliament and of the Council as regards detailed rules concerning certain provisions of the Union Customs Code.</li> <li>• Commission Implementing Regulation (EU) 2015/2447 laying down detailed rules for implementing certain provisions of Regulation (EU) No 952/2013 of the European Parliament and of the Council laying down the Union Customs Code.</li> <li>• Commission Delegated Regulation (EU) 2016/341 supplementing Regulation (EU) No 952/2013 of the European Parliament and of the Council as regards transitional rules for certain provisions of the Union Customs Code where the relevant electronic systems are</li> </ul>

		<p>FAO Forest resources, policy, legislation and use of wood in Hungary  <a href="http://www.fao.org/docrep/w3722E/w3722e20.htm">http://www.fao.org/docrep/w3722E/w3722e20.htm</a></p> <p>FAO Forestry in a transitional economy: Hungary 1993 (about history and others)  <a href="http://www.fao.org/docrep/t4620e/t4620e04.htm">http://www.fao.org/docrep/t4620e/t4620e04.htm</a></p>	<p>not yet operational and amending Delegated Regulation (EU) 2015/2446.</p> <ul style="list-style-type: none"> <li>• Council Regulation 1186/2009/EEC setting up a Community system of reliefs from customs duty.</li> <li>• Council Regulation 2658/87/EEC on the tariff and statistical nomenclature and on the Common Customs Tariff.</li> </ul> <p>New national customs regulation entered into force as of 1 January 2018 (Act CLII 2017 on Implementing the Union Customs Law). Some of the main changes compared to the previous legislation are as follows:</p> <ul style="list-style-type: none"> <li>• Procedural regulation became an integral part of the national customs law.</li> <li>• The procedure of customs audit (e.g. right to comment on the customs authority's assessment) changed.</li> <li>• By the main rule, information (such as declarations, applications, or decisions) will be provided and exchanged electronically between the customs authority and economic operators.</li> </ul> <p>As of 9 August 2018, Act CLII 2017 on Implementing the Union Customs Law introduced some new provisions for example:</p> <ul style="list-style-type: none"> <li>• Customs penalty has become applicable on certain cases of procedural non-compliance instead of the procedural fine. Consequently, procedural fine has been removed from the legislation (customs penalty has been applicable for all kinds of non-compliance).</li> </ul> <p><b>Description of Risk</b></p> <p>There are also no public signals or sources in the media stating that illegal activities with regards to custom regulations and the timber sector are actually happening. Hungary is following European laws on Customs. Currently there are also no known CURIA court cases that prove otherwise.</p>
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			<p>International sources, like Global Forest Watch or Chatham House Illegal Logging (and others), do not draw other conclusions. The consulted local experts agree on this statement.</p> <p><b>Risk Conclusion</b> Low risk. All together the risk with regards to this indicator are low. Low risk thresholds number 1 counts.</p>
1.20 CITES	<p><b>Applicable laws and regulations</b> 2003. évi XXXII. Törvény a Washingtonban, 1973. március 3. napján elfogadott, a veszélyeztetett vadon élő állat- és növényfajok nemzetközi kereskedelméről szóló egyezmény kihirdetéséről (Law on the Announcement of the Convention on International Trade in Endangered Species of Wild Fauna and Flora) all paragraphs. (<a href="http://njt.hu/cgi_bin/njt_doc.cgi?docid=74651.228550">http://njt.hu/cgi_bin/njt_doc.cgi?docid=74651.228550</a>)</p> <p>2012. évi CXXXVII. Törvény a Washingtonban, 1973. március 3. napján elfogadott, a veszélyeztetett vadon élő állat- és növényfajok nemzetközi kereskedelméről szóló egyezményhez fűzött fenntartásról és az egyezmény módosításának kihirdetéséről (Law on the Announcement of the Amendments of the Convention on International Trade in Endangered Species of Wild Fauna and Flora) all paragraphs. (<a href="http://njt.hu/cgi_bin/njt_doc.cgi?docid=154640.228608">http://njt.hu/cgi_bin/njt_doc.cgi?docid=154640.228608</a>)</p> <p><b>Legal Authority</b> Ministry of Foreign Affairs Ministry of Agriculture</p> <p><b>Legally required documents or records</b></p>		<p><b>Overview of Legal Requirements</b> Hungary is signatory to the CITES convention.</p> <p>There are no CITES listed tree species in Hungary. This according to the Law on the Announcement of the Convention on International Trade in Endangered Species of Wild Fauna and Flora and the Law on the Announcement of the Amendments of the Convention on International Trade in Endangered Species of Wild Fauna and Flora.</p> <p>The CITES website declares the same.</p> <p><b>Description of Risk</b> Since there are no CITES tree species in Hungary, there is no risk of wood or wood products originating from Hungary.</p> <p><b>Risk Conclusion</b> Low risk. All together the risk with regards to this indicator are low. Low risk thresholds number 1 counts. (1) Identified laws are upheld. Cases where law/regulations are violated are efficiently followed up via preventive actions taken by the authorities and/or by the relevant entities.</p>

	Certificate of origin		
<b>Diligence/due care procedures</b>			
1.21 Legislation requiring due diligence/due care procedures	<p><b>Applicable laws and regulations</b> 2009. évi XXXVII. törvény az erdőkről, az erdő védelméről és az erdőgazdálkodásról (Law on Forest) §90/A (7) (<a href="http://njt.hu/cgi_bin/njt_doc.cgi?docid=124614.338934">http://njt.hu/cgi_bin/njt_doc.cgi?docid=124614.338934</a>)</p> <p>26/2016. (IV. 11.) and and governmental decree 342/2015. (XI. 11.) FM rendelet a faanyag kereskedelmi lánc felügyeletével kapcsolatos bejelentés, nyilvántartás és ellenőrzés részletes szabályairól (Regulation on the Control of Timber Trade-chain) all paragraphs (<a href="http://njt.hu/cgi_bin/njt_doc.cgi?docid=194909.320637">http://njt.hu/cgi_bin/njt_doc.cgi?docid=194909.320637</a>)</p> <p>EU Timber Regulation (EUTR) No. 995/2010</p> <p><b>Legal Authority</b> Forestry Authority</p> <p><b>Legally required documents or records</b> Due Diligence System (DDS) documents</p>	<p>European court cases against Hungary, (<a href="#">CURIA</a>)</p> <p>Illegal logging and trade of illegally-derived forest products. UNECE 2004. Hungary report. <a href="http://www.unece.org/fileadmin/DAM/timber/docs/sem/2004-1/full_reports/Hungary.pdf">http://www.unece.org/fileadmin/DAM/timber/docs/sem/2004-1/full_reports/Hungary.pdf</a></p> <p>EUTR portal in Hungary: <a href="http://portal.nebih.gov.hu/eutr">http://portal.nebih.gov.hu/eutr</a></p> <p>EUTR portal Europe <a href="http://ec.europa.eu/environment/forests/timber_regulation.htm">http://ec.europa.eu/environment/forests/timber_regulation.htm</a></p>	<p><b>Overview of Legal Requirements</b> Basic legislation can be found in the Law of Forest. But the EUTR regulation itself is applied by the law as well: Regulation on the Control of Timber Trade-chain. This national regulation is based on the EU Timber Regulation (EUTR) No. 995/2010.</p> <p>Timber transport shall be documented by a 'Transport Ticket' issued by the sender, typically by the manager of forest. Transport Ticket summarizes the origin, classification and the amount of the timber with reference to the Forestry Operation Document.</p> <p>EUTR implementation and monitoring is managed by the Forest Authority.</p> <p><b>Description of Risk</b> Hungary has been slow to implement EUTR.</p> <p>Hungary had been issued a 'reasoned opinion' (advise to make a change, in EU terminology) in 2015, for non-compliance with their obligations to implement the EUTR.</p> <p>The Infringement process has been closed in 2016 (see infringement number: 20152046 (28/05/2015, Hungary, Environment, miscellaneous - forests - Noncompliance with EUTR and FLEGT Regulations). The court case was thus closed in 2016 because implementation of the EUTR now has been started (before this there was no national regulation and no regulating authority appointed).</p> <p>Field inspection were started at the beginning of 2017, as part of the normal road controls. Operators taking part in the timber trade chain are now required to operate a DDS that is compliant with relevant EU regulations (they thus need to have a Transport Ticket with clearly indicate the origin of the timber, see above).</p>

			<p>There is a EUTR portal in Hungary where basic information can be found about the regulation and the best way to implement it.</p> <p>A Task Force within the Forestry Authority is responsible for controlling the timber trade, including the DDS of those in the timber trade chain.</p> <p>Hungary introduced the EUTR field control system only in 2017. So far there are no annual report available. Single cases are published on the Forestry Authority website. One case was published this far: A load of fuel wood of 1 163 m3 having no license of origin, was discovered by the Forestry Authority and operations of the company in question was suspended.</p> <p>The European EUTR portal Dec 2017 till June 2018 report that risk criteria and random checks are in place. Substantiated concerns are followed up on. The 'Check plan' is defined in national legislation (page 5 of the report).</p> <p>The reports showed that during this period the inspections only just started, and most operators and traders were only just implementing the new rules. 3 domestic operator inspections were executed and 1 led to a court case. Besides that, 2 importers were checked (1 got a financial penalty) and 30 timber traders. Out of these traders 11 did not yet have the correct paperwork. 9 got a financial penalty, and 3 had to appear in court.</p> <p>Altogether 159 Substantiated concerns (cases) were reported by the police (44 cases), individuals (8), customs (81) and other state organisations (26). Many of these are still ongoing and not included in the above findings.</p> <p>This is an evidence that the system includes field checks and worked. The system is still in its initial stage but is clearly working. The pressure from Europe is also in place and this leads to a proper EUTR follow up by itself.</p> <p>It is important to state that almost all cases above are dealing with compliance with the new system of EUTR paperwork. This doesn't mean that illegal timber is traded or transported in the</p>
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			<p>true sense of the word. In almost all cases the people and organisations involved did not have their paperwork organised or present according to the new rules. Such was/is happening in other EU countries as well, during EUTR implementation and is not uncommon.</p> <p><b>Risk Conclusion</b>  Low risk. All together the risk with regards to this indicator are low. Low risk thresholds number 1 counts.  (1) Identified laws are upheld. Cases where law/regulations are violated are efficiently followed up via preventive actions taken by the authorities and/or by the relevant entities.</p>
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**Recommended control measures**

The recommended control measures here are only indicative in nature and are not mandatory. Recommended control measures might not have been provided for all the risks that have been identified in this risk assessment. Organizations shall evaluate and devise appropriate control measures to mitigate the risks identified in this risk assessment as applicable.

Indicator	Recommended control measures
N/A	N/A



## Controlled wood category 2: Wood harvested in violation of traditional and human rights

### Risk assessment

Indicator	Sources of Information	Functional scale	Risk designation and determination
2.1. The forest sector is not associated with violent armed conflict, including that which threatens national or regional security and/or linked to military control.	The sources used are the required ones as advised by the NRA framework. Additional sources are also used. We advise the reader to read the detailed analyses below, which lists all sources used.	Country	<p><b>Low risk</b></p> <p>The following 'low risk thresholds' are met:</p> <p>(1) The area under assessment is not a source of conflict timber AND</p> <p>(2) The country is not covered by a UN security ban on exporting timber; AND</p> <p>(3) The country is not covered by any other international ban on timber export; AND</p> <p>(4) Operators in the area under assessment are not involved in conflict timber supply/trade; AND</p> <p>(5) Other available evidence does not challenge 'low risk' designation.</p>
2.2. Labour rights are respected including rights as specified in ILO Fundamental Principles and Rights at work.	The sources used are the required ones as advised by the NRA framework. Additional sources are also used. We advise the reader to read the detailed analyses below, which lists all sources used.	Country	<p><b>Low risk</b></p> <p>The following 'low risk thresholds' are met:</p> <p>(10) Applicable legislation for the area under assessment covers the key principles recognized in the ILO Fundamental Principles and Rights at work (which are recognized as: freedom of association and right to collective bargaining; elimination of forced and compulsory labour; eliminations of discrimination in respect of employment and occupation; and effective abolition of child labour), AND the risk assessment for relevant indicators of Category 1 confirms enforcement of applicable legislation ('low risk');</p> <p>AND</p> <p>(12) Other available evidence does not challenge 'low risk' designation.</p>
2.3. The rights of Indigenous and Traditional Peoples are upheld.	The sources used are the required ones as advised by the NRA framework. Additional sources are also used. We advise the reader to read the detailed analyses below, which lists all sources used.	Country	<p><b>Low risk</b></p> <p>The following 'low risk thresholds' are met:</p> <p>(17) The presence of indigenous and/or traditional peoples is confirmed or likely within the area under assessment. The applicable legislation for the area under assessment covers the basic principles of ILO governing the identification and rights of indigenous and traditional peoples and UNDRIP</p>



			<p>AND risk assessment for relevant indicators of Category 1 confirms enforcement of applicable legislation ('low risk');</p> <p>AND</p> <p>(20) There is evidence of conflict(s) of substantial magnitude pertaining to rights of indigenous and/or traditional peoples. Laws and regulations and/or other legally established processes exist that serve to resolve conflicts in the area concerned, and such processes are recognized by affected stakeholders as being fair and equitable.</p> <p>AND</p> <p>(21) Other available evidence does not challenge a 'low risk' designation.</p>
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**Recommended control measures**

N/A

**Detailed analysis**

Sources of information	Evidence	Scale of risk assessment	Risk indication <sub>1</sub>
<p><b>Context</b> (the following are indicators that help to contextualize the information from other sources)</p> <ul style="list-style-type: none"> <li>Searching for data on: level of corruption, governance, lawlessness, fragility of the State, freedom of journalism, freedom of speech, peace, human rights, armed or violent conflicts by or in the country, etc.</li> </ul>			
<p>Carleton University: Country Indicators for Foreign Policy:  <a href="http://www4.carleton.ca/cifp/ffs.htm">http://www4.carleton.ca/cifp/ffs.htm</a>  <a href="http://www4.carleton.ca/cifp/app/serve.php/1419.pdf">http://www4.carleton.ca/cifp/app/serve.php/1419.pdf</a></p>	<p>The Failed and Fragile States project of Carleton University examines state fragility using a combination of structural data and current event monitoring Hungary has scores medium-low on State fragility map 2011, similar to France or Spain.</p> <p>In Hungary, government elections are held every 4 years, and no government has been forced to hold a mid-term election in the last 25 years (they have all completed their full 4-year terms).</p>	Country	

US AID: <a href="http://www.usaid.gov">www.usaid.gov</a> Search on website for Hungary] + 'human rights' 'conflicts' 'conflict timber' For Africa and Asia also use: <a href="http://pdf.usaid.gov/pdf_docs/pnact462.pdf">http://pdf.usaid.gov/pdf_docs/pnact462.pdf</a>	No information found on specified risks after searching Hungary + 'human rights' 'conflicts' 'timber conflicts'	country	
Global Witness: <a href="http://www.globalwitness.org">www.globalwitness.org</a> Search on website for [Hungary] +'human rights' 'conflicts' 'conflict timber'	No information found on specified risks after searching Hungary + 'human rights' 'conflicts' 'timber conflicts'	country	
World Wildlife Fund <a href="http://wwf.panda.org/about_our_earth/about_forests/deforestation/forest_illegal_logging/">http://wwf.panda.org/about_our_earth/about_forests/deforestation/forest_illegal_logging/</a>	Hungary is not mentioned in article	country	
Chatham House Illegal Logging Indicators Country Report Card <a href="http://www.illegal-logging.info">http://www.illegal-logging.info</a> <a href="https://www.illegal-logging.info/content/eu-timber-regulation-effectiveness-eutr-during-its-first-two-years-implementation">https://www.illegal-logging.info/content/eu-timber-regulation-effectiveness-eutr-during-its-first-two-years-implementation</a>	Chatham House state: 'Illegal logging is not a significant problem in the country. As an EU Member State, Hungary is required to implement the EU Timber Regulation, which came into force in March 2013.'  Nevertheless, in June 2015, the number of non-complying countries was set to 4 and Hungary was one of them. The Commission launched infringement procedures against these Member States in 2015." The situation was solved by Hungary in 2016 and the infringement case was closed. See further on this CNRA, cat 1.	country	
Amnesty International Annual Report: <a href="http://files.amnesty.org/air13/AmnestyInternational_AnnualReport_2013_complete_en.pdf">http://files.amnesty.org/air13/AmnestyInternational_AnnualReport_2013_complete_en.pdf</a>	The state of the world's human rights -information on key human rights issues, including: freedom of expression; international justice; corporate accountability; the death penalty; and reproductive rights „ No special risks associated with Hungary.		
Freedom House <a href="https://freedomhouse.org/report/nations-transit/2012/hungary">https://freedomhouse.org/report/nations-transit/2012/hungary</a>	Hungarian forestry is mentioned in relation with homeless who live in forests. "The parliament in November 2011 passed legislation to criminalize homelessness. According to the new law, a person may be fined 150,000 forints (US\$750), or subjected to detention, if caught living on the streets twice within a six-month period. Such legislation is unlikely to solve the problems of the thousands of homeless people in Hungary, though it has the potential to keep them away from the eyes of the public, forcing them to spend the winter months in forests outside the city limits."	country	
Global Peace Index. <a href="http://visionofhumanity.org/indexes/global-peace-index/">http://visionofhumanity.org/indexes/global-peace-index/</a>	Published by the Institute for Economics & Peace, This index is the world's leading measure of national peacefulness. It ranks 162 nations according to their absence of violence. It's made up of 23 indicators, ranging from a nation's level of military expenditure to its relations with neighbouring countries and the level of respect for human rights.	country	

	The state of Peace in Hungary for 2017 is labelled 'High' with Hungary ranking number 15. out of 162 countries with a score of 1.494.		
Committee to Protect Journalists: Impunity Index <a href="http://cpj.org/reports/2014/04/impunity-index-getting-away-with-murder.php">http://cpj.org/reports/2014/04/impunity-index-getting-away-with-murder.php</a>	CPJ's Impunity Index calculates the number of unsolved journalist murders as a percentage of each country's population. For this index, CPJ examined journalist murders that occurred between January 1, 2004, and December 31, 2013, and that remain unsolved. Only those nations with five or more unsolved cases are included on this index. Hungary does not feature on this list. No journalist murder in the last ten years.	country	
<b>Additional sources of information</b> (These sources were partly found by Googling the terms '[Hungary]', 'timber', 'conflict', 'illegal logging')	<b>Evidence</b>	<b>Scale of risk assessment</b>	<b>Risk indication</b>
Expert consultation  Mr Jáger László was specially hired as a Hungarian local expert. He focussed only on this cat 2 assessment. During his assessment he also consulted other local experts and organisations.			
<b>Conclusion on country context:</b> Hungary scores positive on all sources and indicators reviewed in this context section. It is ranked high on all relevant aspects such as stable country, with good governance, absence of conflicts of any magnitude and it is a free country for all its citizens with a good justice system.		country	

**Indicator 2.1. The forest sector is not associated with violent armed conflict, including that which threatens national or regional security and/or linked to military control.**

**Guidance**

1. The area under assessment is not a source of conflict timber
2. Is the country covered by a UN security ban on exporting timber?
3. Is the country covered by any other international ban on timber export?
4. Operators in the area under assessment are not involved in conflict timber supply/trade
5. Other available evidence does not challenge 'low risk' designation.

**2.1.1 The area under assessment is not a source of conflict timber; where conflict timber” limited to include “timber that has been traded at some point in the chain of custody by armed groups, be they rebel factions or regular soldiers, or by a civilian administration involved in armed conflict or its representatives, either to perpetuate conflict or take advantage of conflict situations for personal gain - conflict timber is not necessarily illegal. Please refer to FSC-PRO-60-002a V1-0.**

<p>Political stability in Hungary  <a href="http://info.worldbank.org/governance/wgi/index.aspx#home">http://info.worldbank.org/governance/wgi/index.aspx#home</a></p> <p>See the improvement of all significant economic indicators from 2010 (unemployment, state debt, inflation, etc. ).Source  <a href="http://www.ksh.hu">www.ksh.hu</a></p>	<p>World Bank: Worldwide Governance Indicators - the WGI's report aggregate and individual governance indicators for 215 countries (most recently for 1996–2012), for six dimensions of governance where the scores range from 0 (lowest rank) to 100 (highest rank) with higher values corresponding to better outcomes.</p> <table border="1" data-bbox="922 742 1803 1034"> <thead> <tr> <th>Indicator</th> <th>Value 2007</th> <th>2012</th> <th>2017</th> </tr> </thead> <tbody> <tr> <td>Violence and Accountability</td> <td>81</td> <td>71</td> <td>58</td> </tr> <tr> <td>Political Stability and Absence of violence</td> <td>72</td> <td>69</td> <td>74</td> </tr> <tr> <td>Government Effectiveness</td> <td>75</td> <td>71</td> <td>70</td> </tr> <tr> <td>Regulatory Quality</td> <td>86</td> <td>79</td> <td>73</td> </tr> <tr> <td>Rule of Law</td> <td>82</td> <td>68</td> <td>70</td> </tr> <tr> <td>Control of Corruption</td> <td>73</td> <td>67</td> <td>59</td> </tr> </tbody> </table> <p>Hungary's indicator for Political stability and Absence of Violence increased from 69 in 2012 to 74 in 2017.</p> <p>Hungary has other slightly decreasing values, even in categories (government effectiveness) where significant improvement has been achieved in the last years. Nevertheless, the whole group of governance indicators are no cause for concern because they are not alarmingly low (similar to Spain, for example)Although the trend in 'control of corruption'</p>	Indicator	Value 2007	2012	2017	Violence and Accountability	81	71	58	Political Stability and Absence of violence	72	69	74	Government Effectiveness	75	71	70	Regulatory Quality	86	79	73	Rule of Law	82	68	70	Control of Corruption	73	67	59	<p>country</p>	<p>Low risk</p>
Indicator	Value 2007	2012	2017																												
Violence and Accountability	81	71	58																												
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Government Effectiveness	75	71	70																												
Regulatory Quality	86	79	73																												
Rule of Law	82	68	70																												
Control of Corruption	73	67	59																												

is cause for doubt if this trend continues, see below the CPI index and a specified risk there.  
 Economic indicators, as published by the Hungarian government, can be found below. This shows that economic drivers are overall positive, and thus decreasing the risks for violent armed conflict. Economic drivers for the forest sector follow these overall country indicators.

year	inflation	unemployment rate	export import balance	state dept (%)	state dept nominal	
2002	105,3	5,8	-2203	2002	55	40520,1
2003	104,7	5,9	-2898	2003	57,6	41837,2
2004	106,8	6,1	-3136	2004	58,5	49991,5
2005	103,6	7,2	-2540	2005	60,5	53722,2
2006	103,9	7,5	-2458	2006	64,6	62007,1
2007	108	7,4	-690	2007	65,6	66044
2008	106,1	7,8	-1208	2008	71,6	72636,3
2009	104,2	10	2341	2009	77,8	75700,3
2010	104,9	11,2	2445	2010	80,5	78426,9
2011	103,9	11	3112	2011	80,7	72225,7
2012	105,7	11	3469	2012	78,2	76681,7
2013	101,7	10,2	2543	2013	76,6	77687,3
2014	99,8	7,7	4259	2014	75,7	77689,6
2015	99,9	6,8	n.a	2015	74,7	80395,1
2016	100,4	5,1	n.a	2016	74,1	83664,6

Transparency International Corruption Perceptions Index  
<http://cpi.transparency.org/cpi2016/results/>

Hungary scores 48 points on the Corruption Perceptions Index 2016 on a scale from 0 (highly corrupt) to 100 (very clean). According to FSC directive (FSC-DIR-40-005) this indicator can be considered as low risk only if the Corruption Perception Index (CPI) for the given country is equal to or above 50. This is not the case and on top of that there is a downwards trend.

We issue a specified risk for corruption for the whole country.

rank	2016	2015	2014	2013	2012

country

Specified risk

	57	Hungary	48	51	54	54	55		
<p>USAID evaluation on conflict timber</p> <p><a href="http://www.usaid.gov">www.usaid.gov</a>  <a href="http://pdf.usaid.gov/pdf_docs/pnact462.pdf">http://pdf.usaid.gov/pdf_docs/pnact462.pdf</a></p>	<p>Conflict Timber is defined by US AID as:</p> <ul style="list-style-type: none"> <li>- conflict financed or sustained through the harvest and sale of timber (Type 1),</li> <li>- conflict emerging as a result of competition over timber or other forest resources (Type 2)</li> </ul> <p>No information found on specified risks after searching Hungary + 'conflicts' 'timber conflicts'</p>							country	Low risk
<p>Political stability</p> <p>See: <a href="http://kozvelemenykutatok.hu/">http://kozvelemenykutatok.hu/</a></p>	<p>The level of political stability is very high in Hungary. In the last 25 years all government fulfilled their four years cycle and there was never a need to organize exceptional parliament elections. Current estimations (in local media) suggest a steady re-election of Fidesz for its third cycle.</p>							country	Low risk
<p>GPI is the product of the Institute for Economics and Peace (IEP) and developed in consultation with an international panel of peace experts from peace institutes and think tanks with data collected and collated by the Economist Intelligence Unit. The list was launched in May 2007 and updates have been made on an annual basis since then. It is claimed to be the first study to rank countries around the world according to their peacefulness.</p> <p><a href="http://economicsandpeace.org/reports/">http://economicsandpeace.org/reports/</a></p>	<p>Rank for Hungary in 2018: position 17.  2013: position 23  2014: position 21  2015: position 22  2016: position 19  2017: position 15  2018: position 17</p> <p>There is a government declaration that Hungary should be one of safest countries in the world. Safety should be evaluated in the context of European refugee crisis, where Hungarian government has a harsh and strict position, see the several hundred kilometres of fence at the southern border.</p>							country	Low risk
<p>Forest governance</p> <p><a href="http://erdoterkep.nebih.gov.hu/">http://erdoterkep.nebih.gov.hu/</a>  <a href="http://geo.kvvm.hu/tir_en/viewer.htmv">http://geo.kvvm.hu/tir_en/viewer.htmv</a></p>	<p>Hungary maintains an effective and intensive inventory system of forest resources: All forest maps are available online  It is obligatory to all forests to be included in the management planning system, and MPs are provided by the state, as Forest Authority has a department of forest management planning tasks. See CNRA cat 3 for more info.</p>							country	Low risk
<p><b>2.1.2. The country is not covered by a UN security ban on exporting timber;</b></p>									
<p>Compendium of United Nations Security Council Sanctions Lists  <a href="http://www.un.org/sc/committees/list_compend.shtml">http://www.un.org/sc/committees/list_compend.shtml</a>  <a href="https://www.un.org/sc/suborg/en/sanctions/un-sc-consolidated-list">https://www.un.org/sc/suborg/en/sanctions/un-sc-consolidated-list</a></p>	<p>There is no UN Security Council ban on timber exports from Hungary.</p> <p>The Consolidated Sanctions List includes all individuals and entities subject to sanctions measures imposed by the Security Council. The</p>							country	Low risk

	<p>inclusion of all names on one Consolidated Sanctions List is to facilitate the implementation of the measures, and neither implies that all names are listed under one regime, nor that the criteria for listing specific names are the same. For each instance where the Security Council has decided to impose sanctions in response to a threat, a Security Council Committee manages the sanctions regime. Each sanctions committee established by the United Nations Security Council therefore publishes the names of individuals and entities listed in relation to that committee as well as information concerning the specific measures that apply to each listed name.</p>		
<p>Trade bans in Hungary  <a href="http://mkeh.gov.hu/haditechnika/Nemzetkozi_szankciok_vegrehajtasa/nemzetkozi_szankcio_vegrehajtasa">http://mkeh.gov.hu/haditechnika/Nemzetkozi_szankciok_vegrehajtasa/nemzetkozi_szankcio_vegrehajtasa</a></p>	<p>Current international trade bans; Implementation of international sanctions received from Ms. Anikó KOVÁCS Head of Unit; Government Office of the Capital City Budapest, Department of Trade.</p> <p>The export of items subject to international trade restrictions (sanctions) need export license (authorization) under the terms of Government Decree No 13/2011 (II. 22.).</p> <p>Current trade bans are:</p> <ul style="list-style-type: none"> <li>- against Iran: The consolidated text of Council Regulation No. 267/2012 contains the sanctions imposed against Iran. The partial ease and temporary suspensions of certain restrictions against Iran: Having regard to Iran's readiness to conduct constructive talks and arrange agreement, the Council of the European Union has amended by Regulation (EU) No 2014/42/EU of 20 January 2014 the former Council Regulation (EU) No 267/2012 concerning restrictive measures against Iran.</li> <li>- against Russia  On the 12th September 2014 came into force Council Decision 2014/659/CFSP amending Decision 2014/512/CFSP, and also Council Regulation 960/2014 amending Regulation (EU) No 833/2014 concerning restrictive measures in view of Russia's actions destabilizing the situation in Ukraine. The new package of sanctions against Russia makes deepen the impact and widen the scope of fields which were designated by the EU previously, namely: <ul style="list-style-type: none"> <li>- financial and capital market restrictions,</li> <li>- technologies (items) needed for oil and gas exploration and production,</li> <li>- ban on export for military use or for certain end-users,</li> </ul> </li> </ul>	country	Low risk

	<p>- embargo/ ban on export and import of arms and related services.</p> <p>- against Lybia: In view of the situation in Lybia the EU Council adopted Regulation 2016/44 of 18 January 2016 concerning restrictive measures against Lybia and repealing Regulation No 204/2011.</p> <p>- against Syria: Having regard to the domestic political situation, the EU introduced sanctions against Syria. The restricting measures are specified in Council Decision No. 2012/739/CFSP, and also in Council Regulation No. 36/2012.</p> <p>- against North Korea: Democratic People's Republic of Korea (DPRK) – North Korea: Restrictive measures are defined in Council Regulation No. 329/2007 (consolidated text 16 January 2017) and Council Decision CFSP 2016/849 (consolidated text 01.03.2017).</p> <p>The Security Council of the United Nations in view of North Korea's rocket experiments adopted on 2nd of March 2016 Resolution No 2270, which further aggravates the sanctions against this country. Taking into consideration the UN Resolution, the European Union also made their own sanctions also harder.</p>		
<b>2.1.3. The country is not covered by any other international ban on timber export;</b>			
<p>BIS bans <a href="https://www.bis.doc.gov/index.php/regulations">https://www.bis.doc.gov/index.php/regulations</a></p>	<p>1. US Department of Commerce; Bureau of Industry and Security Mission of BIS: Advance U.S. national security, foreign policy, and economic objectives by ensuring an effective export control and treaty compliance system and promoting continued U.S. strategic technology leadership.</p> <p>No ban for Hungary with regards to timber export in that database.</p>	country	Low risk
<p>OFAC bans <a href="https://www.treasury.gov/resource-center/sanctions/Pages/default.aspx">https://www.treasury.gov/resource-center/sanctions/Pages/default.aspx</a></p>	<p>2. Office of Foreign Assets Control - Sanctions Programs and Information US Department of Treasury, The Office of Foreign Assets Control ("OFAC") of the US Department of the Treasury administers and enforces economic and trade sanctions based on US foreign policy and national security goals against targeted foreign countries and regimes, terrorists, international narcotics traffickers, those engaged in activities related to</p>	country	Low risk



	<p>the proliferation of weapons of mass destruction, and other threats to the national security, foreign policy or economy of the United States.</p> <p>No ban for Hungary with regards to timber export in that database.</p>		
ITAR bans	<p>3. US Department of Trade; The International Traffic in Arms Regulations (ITAR)</p> <p>The Department of State is responsible for the export and temporary import of defense articles and services governed by 22 U.S.C. 2778 of the Arms Export Control Act ("AECA"; see the AECA Web page) and Executive Order 13637. The International Traffic in Arms Regulations ("ITAR," 22 CFR 120-130) implements the AECA. The ITAR is available from the Government Printing Office (GPO) as an annual hardcopy or e-document publication as part of the Code of Federal Regulations (CFR) and as an updated e-document.</p> <p>No ban for Hungary with regards to timber export in that database.</p>	country	Low risk
EU sanctions <a href="https://eeas.europa.eu/headquarters/headquarters-homepage_en/8442/Consolidated%20list%20of%20sanctions">https://eeas.europa.eu/headquarters/headquarters-homepage_en/8442/Consolidated%20list%20of%20sanctions</a>	<p>No special sanction for Hungary with regards to timber export in that database.</p>	country	Low risk
<b>2.1.4. Operators in the area under assessment are not involved in conflict timber supply/trade</b>			
Delay in implementation of EUTR but solved in 2016.	<p>EU TR regulation was introduced in EU in 2013. COM/2016/074 final states the following in Member States reported on sanctions set in their national legislation for infringements of the obligations of the Regulation (the prohibition, due diligence and traceability). Greece, Hungary, Romania and Spain are still in the process of elaborating adequate sanction provisions.</p> <p>The EU Commission has opened infringement proceedings for Greece, Hungary and Spain, as they have not yet adopted the obligatory national implementing measures of the EUTR in September 2015.</p> <p>Hungary introduced the necessary legal regulation as Ministry of Agriculture decree 26/2016. (IV. 11.) and governmental decree 342/2015. (XI. 11.)</p>	country	Low risk

	The Infringement process has been closed, see infringement number: 20152046 28/05/2015 Hungary Environment, MISCELLANEOUS - FORESTS - Non-compliance with EUTR and FLEGT Regulations		
Possible sources of conflict timber Guidance documents of government: <a href="http://portal.nebih.gov.hu/documents/10182/713442/Ellenőrzési+te rv.pdf">http://portal.nebih.gov.hu/documents/10182/713442/Ellenőrzési+te rv.pdf</a> <a href="http://statinfo.ksh.hu/Stainfo/haViewer.jsp">http://statinfo.ksh.hu/Stainfo/haViewer.jsp</a>	<p>One neighbour country is Ukraine, where the political situation is unstable, because the east part of the country was occupied by Russia. Timber harvested in Ukraine meet the definition of conflict timber; therefore, if companies import timber from Ukraine, than there is a risk that it is conflict timber.</p> <p>The EUTR competent authority recognised the risk and in 2016 a special Hungarian supervision plan put high attention to wood import from Ukraine.</p> <p>This supervision plan includes the risk when importing wood from Russia and Ukraine</p> <p>The total value of import in 2016: 10 034 922 035 euro of which import from Ukraine: 113 590 323 euro, which is 1,13% of the total import (data for year 2013). Distribution of import: 33% energy, 41% machinery; 8% raw materials and 36% other product.</p> <p>Based on this data, total import of such wood cannot be significant (wood belongs to the category raw material which is maximum 8% of the import from Ukraine, which counts for 1,13% of total import. Thus 8% of 1,13 % leads to 0,09% of the total wood import and is thus negligible.)</p>	country	Low risk
Global witness <a href="http://www.globalwitness.org/campaigns/environment/forests">www.globalwitness.org/campaigns/environment/forests</a>	No information found on specified risks after searching Hungary + 'conflicts' 'timber conflicts'. The latest hit is from 2009 and is related to energy security.	country	Low risk
Human Rights Watch: <a href="http://www.hrw.org/">http://www.hrw.org/</a>	No information found on specified risks after searching Hungary + 'conflicts' 'timber conflicts'.	country	Low risk
<b>2.1.5. Other available evidence does not challenge 'low risk' designation.</b>			
Amnesty International Annual Report:	No information on conflict timber related to Hungary found.	country	Low risk

The state of the world's human rights -information on key human rights issues, including: freedom of expression; international justice; corporate accountability; the death penalty; and reproductive rights <a href="http://www.amnesty.org/en/annual-report/2011/">http://www.amnesty.org/en/annual-report/2011/</a> ; <a href="http://amnesty.org/en/annual-report/2013/">http://amnesty.org/en/annual-report/2013/</a>			
Greenpeace: <a href="http://www.greenpeace.org">www.greenpeace.org</a> Search for 'conflict timber Hungary']	No information on conflict timber related to Hungary found.	country	Low risk
CIFOR: <a href="http://www.cifor.org/">http://www.cifor.org/</a> ; <a href="http://www.cifor.org/publications/Corporate/FactSheet/forests_conflict.htm">http://www.cifor.org/publications/Corporate/FactSheet/forests_conflict.htm</a>	Hungary is not mentioned in this document about <i>Forests and conflict</i> .	country	Low risk
Google the terms '[Hungary]' and one of following terms or in combination 'conflict timber', 'illegal logging'	No information found on Hungary as a source of conflict timber	country	Low risk
<b>Conclusion on indicator 2.1:</b> No information was found on Hungary as a source of conflict timber and the forest sector is not associated with any violent armed conflict.		Country	Low risk
<b>The following low risk thresholds apply:</b> (1) The area under assessment is not a source of conflict timber AND (2) The country is not covered by a UN security ban on exporting timber; AND (3) The country is not covered by any other international ban on timber export; AND (4) Operators in the area under assessment are not involved in conflict timber supply/trade; AND (5) Other available evidence does not challenge 'low risk' designation.			

**Indicator 2.2. Labour rights are respected including rights as specified in ILO Fundamental Principles and Rights at work.**

**Guidance**

1. Are the social rights covered by the relevant legislation and enforced in the country or area concerned? (refer to category 1)
- 2- Are rights like freedom of association and collective bargaining upheld?
3. Is there evidence confirming absence of compulsory and/or forced labour?
4. Is there evidence confirming absence of discrimination in respect of employment and/or occupation, and/or gender?
5. Is there evidence confirming absence of child labour?
6. Is the country signatory to the relevant ILO Conventions?
7. Is there evidence that any groups (including women) feel adequately protected related to the rights mentioned above?
8. Are any violations of labour rights limited to specific sectors?

general sources from FSC-PRO-60-002a V1-0 EN	information found and specific sources	scale of risk assessment	risk indication
<b>2.2.1. Are the social rights covered by the relevant legislation and enforced in the country or area concerned? (refer to category 1)</b>			
<p>Domestic evidences about social rights system, local laws:  <a href="https://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=99800066.TV">https://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=99800066.TV</a>  <a href="https://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=99700080.TV">https://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=99700080.TV</a></p>	<p>In Hungary social security contributions cover health, pension and unemployment insurance. Payable contributions are calculated based on your gross salary. Both the employer and the employee are obliged to pay social security contributions. In 2017, the employer's tax is 22% of the monthly gross salary. The employer's tax is paid above your gross salary – i.e. these will not be deducted from your gross monthly salary. In 2017, employee's social security contributions are a total of 18.5% - from which:</p> <ul style="list-style-type: none"> <li>• pension insurance contribution: 10%</li> <li>• health insurance and labour market contribution: 8.5% (= health insurance contribution-in-kind: 4% + health insurance contribution in cash: 3% + labour market contribution: 1.5%)</li> </ul> <p>The employee's social security contributions are deducted from your gross monthly salary.</p> <p>Legal basis is described by the following statutes:                      Act on Social Security Contribution; Hungarian Act LXXX of 1997 on Eligibility for Social Security Provisions and Private Pension and on Funding Such Services. Hungarian Act LXVI of 1998 on Health Care Charge.</p>	country	Low risk

<b>2.2.2. Are rights like freedom of association and collective bargaining upheld?</b>			
Domestic legislation and evidences <a href="https://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=A1100425.ATV">https://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=A1100425.ATV</a> <a href="https://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=A1200001.TV">https://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=A1200001.TV</a>	Hungarian Constitution XVII. article declares the rights of association and collective bargaining Details are given in Employment law 2012. /I Detailed rules are the following: -it is obligatory to formulate a company council if there are more than 50 employees. - right to strike is regulate by law 1989/VII. law - trade unions are free to formulate, establish and join	country	Low risk
<b>2.2.3. Is there evidence confirming absence of compulsory and/or forced labour?</b>			
Domestic sources <a href="https://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=A1100425.ATV">https://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=A1100425.ATV</a>	Hungarian Constitution article XXXI. declares that in exceptional situations the government may put the obligation of work on reconstruction and home defence. During peace, there are no such obligations.  Compulsory work is applied in jails and penitentiaries, based on law 2013. /CCXL.	country	Low risk
International sources	All google searches to “Hungary forced labour” refers to second war, when mostly Jewish people were forced to work on the defence systems.	country	Low risk
<b>2.2.4. Is there evidence confirming absence of discrimination in respect of employment and/or occupation, and/or gender?</b>			
Legal system <a href="http://knowledge.leglobal.org/anti-discrimination-laws-in-hungary">http://knowledge.leglobal.org/anti-discrimination-laws-in-hungary</a>	There is a large group of Roma people present in Hungary. Because of this the government took special actions already a long time ago to make sure discrimination was minimized. Special regulations became active in 2003. And in 2005 the ‘Equal treatment authority’ was founded (see source below). The actions of this ‘authority’ resulted in a substantial decrease of discrimination. Compared to other countries in the region (Czech Republic, Slovakia, Bulgaria and Romania) Hungary is doing better.  “The main Anti-Discrimination Laws in Hungary are the Constitution of Hungary and Act CXXV of 2003 on Equal Treatment and the Promotion of Equal Opportunities (the “Equal Protection Act”). In addition, the regulations of the European Union have major influence on the Hungarian Anti-Discrimination Laws. The Constitution of Hungary declares the prohibition of discrimination on the basis of age, race, sex, skin colour or	country	Low risk

	religion. The Equal Protection Act declares the types of discrimination and describes the available remedies.”		
Institutional framework Equal treatment Authority <a href="http://www.egyenlobanasmod.hu/en/eves-tajekoztato">http://www.egyenlobanasmod.hu/en/eves-tajekoztato</a>	<p>The Equal treatment authority was founded in 2005. This to have one common platform for Equal treatment in the country and a legal follow up mechanism in case this is needed. Everything is publically available in their website.</p> <p>The authority issues a yearly report with most important cases solved every year: Some examples (with the names of the cases):</p> <p>‘A Roma employed in a special work programme cannot be a senior civil servant’ (EBH/304/2015) ‘No Roma wanted for jobs ‘– Recurring infringement (EBH/138/201) ‘Agency workers are entitled to receive the same pay’ (EBH/173/2015) ‘Enrolling in school over the age of 60’ (EBH/275/2015) ‘We accept applications from persons under 40!’ (EBH/449/2015)</p> <p>Every year some of these cases are reported, but there are not that many, more incidental, and the numbers decrease over the years 2005-2017. In 2017 there were 13 employment related cases (out of 1423 cases). In 2015 there were 884 cases and 33 employment related ones.</p> <p>This does not raise any substantial concerns.</p> <p>When compared to other regional countries Hungary is doing better and that is mainly caused by the very active Equal treatment authority.</p>	country	Low risk
International sources on discrimination <a href="http://www.ilo.org/wcmsp5/groups/public/---dgreports/---gender/documents/briefingnote/wcms_368962.pdf">http://www.ilo.org/wcmsp5/groups/public/---dgreports/---gender/documents/briefingnote/wcms_368962.pdf</a>	<p>In Hungary, the “We’re Open” campaign collected the support of more than 400 companies in showing the positive contribution of LGBT workers.</p> <p>Hungary introduced civil partnerships for same-sex couples in 2009. However, the 2012 Constitution explicitly states that marriage exists only between a woman and a man.</p> <p>Nevertheless, this law doesn’t say anything about employment and which one of the partners can or should work, and who could not. Both partners are equal with that respect.</p>	country	Low risk
International sources about gender equity <a href="http://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---publ/documents/publication/wcms_488475.pdf">http://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---publ/documents/publication/wcms_488475.pdf</a>	No special cases found about Hungary.	country	Low risk

International treaties	<p>Hungary is a member of the following international treaties:</p> <ul style="list-style-type: none"> <li>• CAT - Convention against Torture and Other Cruel Inhuman or Degrading Treatment or Punishment 28 Nov 1986 15 Apr 1987</li> <li>• CAT-OP - Optional Protocol of the Convention against Torture 12 Jan 2012 (a)</li> <li>• CCPR - International Covenant on Civil and Political Rights 25 Mar 1969 17 Jan 1974</li> <li>• CCPR-OP2-DP - Second Optional Protocol to the International Covenant on Civil and Political Rights aiming to the abolition of the death penalty 24 Feb 1994 (a)</li> <li>• CEDAW - Convention on the Elimination of All Forms of Discrimination against Women 06 Jun 1980 22 Dec 1980</li> <li>• CERD - International Convention on the Elimination of All Forms of Racial Discrimination 15 Sep 1966 04 May 1967</li> <li>• CESCR - International Covenant on Economic, Social and Cultural Rights 25 Mar 1969 17 Jan 1974</li> <li>• CRC-OP-AC - Optional Protocol to the Convention on the Rights of the CRPD - Convention on the Rights of Persons with Disabilities 30 Mar 2007 20 Jul 2007</li> </ul>	country	Low risk
<b>2.2.5. Is there evidence confirming absence of child labour?</b>			
Legal framework contains regulations against child work	<p>Hungarian punishment law 2012 years. C. law. 209§ declares child labour as a criminal act.  <a href="https://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=A1200100.TV">https://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=A1200100.TV</a>          Besides that, this law sets the limit as 16 years in general, with a possibility to for summer work at age of 15 years.          There is an institutional framework to supervise employment legality: labour inspection, tax office and police together carrying out regular inspections.</p>	country	Low risk
Statistical data as evidence of absence of child labour <a href="http://www.birosag.hu">www.birosag.hu</a>	<p>At homepage <a href="http://www.police.hu">www.police.hu</a> detailed statistics are available of criminal activities in Hungary, from year 2012 ongoing. There is a possibility to search the type of criminal act, the place of act, the plaintiff, etc.</p> <p>Statistical data proves that there was a single case of criminal act of child labour between 2012 and 2017.          Court decisions are also available online.:          Between the period 1990-2017 there are two cases when court decided in cases of child labour: See:</p>	country	Low risk

	<ul style="list-style-type: none"> <li>• P.22387/2009/15 Court Szekesfehevar</li> <li>• Pf.21574/2010/5 Budapest Board court.</li> </ul>		
Forestry related issues <a href="https://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=a1200120.tv">https://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=a1200120.tv</a>	<p>There is an efficient alarm system in relation to child labour: if a child under 16 years is missing from the school more than 50 hours for any other reason than illness, the school shall inform the local notary and thus the police will start an investigation. (law 2012. CXX)</p> <p>Since forestry works are mostly done in autumn, winter and spring but not during the summer holiday, the alarm system effectively prevents any illegal child labour in forestry sector.</p> <p>Additional protection is provided by criminal law (2012. C), 209§ declares any breaching of child employment rules as a criminal act.</p>	country	Low risk
Social science sources about child labour	<p>There is a possibility that there is a significant level of latency in child labour. Due to the latency official statistics do not contain reliable data. Additional investigation was carried out about social science literature to obtain further evidences of the possibility of child labour in Hungary.</p> <p>The following sources prove that child labour is at a low risk in Hungary:</p> <ul style="list-style-type: none"> <li>• Martus, B. (2012). A gyermekmunka: szükséges rossz? (Msc dissertation, szte).</li> <li>• Förster, M. F., &amp; Tóth, I. G. (2001). Child poverty and family transfers in the Czech Republic, Hungary and Poland. <i>Journal of European Social Policy</i>, 11(4), 324-341.</li> <li>• Saxonberg, S., &amp; Sirovátka, T. (2006). Failing family policy in post-communist Central Europe. <i>Journal of Comparative Policy Analysis</i>, 8(2), 185-202.</li> </ul> <p>All 3 sources mention that child labour is not an issue in Hungary. In the given topic only, a few publications can be found. This further indicates that there is not an issue in Hungary.</p> <p>ILO publication <i>Global child labour trends 2008 to 2012</i> (978-92-2-127183-3[ISBN]) do not mention Hungary.</p>	country	Low risk
International sources about possibility of Hungarian child labour status <a href="http://www.ilo.org/ipec/Regionsandcountries/lang--en/index.htm">http://www.ilo.org/ipec/Regionsandcountries/lang--en/index.htm</a> <a href="http://www.globalmarch.org/">http://www.globalmarch.org/</a> <a href="http://www.ohchr.org/EN/HRBodies/CRC/Pages/CRCIndex.aspx">http://www.ohchr.org/EN/HRBodies/CRC/Pages/CRCIndex.aspx</a>	<p>ILO Child Labour Country Dashboard: No reference about Hungary.</p> <p>-----</p> <p>Global March Against Child Labour: No reference about Hungary.</p>	country	Low risk



<a href="https://maplecroft.com/portfolio/new-analysis/2017/07/20/child-labour-index-reveals-widespread-failure-governments-wipe-out-practice-despite-international-commitments//">https://maplecroft.com/portfolio/new-analysis/2017/07/20/child-labour-index-reveals-widespread-failure-governments-wipe-out-practice-despite-international-commitments//</a>	<p>-----</p> <p>Office of the United Nations High Commissioner for Human Rights (OHCHR), Committee on Rights of the Child. No reference about Hungary.</p> <p>-----</p> <p>Child Labour Index 2017 produced by Maplecroft. found Hungary as middle risk of child labour, but no evidences were given.</p>		
<p>International institutional framework</p>	<p>ILO-BUDAPEST: Regional Consultation Workshop - Achieving Target 8.7 - ILO and OSCE is organizing a high-level Europe and Central Asia Regional Consultation on SDG Alliance 8.7 which was hosted by the Government of Hungary and funded by the US Department of Labour and Germany. The event took place in Budapest on 29-30 June 2017 at the premises of the Ministry of Foreign Affairs and Trade.</p> <p>This is good example of international institutional framework cooperation.</p>	<p>country</p>	<p>Low risk</p>
<p><b>2.2.6. Is the country signatory to the relevant ILO Conventions?</b></p>			
<p>Status of ratification of fundamental ILO conventions: <a href="http://www.ilo.org/dyn/normlex/en/f?p=1000:11200:0::NO:11200:P11200_COUNTRY_ID:102679">http://www.ilo.org/dyn/normlex/en/f?p=1000:11200:0::NO:11200:P11200_COUNTRY_ID:102679</a></p> <p>Ratification as such should be checked under Category 1. In Cat. 2 the status is explained.</p>	<p>Hungary has ratified all the 8 Fundamental ILO Conventions. The status on the ILO website for all 8 Conventions is 'in force'.</p> <ul style="list-style-type: none"> <li>• C029 - Forced Labour Convention, 1930 (No. 29); 08 Jun 1956;</li> <li>• C087 - Freedom of Association and Protection of the Right to Organize Convention, 1948 (No. 87) 06 Jun 1957.</li> <li>• C098 - Right to Organize and Collective Bargaining Convention, 1949 (No. 98) 06 Jun 1957.</li> <li>• C100 - Equal Remuneration Convention, 1951 (No. 100) 08 Jun 1956.</li> <li>• C105 - Abolition of Forced Labour Convention, 1957 (No. 105) 04 Jan 1994.</li> <li>• C111 - Discrimination (Employment and Occupation) Convention, 1958 (No. 111) 20 Jun 1961.</li> <li>• C138 - Minimum Age Convention, 1973 (No. 138) Minimum age specified: 16 years 28 May 1998.</li> <li>• C182 - Worst Forms of Child Labour Convention, 1999 (No. 182) 20 Apr 2000.</li> </ul>	<p>country</p>	<p>Low risk</p>

2.2.7. Is there evidence that any groups (including women) feel adequately protected related to the rights mentioned above?			
<p>Public work regulation  <a href="https://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=a1100106.tv">https://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=a1100106.tv</a>  <a href="https://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=A1600430.KOR">https://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=A1600430.KOR</a>  <a href="http://public.mkab.hu/dev/dontesek.nsf/0/C9CD2EAD987DAF0DC1257ADA00524AA9?OpenDocument">http://public.mkab.hu/dev/dontesek.nsf/0/C9CD2EAD987DAF0DC1257ADA00524AA9?OpenDocument</a></p>	<p>After 2010, the government adopted a new legislation about 'public work'. Those who are unemployed receive subsidy only for three months. After this period, the government offers low wage 6 hours job, mostly in park management, road cleaning, forestry and agriculture. It is not obligatory to accept the offer but refusing will result in a withdrawal of any state subsidies. The problem is that public job wages are below the minimum wage level. In principle this is a contradiction in public work regulations and therefore a specified risk.  Public work is regulated by 2011/CVI. law</p> <p>Monthly brutto income reached 82985 HUF (270 euro/month) while the minimum wage in 2017 127000 HUF/month (413 Euro). See government decree 430/2016. (XII. 15.)</p> <p>A key element of the public work system is that wages shall be below minimum wage so that participants should seek for better employment and do not stuck into the public work system. Considering that public work is 6 hours/day and lunch and transport are also provided, such wage seems to be acceptable.  The Hungarian Constitutional court investigated the regulation (gap between minimum wage and public work) in case reg nr IV/03161/2012. and has found that regulation was in line with constitution.</p> <p>The total number of un-employed people reached 190 thousand in May 2016, and dropped to 133 thousand in 2017, March. Due to the improving employment conditions the importance of public work has been decreased.</p> <p>There is a very strong support from the side of the society, that the system of public work should especially help the rural Roma population to get accustomed to work requirement and finally find a job in private sector.</p> <p>There are no special rules for public work in the forestry sector.</p>	<p>country</p>	<p>Low risk</p>

2.2.8. Are any violations of labour rights limited to specific sectors?			
ILO Helpdesk for Business on International Labour Standards: <a href="http://www.ilo.org/empent/areas/business-helpdesk/lang-en/index.htm">http://www.ilo.org/empent/areas/business-helpdesk/lang-en/index.htm</a>	No information found on serious violations of labour rights in Hungary	country	Low risk
Human Rights Watch: <a href="http://www.hrw.org/">http://www.hrw.org/</a>	No references found regarding Hungary and violations of labour rights	country	Low risk
Verite, fair labour. <a href="http://www.verite.org">http://www.verite.org</a> <a href="#">Search for document and studies about timber.</a>	Hungary is not mentioned on this site	country	Low risk
The ITUC Global Rights Index <a href="http://www.ituc-csi.org/new-ituc-global-rights-index-the?lang=en">http://www.ituc-csi.org/new-ituc-global-rights-index-the?lang=en</a>	The ITUC Global Rights Index ranks 139 countries against 97 internationally recognised indicators to assess where workers' rights are best protected, in law and in practice. The Survey provides information on violations of the rights to freedom of association, collective bargaining and strike as defined by ILO Conventions, in particular ILO Convention Nos. 87 and 98 as well as jurisprudence developed by the ILO supervisory mechanisms. Hungary is not mentioned in this report in detail, but evaluated with score 2, where 1 is the best and 5 is the worst mark (Hungary being in position 37).	country	Low risk
Additional general sources	Additional specific sources		
Google the terms '[Hungary]' and one of following terms 'violation of labour rights', 'child labour', 'forced labour', 'slave labour', 'discrimination', 'gender gap labour', 'violation of labour union rights' 'violation of freedom of association and collective bargaining'	no additional information has been found	country	Low risk
<p><b>Conclusion on indicator 2.2.</b> Labour rights are respected including rights as specified in ILO Fundamental Principles and Rights at work.</p> <p>Low risk</p> <p>The following 'low risk thresholds' are met:</p> <p>(10) Applicable legislation for the area under assessment covers the key principles recognized in the ILO Fundamental Principles and Rights at work (which are recognized as: freedom of association and right to collective bargaining; elimination of forced and compulsory labour; eliminations of discrimination in respect of employment and occupation; and effective abolition of child labour),</p> <p>AND the risk assessment for relevant indicators of Category 1 confirms enforcement of applicable legislation ('low risk');</p> <p>AND</p> <p>(12) Other available evidence does not challenge 'low risk' designation.</p>		Country	Low risk

**Indicator 2.3. The rights of Indigenous and Traditional Peoples are upheld.**

**Guidance:**

1. Are there Indigenous Peoples (IP), and/or Traditional Peoples (TP) present in the area under assessment?
2. Are the regulations included in the ILO Convention 169 and is UNDRIP enforced in the area concerned? (refer to category 1)
3. Is there evidence of violations of legal and customary rights of IP/TP?
4. Are there any conflicts of substantial magnitude [footnote 6] pertaining to the rights of Indigenous and/or Traditional Peoples and/or local communities with traditional rights?
5. Are there any recognized laws and/or regulations and/or processes in place to resolve conflicts of substantial magnitude pertaining to TP or IP rights and/or communities with traditional rights?
6. What evidence can demonstrate the enforcement of the laws and regulations identified above? (refer to category 1)
7. Is the conflict resolution broadly accepted by affected stakeholders as being fair and equitable?

general sources from FSC-PRO-60-002a V1-0 EN	information found and specific sources	scale of risk assessment	risk indication
<b>2.3.1. Are there Indigenous Peoples (IP), and/or Traditional Peoples (TP) present in the area under assessment?</b>			
<p>Definition of indigenous people  <a href="http://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILO_CODE:C169">http://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILO_CODE:C169</a>.</p>	<p>For a definition, see the International Labour Organisation, 1989, Convention 169 on Indigenous and Tribal Peoples in Independent Countries.</p> <p>This definition of indigenous people state that such people can be identified as:</p> <ul style="list-style-type: none"> <li>i. peoples who identify themselves as ‘indigenous’;</li> <li>ii. tribal peoples whose social, cultural, and economic conditions distinguish them from other sections of the national community, and whose status is regulated wholly or partially by their own customs or traditions or by special laws or regulations.</li> </ul> <p>Most sources agree that there are no indigenous people in Europe. Therefore we consider this section low risk.</p>	country	Low risk
<p>Existence of indigenous tribes in Hungary  <a href="http://www.iwgia.org/regions">http://www.iwgia.org/regions</a></p>	<p>Most sources agree that there are no indigenous people in Europe. See:                      All continents are mentioned with exception of Europe</p> <p>Most sources agree that there are no indigenous tribes in Hungary. Therefore we consider this section low risk.</p>	country	Low risk

<p>Traditional people in Central-Europe</p> <p>Publication about Romani Mendizabal, I., Lao, O., Marigorta, U. M., Wollstein, A., Gusmão, L., Ferak, V., ... &amp; Kučinskas, V. (2012). Reconstructing the population history of European Romani from genome-wide data. <i>Current Biology</i>, 22(24), 2342-2349.</p>	<p>Since these criteria are referring not only to indigenous peoples but also traditional people, this part of the definition shall be investigated in detail</p> <p>Based on the definition: traditional peoples not necessarily called indigenous or tribal, are:</p> <ol style="list-style-type: none"> <li>1. sharing the same characteristics of social, cultural, and economic conditions that distinguish them from other sections of the national community,</li> <li>2. whose status is regulated wholly or partially by their own customs or traditions, and</li> <li>3. whose livelihoods are closely connected to ecosystems and their goods and services.</li> </ol> <p>As there is a significant Roma minority group in Central Europe, it shall be checked if Roma population meet the definition of traditional people.</p> <p>Section (1) is obviously met, while section (3) at least partially, in rural areas. Section (2) is under question.</p> <p>Based on the above, the precautionary approach requires that the Roma minority should be handled as a 'traditional' group of people. There is no immediate risk by the fact that such traditional people are present in Hungary. Therefore, we consider this section low risk.</p>	country	Low risk
<p>Status of Roma minority in Hungary <a href="https://mno.hu/belfold/lesujto-adatok-a-hazai-ciganysagrol-1369132">https://mno.hu/belfold/lesujto-adatok-a-hazai-ciganysagrol-1369132</a></p> <p>Publication about Romani Mendizabal, I., Lao, O., Marigorta, U. M., Wollstein, A., Gusmão, L., Ferak, V., ... &amp; Kučinskas, V. (2012). Reconstructing the population history of European Romani from genome-wide data. <i>Current Biology</i>, 22(24), 2342-2349.</p>	<p>The size of Roma population in various countries:</p> <p>Hungary: 205,984 (census); 394,000–1,000,000 (estimated) Romania: 621,573 (2011 census) 850,000 (estimated) Serbia: 147,604 (census 2011) or 400,000–800,000 (estimated) Slovakia: 92,500 or 550,000</p> <p>In Hungary, the legal situation is defined by the 'Minorities group legal position' law (2011/CLXXIX). This law deals mostly with the use of language and the forming of self-governance bodies (small communities).</p> <p>Hungarian Environmental Impact Assessments usually do not consider the position of Roma population as traditional people.</p> <p>In Hungary there is a difficult legal problem: how do we know if someone belongs to Roma minority? According to the Hungarian regulations,</p>	country	Low risk

	<p>minority status and participation of local minority elections is based on self-declaration. At the national census there are questions about minority status, but these are not obligatory to answer. In any other situations, it is forbidden to record minority status. For example, in criminal justice it is forbidden to provide statistics about the percentage of Roma or majority criminals.</p> <p>Therefore, Roma minority issues are mostly handled by social science instead of basing them on legal data.</p> <p>Some statistical data is available about Roma population: (2015)</p> <table border="0"> <thead> <tr> <th></th> <th>Roma</th> <th>Average country figure</th> </tr> </thead> <tbody> <tr> <td>economically active:</td> <td>39,3%</td> <td>64,9%</td> </tr> <tr> <td>unemployment</td> <td>28,3%</td> <td>6,2%</td> </tr> <tr> <td>early finish of school</td> <td>59,9%</td> <td>8,2%</td> </tr> </tbody> </table> <p>Although the Roma population in general is scoring low on these figures they have the same rights as every other Hungarian citizen. They even have additional rights as indicated in the law mentioned above. They also have the right to declare themselves 'minority' officially. Other international sources consulted in this cat 2 assessment do not draw different conclusions. Thus, the rights of Roma traditional Peoples are upheld.</p> <p>Therefore, we consider this section low risk.</p>		Roma	Average country figure	economically active:	39,3%	64,9%	unemployment	28,3%	6,2%	early finish of school	59,9%	8,2%		
	Roma	Average country figure													
economically active:	39,3%	64,9%													
unemployment	28,3%	6,2%													
early finish of school	59,9%	8,2%													
<p>international sources on forestry resources and livelihoods  <a href="http://www.profor.info/knowledge/private-and-community-forestry-developing-livelihoods-basis-secure-property-rights">http://www.profor.info/knowledge/private-and-community-forestry-developing-livelihoods-basis-secure-property-rights</a></p>	<p>In the Balkan countries private and community forest owners have faced major difficulties in participating in national and cross-sectoral policy discussions such as national forest program implementation.</p> <p>Representatives of forest owner associations, responsible ministries from Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Hungary, Macedonia, Serbia, Montenegro, first in 2008 met to discuss the situation on non-state forestry for the first time at a regional scale. Discussions revolved around property rights on non-state forest land, the role of forest owner associations at the local, regional and national levels, the forest management regulation features of small-scale forests and policy options for financial incentives for private/community forestry.</p>	<p>country</p>	<p>Low risk</p>												

	<p>The main conclusions are the countries have to deal with these by themselves, but many EU regulations are also helping to bring countries in the EU in line with each other.</p> <p>Based on the above and the extensive study done under CNRA cat 3, we consider this section low risk.</p>		
<p><b>2.3.2. Are the regulations included in the ILO Convention 169 and is UNDRIP enforced in the area concerned? (refer to category 1)</b></p>			
<p>ILO Core Conventions Database  <a href="http://www.ilo.org/ilolex/english/docs/declworld.htm">http://www.ilo.org/ilolex/english/docs/declworld.htm</a>  - ILO Convention 169   <a href="http://www.ilo.org/dyn/normlex/en/f?p=1000:11200:0::NO:11200:P11200_COUNTRY_ID:102549">http://www.ilo.org/dyn/normlex/en/f?p=1000:11200:0::NO:11200:P11200_COUNTRY_ID:102549</a></p>	<p>Hungary has not ratified Convention 169. Therefore, this source does not provide information on its implementation.</p> <p>To draw a better conclusion, we have to check the content of ILO convention 169, if the content is not applicable or Hungarian regulation is in line with ILO convention, then risk can be stated as low.</p> <p>Content of the convention:</p> <ul style="list-style-type: none"> <li>- 1. general policy</li> <li>- 2. land</li> <li>- 3. recruitment and conditions of employment</li> <li>- 4. vocational training, handicrafts and rural industries</li> <li>- 5. social security and health</li> <li>- 6. education and means of communication</li> <li>- 7. contacts and co-operation across borders</li> <li>- 8.- 10. administration, general provisions and final provisions</li> </ul> <p>Requirements related to the land are not applicable (identification of lands which the people traditionally occupy) since Roma tribes historically were wandering between various locations and never occupied the land.</p> <p>Requirements 3-10 are on the basis of equal treatment and no discrimination, which is the Hungarian law. The Hungarian law makes no difference between minorities and majorities, all citizens are subject to the same laws and opportunities offered by the government.</p> <p>Further indicators down below will address some of these questions as well. Although Convention 169 is not ratified the Hungarian law does comply with its requirements. Therefore, we consider this section low risk.</p>	country	Low risk
<p><b>2.3.3 Is there evidence of violations of legal and customary rights of IP/TP?</b></p>			
	<p>The Hungarian forest law offers very broad possibilities for public use of forests. Anybody can enter into any forests (both state or private) on foot, on horseback or bicycle.</p>	country	Low risk

	<p>Collection of mushrooms, decoration, berries is allowed in state forests, for own consumption, in case of mushroom up to 2 kg/person/day. Deadwood and antlers belong to the forest owner or hunting manager and collection requires a license.</p> <p>The social status of Roma minority was quite stable under the socialist regime (before 1989) when it was a state obligation to offer jobs to anyone and unemployment did not exist. The political changes after 1990 resulted in a dramatic drop of life standards of Romas, as they were affected mostly by the collapse of the collective agriculture system. Many became unemployed. Losing their income resulted a growing criminalization.</p> <p>Forestry was never seen as a risk factor on the contrary, forestry was in most cases the last possibility for Romas to find a job, or food or income. The biggest conflict on this field was the illegal collection of firewood, which is against the law, but is still practiced in rural areas, and not only by Roma people. Nevertheless, this is now partly overcome by the social fuelwood program (see point 5 below).</p> <p>Legal and customary rights are the same for all Hungarian citizens. There is no evidence of violations with regards to Roma traditional people. Therefore, we consider this section low risk.</p>		
<p><b>2.3.4. Are there any conflicts of substantial magnitude [footnote 6] pertaining to the rights of Indigenous and/or Traditional Peoples and/or local communities with traditional rights?</b></p>			
<p>Amnesty International</p> <p><a href="http://www.amnesty.hu/data/file/1280-violent_attacks_against_Roma_in_hungary_report.pdf?version=1415642342">http://www.amnesty.hu/data/file/1280-violent_attacks_against_Roma_in_hungary_report.pdf?version=1415642342</a></p>	<p>There are significant conflicts between the majority and minority group in general. But almost none of these conflicts are related to forestry activities.</p> <p>And these are mostly <u>not</u> related to the rights of Traditional Peoples.</p> <p>Some conflicts have happened in the past decade but recently the number of conflicts has been reduced and no violent cases happened in recent years.</p>	<p>country</p>	<p>Low risk</p>



	Conflicts are there, but not related to the forestry sector or related to the rights of Traditional Peoples. Therefore, we consider this section low risk.		
<b>2.3.5. Are there any recognized laws and/or regulations and/or processes in place to resolve conflicts of substantial magnitude pertaining to TP or IP rights and/or communities with traditional rights?</b>			
<p>Publication of Hungarian government.  <a href="http://www.kormany.hu/hu/belugyminiszterium/onkormanyzati-allamtitkarsag/hirek/tobb-mint-ketezer-onkormanyzat-nyert-a-tuzeloanyag-palyazaton">http://www.kormany.hu/hu/belugyminiszterium/onkormanyzati-allamtitkarsag/hirek/tobb-mint-ketezer-onkormanyzat-nyert-a-tuzeloanyag-palyazaton</a></p> <p>Website article about Roma immigrants  <a href="http://palyazatok.org/category/roma-palyazatok/">http://palyazatok.org/category/roma-palyazatok/</a></p>	<p>As stated above the status of the Roma population became worse after the political changes in 1990.</p> <p>The conservative government introduced two measures after 2010. These are the ‘public work’ and ‘social firewood supply’. The primary purpose of these was to find a solution of social conflicts of Romas and the majority.</p> <p>Public work is a kind of employment, where local municipalities offer the job (6 hours per day +food) and salary is below the minimum level. The peak year was 2016 when more than 200 thousand people were employed in this form. As unemployment has been reduced since then from 12% (2010) to 3,9% (2016) the importance of public work is reducing, and governmental efforts are in place to push public workers towards private sector employment.</p> <p>The social fuelwood program offers financial aid to 2291 municipalities with a total of 20 million Euro to help with the heating of those who cannot purchase fuelwood. This up to 2 m<sup>3</sup>/person.</p> <p>Additionally, there are several possibilities available for Romas like scholarships, special applications, etc to reduce discrimination. The homepage above collected 140 various scholarships between 2010-2017.</p> <p>With regards to conflict resolution the normal Hungarian law is applicable to all citizens. There are no separate laws for minorities. Nevertheless, there are Anti-Discrimination Laws in Hungary: The Constitution of Hungary and Act CXXV of 2003 on Equal Treatment and the Promotion of Equal Opportunities (the “Equal Protection Act”). In addition, the regulations of the European Union have major influence on the Hungarian Anti-Discrimination Laws. The Constitution of Hungary declares the prohibition of discrimination on the basis of age, race, sex, skin colour or religion. The Equal Protection Act declares the types of discrimination and describes the available remedies.”</p>	country	Low risk

	<p>At together there are several recognized regulations and instruments in place that are aiming to assist minorities and traditional people like Roma.</p> <p>The Equal treatment authority was founded in 2005. This to have one common platform for Equal treatment in the country and a legal follow up mechanism in case this is needed. Everything is publicly available in their website. The authority issues a yearly report with most important cases solved every year. Every year some of these cases are reported, but there are not that many, more incidental, and the numbers decrease over the years 2005-2017. In 2017 there were 1423 cases. In 2015 there were 884 cases.</p> <p>Besides that, conflict resolution is organized in a normal way, following the normal country justice laws.</p> <p>Therefore, we consider this section low risk.</p>		
<p><b>2.3.6. What evidence can demonstrate the enforcement of the laws and regulations identified above? (refer to category 1)</b></p>			
<p>EU strategy for Roma  <a href="http://ec.europa.eu/justice/discrimination/roma/eu-framework/index_en.htm">http://ec.europa.eu/justice/discrimination/roma/eu-framework/index_en.htm</a></p> <p>EU press release about Roma children  <a href="http://europa.eu/rapid/press-release_MEMO-16-1823_en.htm">http://europa.eu/rapid/press-release_MEMO-16-1823_en.htm</a></p>	<p>EU institutions also put high attention to Roma minority  A special Roma strategy was adopted by the EU in 2011 when Hungary was the leading country.  The strategy invited all Member States to present the European Commission with their strategy for Roma inclusion or for specific policy measures for the Roma within their wider social inclusion policies.  Nevertheless, the main responsibility as well as the competences to improve the situation of all marginalized people, including the Roma, rest with the Member States.</p> <p>There are still problems at the field of education, health and other fields of discrimination.  On 26, 2016 May the European Commission (EC) called on Hungary to stop discriminating against Roma children in education and to adjust its laws accordingly. The Commission made the announcement within the framework of its regular review of transgressions committed by Member States against EU legislation. "Discrimination on the basis of ethnic origin in education is unacceptable under EU law," EC spokesperson Christian Wigand said. The Commission has officially contacted Budapest with a warning over the situation.</p> <p>Although problems in the education system are not directly related to the forestry sector we have to take a precautionary approach and thus there</p>	<p>country</p>	<p>Specified risk for discrimination against Roma children in the education system.</p>

	is a specified risk for discrimination against Roma children in the education system.		
<b>2.3.7. Is the conflict resolution broadly accepted by affected stakeholders as being fair and equitable?</b>			
	The status of Roma minority is significantly worse than the average, considering health, education and income. However, there is a significant improvement since 2010, mostly because employment conditions improved. While there are evidences of discrimination in the field of education, the forestry sector (and agriculture) can play a crucial role in employment and help to reduce income differences. The conflict resolution tools (see point 5 above) are broadly accepted by affected stakeholders. These are fair and equitable because they are accessible for all Hungarian citizens. Therefore, we consider this section low risk.		
<b>Additional general sources for 2.3</b>	<b>Additional specific sources</b>	<b>scale of risk assessment</b>	<b>risk indication</b>
Additional references <a href="http://www.ohchr.org/en/issues/ipeoples/srindigenouspeoples/pages/sripeoplesindex.aspx">http://www.ohchr.org/en/issues/ipeoples/srindigenouspeoples/pages/sripeoplesindex.aspx</a> <a href="http://www.ohchr.org/EN/HRBodies/UPR/Pages/Documentation.aspx">http://www.ohchr.org/EN/HRBodies/UPR/Pages/Documentation.aspx</a> <a href="http://www.ohchr.org/EN/HRBodies/CCPR/Pages/CCPRIndex.aspx">http://www.ohchr.org/EN/HRBodies/CCPR/Pages/CCPRIndex.aspx</a> <a href="http://www.ohchr.org/EN/HRBodies/CERD/Pages/CERDIndex.aspx">http://www.ohchr.org/EN/HRBodies/CERD/Pages/CERDIndex.aspx</a> <a href="http://intercontinentalcry.org/">http://intercontinentalcry.org/</a> <a href="http://www.forestpeoples.org">www.forestpeoples.org</a> <a href="http://www.gfbv.de/index.php?change_lang=english">http://www.gfbv.de/index.php?change_lang=english</a>	United Nations Special Rapporteur on the rights of indigenous peoples UN Human Rights Council Universal Periodic Review UN Human Rights Committee  UN Committee on the Elimination of All Forms of Racial Discrimination Intercontinental Cry Forest Peoples Programme: FPP's focus is on Africa, Asia/Pacific and South and Central America. Society for Threatened Peoples:  General sources do not state different things and do not draw contradictory conclusions. Therefore, we consider this section low risk.	country	Low risk
<b>Conclusion on indicator 2.3.</b> The rights of indigenous and traditional peoples are upheld.  Low risk  The following 'low risk thresholds' are met:		Country	Low risk

<p>(17) The presence of indigenous and/or traditional peoples is confirmed or likely within the area under assessment. The applicable legislation for the area under assessment covers the basic principles of ILO governing the identification and rights of indigenous and traditional peoples and UNDRIP</p> <p>AND risk assessment for relevant indicators of Category 1 confirms enforcement of applicable legislation ('low risk');</p> <p>AND</p> <p>(20) There is evidence of conflict(s) of substantial magnitude pertaining to rights of indigenous and/or traditional peoples. Laws and regulations and/or other legally established processes exist that serve to resolve conflicts in the area concerned, and such processes are recognized by affected stakeholders as being fair and equitable.</p> <p>AND</p> <p>(21) Other available evidence do not challenge a 'low risk' designation.</p>		
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## Controlled wood category 3: Wood from forests in which high conservation values are threatened by management activities

### Overview

#### Forest history and current objectives (lit 3,6,7)

Geographical and political conditions are more or less the same throughout Hungary and there is no need to divide the country into sub-regions because of the HCV risk assessment.

Hungary boasts one of the most elaborate and longstanding traditions regarding sustainable forest management of any country in the world. In addition, to complex current legal and regulatory frameworks the sustainable culture is rooted in history. Its history can be described as follows:

- 1500. The first evidence of forest management dates back to the 1500's. In that era forests were managed mainly for economic gain.
- 1600. By the 1600's visionary religious preachers collected oak acorns from the best plots of oak and presented them as gifts when they took their religious message to new areas. Today, that legacy lives on and many of Hungary's finest oaks hail from the "preachers oak" sometimes referred to as "Slovene" oak.
- 1700. By the 1700's nobles and local government expanded on conservation practices.
- 1791. The first feudal type of a forest act was enacted by the Parliament.
- 1879. The first modern civil forest act was passed. In the 19th century the German type, planned forest management was typical both in state forests and in large private forest estates.
- 1920. As a result of the Treaty of Trianon at the end of World War I, Hungary lost 84% of its forests and the forest area was reduced from 26% to 12%.
- 1935. With the announcement of the IV. Act of 1935, a forest act corresponding to the new geographical conditions of the country, as well as the first Hungarian law on nature conservation entered into force.
- 1936. The Second World Forestry Congress and the ninth Congress of the International Union of Forest Research Organizations (IUFRO) were held in Hungary. The opportunity to host the congress was an international recognition of the Hungarian forestry mainly due to the afforestation programme launched in the middle of 1920's.
- 1945. Private forest holdings above 58 ha were nationalized, properties of 6 to 58 ha were taken into state management.
- 1959-60. Forest owner associations were cut back; about 30% of the total forests were assigned to agricultural cooperatives.
- 1961. Enactment of the Act Nr. VII of 1961 on forests and wildlife management based on socialist terms.
- 1970. The first Forest Inventory covering the total forest area of Hungary was completed.
- 1996. As a result of the political system change in 1989, about 40% of the forests were privatized. The legislative control for multiple-use and sustainable forestry was regulated by the Act Nr. LIV of 1996 on forests and protection of forests.
- 2004. Joining the EU and start complying with EU legislations.
- 2006-2015 The last decades brought extraordinary political and legal changes in Hungary, including the accession to the EU. The major result of the international forest policy developments in Hungary was definitely the set-up of the National Forest Programme (NFP) for the period 2006-2015. The NFP embraced ten main goals such as nature protection in forest, development of state and private forest management, or the modern forms of forest protection.

- 2009. One main aim of the Act Nr. XXXVII of 2009 is to drive forests closer to their natural conditions. On one hand, the act defines ‘quantitative naturalness’ and prescribes that it should not decrease due to management activities. On the other hand, it prescribes continuous cover forestry methods on a predetermined area of state-owned forests. Further, it enables NGOs’ contribution in forest management planning.
- 2010. Forest administration becomes the responsibility of the Forestry Directorate of National Food Chain Safety Office (coordinating and supervisory organ) and under its supervision, the ten Forestry Directorates of the County Government Offices. Legal predecessors were the Forestry Directorates of the Central and the County Agricultural Offices between 2007 and 2010, and the State Forest Service before 2007.
- 2015. The majority of the forests, more than 1 million ha, are owned by the state and managed by [22 state forest companies](#), of which 19 are now under the control of the Hungarian National Asset Management Company. The 3 remaining ones are managed by the ministry of defence. Most of the 22 companies were raised between 1965-1970.
- 2016. Hungary adopts the: [“National Forest Strategy 2016-2030”](#) (NFS). This is the follow up of the 2006-2015 NFP (see above). The NFS objectives concentrate on:
  - Development of state forest management
  - Development of private forest management
  - Rural and regional development, afforestation, conservation of forests
  - Nature protection in forest
  - Modern forest protection
  - Sustainable game management
  - Rational wood utilization
  - Tasks of the forest administration
  - Research, education and production development
  - Efficient communication about the forest to improve man-forest relations

Thus, the NFS remains the high political commitment for sustainable forest management and addresses current challenges: ensuring the conservation and enrichment of the forest, reducing of the impacts of climate change and considering the impact of natural factors and human interventions on forest ecosystems and habitats. The NFS also takes into account an increasing social support for efforts to promote nature conservation in forests and the extension of close-to-nature forest management.

### Summary of forest growth

Year	Forest area (ha)	Forest as a % of total land area
1930	1 091 000	11,8
1950	1 167 000	12,5
1960	1 306 000	14,0
1970	1 471 000	15,8
1980	1 587 000	17,1
1985	1 631 000	17,5

1990	1 674 000	18,0
1993	1 708 000	18,4
2005	1 823 000	19,6
2015	1 940 719	20,8

Sources: Lit 2,3,6,7,8,32

In 2015 there was 1 940 719 ha of forest, resulting in a 20,8% forests cover. FAO confirms a similar steady increase of forest cover (lit 6).

An overwhelming majority of the forests consist of broad-leaved species. Black locust (*Robinia pseudoacacia*) (25%) and Noble Oak (*Quercus robur* and *Q. petraea*) (20%) take the biggest share, followed by Turkey oak (*Quercus cerris*) (8%) and poplar species (*Populus spp.*). Conifers (10%) are classed as introduced species, but quite a high proportion of the broad-leaved forests also consist of introduced species, such as the Black locust (*Robinia pseudoacacia*) and improved poplars (*Populus spp.*). The most characteristic feature of the Hungarian forests is the wide variety of broad-leaved species, forming mixed, often multi-storey stands.

The total growing stock of the country (378 million m<sup>3</sup>) has been increasing steadily over the past few decades. Most of the growing stock can be found in productive forests (332 million m<sup>3</sup>). There is a 13 million m<sup>3</sup> gross annual increment (2016, lit 32). The annual harvest over 2015 was 7 355 000 m<sup>3</sup> of which 4 547 000 (61%) came from State forests and the remaining 2 808 000 (39%) from private forest owners. Thus, the annual harvest is about 53% of the annual increment.

Hungary's vision for the natural forests, especially in hilly areas - is called 'Close-to-Nature Forest Management' (lit 32). Systems ensuring continuous forest cover have been more and more applied in the last years, reaching ca. 7% of the total forests by 2013. This trend was strengthened by the forest law 2009-2017, indicating increased figures for future years. The common feature of these systems is that there is no final cutting and consequently contiguous large areas without tree stand do not occur. In Hungary, three kinds of such systems are defined: the selection system (harvests are carried out frequently but only in small patches), the transition system (the main objective of which is to switch from rotation system to selection system) and the 'non-productive' system (with the main aim to let natural processes take their course).

### Forest types in Hungary

The majority of Hungary belongs to the European deciduous forest zone, parts of the Great Plain to the forest-steppe zone. The large lower parts are characterised by small amounts of precipitation and extreme temperature changes. The naturally forest-covered areas are the Western part of the Trans-Danubian region and the mountains, generally higher than 400 m, above sea level. A substantial part of the Hungarian forests is categorized as natural, close-to-nature and semi-natural forest (24%). Second growth forest counts for 29% and cultivated and park forests for 34%. The remaining is made up of plantations (7%) and transition forests (6%) (lit 2).

## Forest landownership

National Food Chain Safety Office, Forest Department (NFCSO-FD) (lit 1) states that the total forest cover in the country has reached 20,8% of the total land area of the country, some 1 940 719 ha in 2015 (lit 32).

Almost 56% of the forests in Hungary is state owned, 1% by local communities (usually municipal, town and city councils) and 43% of the forests is of private owners. However, so-called 'absentee forest owners', or forests without registered managers, represent ca. 9% of the total forest area and ca. 19% of the total private forests.

## Forest Management

- **Minister for Agriculture.** Within the organization of the Ministry, the Department of Forestry and Hunting is in charge of carrying out the forestry sector's regulatory and legal management tasks.
- **National Food Chain Safety Office, Forest Department (NFCSO-FD)** (or 'Forestry Authority') is the central governmental body executing authority functions in forestry, acting at national level. The forestry authority at first instance (local forestry authority) are the joined County Government Offices with a forestry department (CGO). There are 10 such CGO offices in Hungary. Each county forestry department employs 25-50 people. Their tasks and responsibilities are forest management planning, forestry inspection, and other administrative tasks, meaning that the local forestry authority staff does not carry out any practical forest management activities. NFCSO-FD and CGO FD are in close cooperation but not subordinated to each other (lit 1).
- **22 state forest management companies.** The management of the state forests is mainly carried out by 22 state forest management companies. 19 of these companies are under the control of the Hungarian National Asset Management Company. The 3 remaining ones are managed by the ministry of defence. Most of the 22 companies were raised between 1965-1970 (lit 4).
- **NARIC Forest Research Institute (ERTI).** The main Forest Research Institute in Hungary.
- **Minister for Agriculture, Secretariat for Nature Conservation and Environment Protection.** National park management. Protected areas of Hungary include 10 national parks, 35 landscape protection areas and 145 minor nature reserves (lit 12).

## Categories of protection in Hungary:

A true HCV definition does not exist in Hungary, nor is it used. Hungary is protecting and managing areas especially worthy of protection for its excellent ecosystem and abundant biodiversity by designating them as protected areas.

Protected forests are in Hungary defined by legal regulations. In Hungary, protection forests and special purpose forests and the forest included in national, regional or landscape parks are treated as protected forests. Considering the current legislation in Hungary, protected areas are explicitly mentioned in, Act No. LIII of 1996 on Nature Conservation (37) and Act No. XXXVII of 2009 on forests, on the protection and management of forests (lit 39). There is an online tool ([NCIS](#)) where all protected areas can be found (including Natura2000). Besides that, there is a Natura2000 [online platform](#) where these, and many other functions, can be viewed.

The current definition of protected forests refers to forest areas with special (additional) legislative regulations. These regulations are resulting in additional restrictions, so that forest management significantly differs from non-protected forest areas. Legally, forests are classified as protection forests mostly where



rare site conditions are presented or where extraordinary environmental values are presented (habitats, species or ecosystems). Because of that, active interventions in protection forests can be quite limited.

Protected areas of Hungary for nature conservation includes 10 national parks, 35 landscape protection areas and 145 minor nature reserves (lit 12). Please note that many protection classes overlap with others.

Type	% of forest	Number of ha	Managed by
<b>Protected areas</b>			
Strictly protected areas	3,7%	73 391	In total 22% of all forest in Hungary is protected. Managed by private and state entities.
Protected	19,8%	385 021	Managed by private and state owners.
<b>National parks (overlap with the above)</b>			Managed by state.
Hortobágy		4 083	Ca. 47% of the protected areas is made up by forests.
Kiskunság		12 557	
Bükk		41 696	
Aggtelek		16 572	
Fertő-Hanság		6 174	
Danube-Drava		34 243	
Körös-Maros		6 235	
Balaton Uplands		20 476	
Danube-Ipoly		51 990	
Őrség		28 977	
Total		223 003	
<b>Protected Landscape Area (overlap with the above)</b>		337 000	Hungary has 35 Landscape Protection Areas (IUCN Category V). Managed by private and state owners.
<b>Natura2000 (overlap with the above)</b>			

Special Areas of Conservation, SACs		1 444 400	479 sites, managed by private and state owners. (627.881 ha forests)
Special Protection Areas, SPAs		1 374 600	56 sites, managed by private and state owners. (467.699 ha forests)
Total		2 818 960	Or 30,3% of the country. In Natura2000 sites ca. 39% are forests, which is 1.095.580 ha.
<b>Ramsar sites (overlap with the above)</b>		260 682	Hungary currently has 29 sites designated as Wetlands of International Importance (Ramsar Sites)(lit 80).
<b>UNESCO Biosphere sites (overlap with the above)</b>		364484	There are <a href="#">6 biosphere reserves</a> .

Source of table: 2,12, 32

### **Cultural Heritage Sites.**

A Register of Cultural Heritage is available online. The Gyula [Forster](#) National Office for Cultural Heritage Management is the main governmental organisation for cultural heritage preservation. The office itself takes care of more than 40 significant sites (archaeological sites, stately homes, castles) owned by the Hungarian State. Besides that, there are 5 200 sites in the register of which 200 are forest related.

The public administration system for archaeological and built heritage is operated through 21 District Offices of the Government Offices of Counties and the Capital Budapest. Their main role is licensing for works that affect the cultural heritage. Their Ranger Service is operated by the National Park Directorates. State rangers are entitled to take measures on behalf of the authorities and are equipped with appropriate service devices and a uniform. Their primary duty is the protection of the natural assets and areas, but they also guard the archaeological heritage within the National Parks (lit 9, 66 and 67).

### **Laws, regulations, international agreements and status of implementation**

The right to manage a forest property in Hungary is limited and carried out in such a way that ecological, social and production function of the forest is ensured. Considering the current legislation in Hungary the main laws are:

- No. LIII of 1996 Law on Nature Protection (lit 37).
- No. LV of 1996 Law on the protection of game, game management and hunting. (lit 38).
- No. XXXVII of 2009 Law on forests (lit 39).

Hungary ratified '[The Convention on Biological Diversity](#)' (CBD) in 1994. The Ministry of Rural Development has responsible for its implementation. The CBD is implemented by National Biodiversity Strategy and Action Plan. CBD actions plans are made. The current action plan is running from 2015-2020. The Fifth national report was published in 2014 (lit 83). Hungary signed many [international conventions](#).

There are no CITES (tree/wood) species occurring in Hungarian forests. There are no Global 200 ecoregions as defined by WWF, Intact Forest Landscapes as mapped by Greenpeace and other organisations and no Biodiversity hotspots as defined by IUCN (lit 74-78,84,86).

### **Forest operations and felling permits**

Forest planning is regulated at the highest level by the Forest Management Plan Regulation issued by the responsible Minister. The Regulation includes the main limits of forest management activities (e.g. the maximum degrees of timber harvest are prescribed). The result of this process is the forest management plan. It is based on field surveys and prescribes tasks and their timelines that have to be fulfilled during the next 10-year-long-period. Each forest manager receives his or her forest management plan (in the form of a decision) which describes his or her rights and responsibilities. Requested derogation from the forest management plan might occur exceptionally, but only on request. Forest management planning activities cover the entire forest area of Hungary. About one tenth of the forest area of Hungary is subject to forest management planning each year. In other words, each forest sub compartment is planned once in every 10 years. Forest management planning is conducted in each forest district separately. 100% of the forests in Hungary are under forest management planning.

#### *Forest Management Plan (erdőterv)*

After the Forest Act of 2009 came into force, districts were selected with no respect to which forests are managed by identical forest managers. Thus, forest planning districts were developed for practical reasons in order to avoid overload of forest planning managers of County Forestry Directorates. Currently, there are 150 forest planning districts. Each County Forestry Directorate has to plan many districts, and each forest management planning officer has ca. 1500-2800 ha area to plan annually. During the planning process, forest managers and other (e.g. environmental) organizations can participate in selecting the best-fit management options that will become the forest management plan itself. In this way, it is a participatory process.

#### *Report on Planned Harvests (tervezett fakitermelés bejelentő)*

After the final consultation in the participatory process (see indicator 1.3, about Management and harvesting planning, for the full explanation), the County Forestry Directorates carry out a so called 'yield prediction' in order to compare areas planned for final cut in the proposed forest management plan with opportunities provided by the Forest Management Plan Regulation and if necessary modify the proposed forest management plan.

#### *Forestry Operation Document (FOD) (műveleti lap)*

Field work starts when the necessary documents are compiled (the FOD). Field work results affect the forest management plan and therefore the forest management activities for the following 10 years for which the plan is in effect. The field work comprises sampling, estimation of shrub layer species, estimation of forest naturalness, examination of site conditions directly or indirectly and the marking of borders and trees. Harvesting and regeneration prescriptions as detailed in the forest management plan and these impose rights and obligations on forest managers.

#### *Record of supervision of forest harvest (műszaki átvételi jegyzőkönyv)*

All forests are subject to periodic inspection carried out by forest inspectors to ensure compliance with prescriptions. A forest manager who contravenes prescriptions commits an offence and becomes liable to a fine. The Forest Authority inspects conformance of forestry operations with prescriptions in the forest management plan. Any type of harvesting has to be reported to the Forest Authority in advance, as well as, after harvest has been undertaken.

#### *Transport Ticket.*

All trade related transport by vehicles over 3,5 tons and/or by vehicles subject to road toll shall be registered in the Electronic Public Road Trade Control System (EPRTCS). Timber transport shall be documented by a 'Transport Ticket' issued by the sender, typically by the manager of forest. Transport Ticket summarizes the origin, classification and the amount of the timber with reference to the Forestry Operation Document.

All data gathered during the complete process above is combined in one National Forestry Database (NFD)(lit 3).

### **Products**

With regards to *products* only Timber is taken into account as there are no cases, reports or proof that other products are commercially harvested or collected.

### **Main threats to HCVs from forest management activities**

Following the 5th National Report to the Convention on Biological Diversity (2014) (Lit 83, chapter 1.2.) the main causes of biodiversity loss are similar to those in other parts of Europe or even globally that several times short-term economic advantages dominate over long term environmental, social and economic interests. This results in the overuse of ecosystems, natural habitat loss, habitat fragmentation and degradation. Fragmentation prevents natural gene transfer between populations, which would be essential for the maintenance of healthy populations with diverse gene pool.

Following the 2004 annual report (no later data officially published) there were 131 recorded cases of illegal logging, corresponding to 27 230 m<sup>3</sup> of timber. With an average standing volume of 195 m<sup>3</sup>/ha this is around 139 ha affected, or 0,07% (lit 13). Literature distinguishes between organised harvesting activities without logging permits and small-scale timber stealing, mainly for local fuelwood need. Estimates from the Forest Authority state around 300 000 m<sup>3</sup> timber yearly harvested without permits (illegally). This is often happening in areas where the forest owners are not known or based on false contracts, and normally before reaching the cutting age of the stand. This area might result in 1 000-1 500 ha yearly affected, according to the Forest Authority (2006). Timber stealing for fuelwood purposes reaches hardly this scale and causing damages on smaller spots.

As for any trend to set, this is difficult, as the same level of estimates can be heard and read by the Forest Authority in the last years. And these are not officially published. Recorded illegal logging is about 30-50 000 m<sup>3</sup>/y and since 2006 not much changed to that, according to the Forest Authority. Whereas, illegal logging in total can only be estimated at the rate of ca. 4-5% of the total forest harvest in the country, which thus amounts to the 300 000 m<sup>3</sup> mentioned above (Forest Authority, interview done by local consultant,2017).

Following the Hungarian government main threats are also the dieback of trees because external, climate related factors. The most important threat is the dying of trees because of droughts (almost 14 000 ha in 2016, 0,7%). The indicator of forest health is the percentage of dieback (reduction in the number of needles

or leaves) of forest tree crowns. The latest annual report shows a 20,5% dieback on forest trees, which indicates a decline in vitality and increased sensitivity to external influences. There is a link between crown dieback and the drier conditions during the vegetative period in recent years (lit 8, 32).

Fires are happening in Hungary. In 2014 5 200 ha were lost to fires (0,27%). The amount of damage is fluctuating over the years. Humans are the main cause of forest fires (lit 3,9,15).

### **Forest certification**

In Hungary 304 428 ha of forest, in 6 FMU's, are certified. Besides that, there are 144 COC's.

### **High Conservation Value Forest in Hungary**

Classifications of forests and forest functions are mapped in forest management plans and are a basis for defining HCVF. Forests with protection functions (see above table) has to adapt its management in such a way that maintaining or improving this specific function will be a result.

Fully protected forests and special reserves forests can be directly linked to HCVF. Natura 2000 sites and natural heritage sites are administrated by the government and its requirements and guidelines are included in forest management plans done by the NFCSO-FD for all forests.

In Hungary a particular approach to HVCF was implemented by means of the 'close to nature management principle' (lit 3,5).

Restrictions and limitations are applied to all forests and in particular on forests with the protection functions. Forest functions and other data regarding FM plans can be seen on an [online portal](#).

### **Source types used in this CNRA**

The CNRA analysis below is based on so called 'source types'. A source type is a timber/NFTP source with similar geographical and/or functional characteristics with a homogenous risk designation. These are potential sources from which timber could enter the market and end up in the supply chain of FSC certified timber processing companies. Such source types need to be defined because risks could be different with each of them.

During the analysis the following source types were identified that could, in theory, result in different risks in the assessment:

- State owned forests in Semi-natural permanent forest
- Private forest in Semi-natural permanent forest

During the detailed assessment it became clear that state and private forest owners were subject to the same risks and a further separation was not needed. In the detailed assessment down below the risks were thus judged at 'country level'.

All forests in Hungary is considered semi-natural, there are almost no plantations (on agricultural land, thus no official forest) existing. Besides that, all rules are the same for all owners and forest management planning is done by government for all owners, for the country as a whole.

Each of the HCV classes mentioned below is thus assessed against these source types.

- HCV 1 - Species diversity
- HCV 2 - Landscape-level ecosystems and mosaics
- HCV 3 - Ecosystems and habitats
- HCV 4 - Critical ecosystem services
- HCV 5 - Community needs
- HCV 6 - Cultural values

### Experts consulted

	Name	Organization	Area of expertise (category/sub-category)
1.	Atila Lengyel, PhD	Private consultant (formally Forestry Directorate)	HCV, Forestry. Cat 1-6

### Risk assessment

Indicator	Sources of Information	HCV occurrence and threat assessment	Functional scale	Risk designation and determination
3.0	See literature list down below:  Hungary specific info: lit 1-15.  Statistics: 31-32  Laws & regulations: 36-43  Maps: 59-60	<p>a) Are there data available, sufficient for determination of HCV presence and distribution within the area under assessment, according to the requirements of this document?</p> <ul style="list-style-type: none"> <li>• HCV 1&amp;3. Hungary signed 'The Convention on Biological Diversity' (CBD) and has to follow EU regulations about protection of species and habitat throughout the Natura 2000 system. Therefore, a lot of official reports and statistics are available (lit 10 &amp; 83). There are also several online map systems publically available (lit 59-60). Following the used literature and discussions with the local expert (hired for this CNRA) there are no major knowledge/data gaps in relation to important HCV areas.</li> <li>• HCV 2. General sources are available to judge the presence of Landscape-level ecosystems and mosaics (lit 76, 80, 81, 83, 84).</li> <li>• HCV 4, about the assessment of Critical ecosystem services has been separated in various parts and there are 15 sources available to assist in reaching conclusions. See down below with 3.4 for details.</li> <li>• HCV 5, about community needs. There are general sources (like The Indigenous World) and the judgement of indicator 1.13 &amp; 1.15 and 2.3 that could guide us towards a conclusion.</li> </ul>	Country	<p><b>Low risk.</b></p> <p>The following thresholds are met: (1) Data available are sufficient for determining HCV presence within the area under assessment and (2) Data available are sufficient for</p>

	<p>Cultural heritage: 66-67</p> <p>General sources HCV: 73-89</p>	<ul style="list-style-type: none"> <li>• HCV 6: Gyula Forster National Office for Cultural Heritage Management maintains a <a href="#">register of Cultural Heritage</a>. This is an official collection of data on immovable cultural heritage in Hungary. Information is publicly available (lit 66). More general sources are also available .</li> </ul> <p>In Hungary there is sufficient information and data available to draw conclusions about the HCV presence and distribution within the area under assessment. See introduction text above and literature list below. With each of the HCV categories below the relevant literature is mentioned.</p> <p>b) Are there data available, sufficient for assessment of the threats to HCVs from forest management activities according to the requirements of this document?</p> <p>The sources mentioned above provided enough quality data to be able to carry out a reliable assessment.</p> <ul style="list-style-type: none"> <li>• HCV 1&amp;3. Good quality official reports, statistics and maps are available.</li> <li>• HCV 2. Statements in general sources, local experts' views and overall reports provided enough information.</li> <li>• HCV 4. The assessment of Critical ecosystem services has been separated in various parts and there were 15 sources available to assist in reaching conclusions. Together these provided enough quality data to draw a final conclusion on this indicator. Besides that, in the annual NFCSO_FD report (2016, lit 8) there are no further cases of calamities, nor are there any cases found in international sources (85 etc) or in Natura 2000 (lit 10) or CBD reports (lit 83).</li> <li>• HCV 5. Mentioned sources and expert views provided enough and reliable information to reach a risk conclusion.</li> <li>• HCV 6: Gyula Forster National Office for Cultural Heritage Management maintains a <a href="#">register of Cultural Heritage</a>. This is an official collection of data on immovable cultural heritage in Hungary. It provided a database and map, of high quality. This besides official country reports.</li> </ul> <p>In Hungary there is sufficient information and data available to draw conclusions about the threats to HCVs from forest management activities. See introduction text above and literature list below. With each of the HCV categories below the relevant literature is mentioned.</p>		<p>assessing threats to HCVs caused by forest management activities.</p>
<p>3.1 HCV 1</p>	<p>3,10,13, 32,36-39, 40,59, 73, 74,83,85</p>	<p><b>Species diversity; Introduction</b></p> <p>Forests in Hungary does contain HCV 1.</p> <p>The strategy behind this assessment.</p> <p>When HCV's are to be assessed there are 2 approaches possible:</p>	<p>Country</p>	<p><b>Low risk</b></p> <p>The following thresholds are met:</p>

<p>For maps see lit 59-60</p>	<p>1) We take the existing online, and publicly available, maps (or other data sources with GPS locations) of all protected areas and assume that all HCV's are centred in these locations. By doing so we assume that either no HCV's are present outside these areas, or their occurrence outside is negligible (in highly populated areas for example).</p> <p>2) We assume that online maps and data sources cannot guarantee a complete coverage of all HCV's. This is the case when online maps are not complete, not available to the public or it cannot be guaranteed that all HCV's stay inside their protected areas. In this case we need to rely on Environmental Impact Assessments, that are carried out before any harvest takes place, to guarantee that HCV's are not damaged.</p> <p>In Hungary the second option was selected because of the following reasons: There is no guarantee that HCV's stay within the appointed protected areas. And protected areas are only about 23% of the total forest. We may assume that a substantial part of the HCV's is occurring outside the protected areas. It is impossible to tell how many exactly as such information is not readily available and Environmental Impact Assessments are not part of the standard procedures with every felling license.</p> <p>Because we assess this country as a whole we take the precautionary approach and assume that HCV 1 could occur anywhere in the country.</p> <p><b>Methodology used</b> The system of assessment has a top-down approach: A) We first start on worldwide and country policy level to see what is agreed there, and what the status of implementation is in the country. B) After that, we check how the international and national laws are implemented on the field level (e.g. felling/harvesting licenses). C) To check if all laws are really enforced, we check the level of enforcement and illegal harvesting figures. D) Finally, we assess if biodiversity levels are maintaining or improving. We do this on the species level.</p> <p>For each of the 4 analytical steps, we give an indication of a specified risk or low risk. In section E), this is summarized in one table, with the final conclusion for indicator 3.1.</p> <p><b>A) Implementation of the International agreements (Natura 2000 and CBD) (lit 10 &amp; 83)</b> <b>CBD:</b> Hungary signed 'The Convention on Biological Diversity' (CBD) in 1994 and the Ministry of Rural development is responsible for its monitoring and reporting in the country. During the European Summit of Gothenburg in 2001 the country committed itself also to "halting biodiversity decline'. Related to all this the country developed a National Biodiversity <a href="#">Strategy</a> and an updated action plan 2015-2020 where 20 strategic objectives and many operational objectives are specified that aim to reduce and prevent the causes of biodiversity loss in all regions of the country. The Strategy plan takes into account many signed (by the country) international agreements of which the CBD, Birds Directive, Habitats Directive, NATURA 2000, RAMSAR, Convention on the Conservation of Migratory Species of Wild Animals (CMS) and Cites are the most important for biodiversity. There are no CITES (tree/wood) species occurring in Hungarian forests. Amendments in related regulations and laws are introduced in the last 15 years in order to systematically categorize the designation of many protected areas which are now all included in the CBD planning.</p>	<p>(7) HCV 1 is identified, and its occurrence is likely in the area under assessment, but it is effectively protected from threats from management activities.</p>
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**Natura 2000:** In the Hungarian context EU and national protection designations (see above, Nature 2000) will be used to denote areas with significant concentrations of biodiversity values. In 2004, Hungary designated the Natura 2000 network. All forested Natura 2000 sites are protected (to various levels) and are part of FM plans. The Natura 2000 network in the country is allocated to 56 Special Protection Areas (SPA's, bird protection, mainly in wetlands) and 479 Special Areas of Conservation (SAC's, for the conservation of habitat types and species). There are thus 535 Natura 2000 sites in total, encompassing 2 818 960 ha, which makes approximately 30,3% of the country. There are no special marine habitats. The sites are home to 46 habitat types protected by the Habitats Directive and 85 species protected by the Birds Directive. All Natura 2000 protected areas are well mapped and online available for the general public. The Natura 2000 network, the corresponding maps and above all the status of implementation are used as the basis for further analyses in this risk assessment, as most (but not all) other protection classes and types are included In the Natura 2000 network (lit 10,59).

Court cases: EU Commission vs Hungary

No court cases between the EU commission and Hungary about environmental issues related to the implementation of Natura 2000 can be found (lit 40). This shows that the country is on track with the implementation of Natura 2000 (many other countries have court cases).

All forest areas that are critical to conservation are now designated as protected areas at national or EU level (Natura 2000). Following the used literature and discussions with the local expert (hired for developing this CNRA) there are no major knowledge/data gaps in relation to important HCV areas. Hungary continues to implement the National Biodiversity Strategy, based on the international CBD requirements. And this national strategy is properly converted into laws and regulations.

**B) Daily practise in the field with felling/harvesting licenses**

Laws, regulations, international agreements and status of implementation

The right to manage a forest property in Hungary is limited and carried out in such a way that ecological, social and production function of the forest is ensured. Considering the current legislation in Hungary the main laws are:

- Act LIV of 1996 on Forests and the Protection of Forests (lit 36).
- Act No. LIII of 1996 on Nature Conservation (lit 37).
- Act No. LV of 1996 on the protection of game, game management and hunting. (lit 38).
- Act No. XXXVII of 2009 on forests, on the protection and management of forests (lit 39).

Forest management plans are done by the NFCSO-FD as a part of public administration, for all forests regardless of ownership. They are marking trees for final felling and for silvicultural purposes and supervising and allowing all activities in the forests. All harvesting operations must be done based on **harvesting permits** issued by NFCSO-FD local county offices.

	<p>The allowed wood to be harvested is based on measuring and marking each tree, then prescribed in quantity, tree species and number of trees in the harvesting permit issued by the regional forester. NFCSO-FD staff will also check each forest site for allocated functions and resulting limitations (see above), protection classes, Natura 2000 and others.</p> <p>Finished forest operations are checked, sample wise, and recorded by NFCSO-FD. Following the implementation of EUTR 995/2010 forest operator (owner or company buying standing trees) has the obligation to keep records of his wood cut and trade. All above mentioned regulations and guidelines are applicable to all types of ownership: public and private (lit 3).</p> <p>Overall laws and regulations are aiming for sustainability, production and protection of HCVs. With regards to harvesting the regulations are strict and enforced. And above all forests are to remain forests under all circumstances. International sources like FAO (lit 6), Forest Europe (lit 9), Natura2000 reports (lit 10), UNECE (lit 13) and Chatham House (lit 73) and local experts do not state any problems with felling/harvesting licenses. The above seems to be a robust enough system to protect HCV's.</p> <p><b>C) Law enforcement</b></p> <p>Illegal harvesting. The yearly 2004 report for Hungarian forests summarizes deforestation because of illegal activities at 139 ha. There were 131 cases and 27.230 m3 of timber was lost. In a 2006 report an estimate refers to 1,000 ha loss due to harvesting without permits (this must be afforested again). Records of the Forest Authority state ca. 30-50 000 m3 recorded illegal logging yearly, since 2006 (local expert based on FA consultation). The average for the last ten years is almost the same. In comparison with the area of the forest, deforestation is representing a negligible proportion (0,07%) (lit 13).</p> <p>Due to land abandonment in remote areas and reforestation in general the combined forest area has increased by 138 ha over 2015. This was 1 086 over 2014, 2 395 in 2013 and 4 021 in 2012 (lit 32).</p> <p>There are no official international reports or international messages about substantial illegal harvesting inside Hungary). The country is not associated with or designated as source of conflict timber according to latest available research (lit 73,74 and 85).</p> <p>Nevertheless, the last official illegal logging figures are from 2004, which is too old. Other figures are not published. Therefore, we cannot assess what the current situation is, and we need to follow a pre-cautionary approach. Indicator 1.4 (about harvesting permits) also declares a specified risk.</p> <p><b>D) Biodiversity level increase? (lit 10,32)</b></p> <p>By looking at the biodiversity level improvements over the last years we will decide if all implemented regulations and enforcement actually result in increased biodiversity levels. We realize that such levels only increase after some time, thus conclusions based on this assessment will only act as guidance. We also realize that, in most</p>		
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countries, it seems that climate change is having a bigger than expected impact on the biodiversity. This means that species are replaced by other species because the country itself turns into a different climate (lit 83).

For *Hungary* the conservation status of species of European interest has been evaluated as part of the reporting requirements for the EU Habitats Directive, under the Article 17 Report (2007-2012) (lit 10, page 2). The main goal of the Habitats Directive is to maintain a 'favourable' conservation status of selected species. These species are assumed to be endangered and Europe should play an important role in their conservation. Generally, these are species living in specific habitats. The evaluation of the conservation status is based on four criteria set down by Europe. These are the population of the species, its distribution, the state of its habitat and its future prospects.

There are about 2 200 vascular plant species in Hungary and 42 000 animal species. There are also 3 000 - 3 500 fungi species. 1 901 plant and animal species are protected, 273 of them are strictly protected. 58 fungi and 17 lichen species are also protected. There are several species of EU interest in the Pannonian biogeographical region that occur only in Hungary. Although the Pannonian region covers only 3% of the total area of the European Union, it provides habitat for 17% (226) of the plant and animal species of the EU Habitat Directive and 36% (278) species of the EU Birds Directive. As for the habitats of EU importance (described under Aichi target 11), the conservation status of species of EU importance was surveyed and assessed in Hungary both in 2007 and 2013.

In Hungary the situation with species related to habitats is as follows:

	Favourable	Unknown	Inadequate	Bad
2007	52	34	98	23
2013	75	3	110	17

Compared with 2007 more species were measured (unknown section went down from 34 to 3) and these species were distributed amongst all other classes. A somewhat different methodology was used as well, making it hard to draw a clear conclusion. The improved methodology needs to be taken into account when comparing the outcome of the two assessments. Although the knowledge gap regarding species is decreasing, 2% of the conservation status of species of EU interest is still unknown. Altogether 62% of the species are in "unfavourable inadequate" or "unfavourable bad" conservation status and only 36% of them are in "favourable" conservation status. It shall be noted that the apparent upgrade of the conservation status of several species and habitats is mainly due to a change in survey methodology or obtainment of additional data instead of actual improvement.

If we consider the real improvement, the conservation status of almost 5% of species (10 out of 208 species) has improved in reality (since 2007) and the status of 4 % of the species (8 species out of 208) has worsened. In general fish and Arthropods did improve, while the situation with mammals and vascular plants stayed the same.

The main threats to biodiversity in forest ecosystems are forest fragmentation and climate change. Climate change is reflected particularly in the damage caused by snow, ice, wind, drought following overpopulation of certain insect species like bark beetle. All this reduces the vitality and ecological stability of forests. Specialised forest species are the most affected.

Forests in lowlands are especially under pressure of fragmentation. These forests are important for general biodiversity but are fragmented. In remote forest landscape areas (with most HCVF) there is a process of land abandonment.

#### Mammals

In last years, most populations of endangered mammals stayed the same. Among these are: European hamster (*Cricetus cricetus*), Eurasian otter (*Lutra lutra*) and Eurasian beaver (*Castor fiber*). *Lynx lynx* has decreased. The complete picture is like this:

	Favourable	Unknown	Inadequate	Bad
2007	14	7	20	2
2013	15	2	21	4

#### Birds

Birds can be best explained in a table as well. This table compares 2007 with 2013 (lit 10).

Population trend	Breeding taxa		Wintering taxa	
	Short-term	Long-term	Short-term	Long-term
Decreasing	48	42	2	2
Stable	42	3		1
Fluctuating	33	20	9	3
Increasing	41	39	2	4
Unknown	54	114		3

Altogether there are 39 species increasing and 42 decreasing with regards to breeding successfully.

#### Amphibians

Out of 14 species of amphibians that were recorded on the territory of Hungary, 8 species went from inadequate to favourable. Other species stayed in the same groups, not one specie was decreasing.

	Favourable	Unknown	Inadequate	Bad
2007			14	
2013	8		6	

*Vascular plants*

The status of these plants is the following:

	Favourable	Unknown	Inadequate	Bad
2007	10	1	19	8
2013	10	1	24	3

*Invasive species*

Under the coordination of the Ministry of Rural Development, the non-official national list of invasive alien species has been developed. This list specifies those species that pose a threat to native species of the Carpathian Basin and proactive intervention is necessary to control them. Currently 33 terrestrial and 8 water plants are listed as a threat to native species. Out of them 17 terrestrial plant species are classified as posing particularly high ecological risk (lit 32, page 30).

The above picture confirms indeed that nature needs more time to recover, even with all protection measures in place. We realize that such levels only increase after some time, thus conclusions based on this assessment will only act as guidance.

With regards to habitat (and species) improvements and the relation with Natura 2000 we have seen a similar conclusion in other EU countries. Even with everything implemented and a proper law enforcement the improvement levels are not yet convincing. We may conclude that Natura 2000 is not effective enough. Recently the EU announced [15 new actions](#) to be carried out by 2019 to improve the situation. We should also take the climate change into account which is resulting in a new mix of species in every country. Rare species will become abundant while common species will migrate to other regions. This makes future HCV assessments a challenge.

**E) Conclusions and applicable to all source types?**

Any forest cannot be felled without a responsible Forest Authority permit or license. That means that we do not need to make a distinction between private or state owners in this assessment. It also doesn't matter if we analyse the situation in production or protected forests. This means that we draw a conclusion for all source types at once.

Based on all of the above we may conclude that Hungary is well underway to protect species, biodiversity and habitats, from a legislation point of view. Daily practise in the field, with harvesting permits and the online map systems, are robust enough, and publically available, to guarantee a proper implementation of laws without much room for doubts and mistakes. International sources and local experts do not state otherwise. With a neglectable illegal harvesting rate of 0,07% (of the total hectares available) we may also assume that law enforcement is in place, and equal for all ownership types. Such a small loss will not pose a threat to the overall species diversity either. Biodiversity levels still need to improve, but regulations are in place.

		<p>Summary table</p> <table border="1"> <tr> <td>A) CBD</td> <td>B) felling/harvesting licenses</td> <td>C) Law enforcement</td> <td>D) Species status</td> <td>E) Overall risk</td> </tr> <tr> <td>Low risk</td> <td>Low risk</td> <td>Specified risk</td> <td>Low risk</td> <td>Low risk</td> </tr> </table> <p><i>Based on the above sub-assessments we conclude that, for HCV 1, all of Hungary is considered Low Risk.</i></p>	A) CBD	B) felling/harvesting licenses	C) Law enforcement	D) Species status	E) Overall risk	Low risk	Low risk	Specified risk	Low risk	Low risk		
A) CBD	B) felling/harvesting licenses	C) Law enforcement	D) Species status	E) Overall risk										
Low risk	Low risk	Specified risk	Low risk	Low risk										
3.2 HCV 2	76,80,81, 83,84	<p><b>Landscape-level ecosystems and mosaics</b></p> <p>There are no forest ecosystems in Hungary that meet the <u>international</u> definition for large, landscape-level ecosystems or ecosystem mosaics that contain viable populations of the great majority of the naturally occurring species in natural patterns of distribution and abundance.</p> <p>The World Resource Institute does not show intact forest landscapes in the country in their 2017 'General Atlas of Forest and Landscape Restoration' (lit 76). Ramsar is showing some sites in the country, but these are not forest landscapes (lit 80). The UNESCO Biosphere sites in the country are not including any large-scale forest ecosystems either (lit 81). The Convention on Biological Diversity (CBD) is of course listing all forest types properly but is not declaring them landscape-level forest ecosystems (lit 83). The international Intact Forest Landscapes database does not show any landscape level ecosystems in the country (lit 84). Indeed, it was thought to be extremely rare in Europe, with only forests such as Bialowieza in Poland, being in this category.</p> <p>This type of HCV is not present in Hungary. <i>Therefore, it is concluded this indicator is low risk in this context.</i></p>	Country	<b>Low Risk</b>										
3.3 HCV 3	3,10,13, 32,36-39, 40,59, 73, 74,83,85  For maps see lit 59-60	<p><b>Ecosystems and habitats</b></p> <p>Forests in Hungary does contain HCV 3.</p> <p>The strategy behind this assessment. When HCV's are to be assessed there are 2 approaches possible:</p> <p>1) We take the existing online, and publically available, maps (or other data sources with GPS locations) of all protected areas and assume that all HCV's are centred in these locations. By doing so we assume that either no HCV's are present outside these areas, or their occurrence outside is negligible (in highly populated areas for example).</p> <p>2) We assume that online maps and data sources cannot guarantee a complete coverage of all HCV's. This is the case when online maps are not complete, not available to the public or it cannot be guaranteed that all HCV's stay inside their protected areas. In this case we need to rely on Environmental Impact Assessments, that are carried out before any harvest takes place, to guarantee that HCV's are not damaged.</p> <p>In Hungary the second option was selected because of the following reasons:</p>	Country	<b>Low risk</b>										

There is no guarantee that HCV's stay within the appointed protected areas. And protected areas are only about 23% of the total forest. We may assume that a substantial part of the HCV's is occurring outside the protected areas. It is impossible to tell how many exactly as such information is not readily available and Environmental Impact Assessments are not part of the standard procedures with every felling license.

Because we assess this country as a whole we take the precautionary approach and assume that HCV 3 could occur anywhere in the country.

**Methodology used**

With regards to HCV 3, please see HCV 1 for the major sub-assessments (A-C), which are the same (and with the same conclusions) as for this indicator 3.3. The only difference in this indicator is the habitat improvement assessment (sub-assessment D). By looking at the habitat status trends over the last years we can decide if all implemented regulations and enforcement actually result in steady or increased habitat levels. We realize that such levels only increase after some time, thus conclusions based on this assessment will only act as guidance. For each of the 4 main sub-assessments the country can score a specified risk or a low risk indication. In section E this is summarized in one table, with the final conclusion for indicator 3.3.

Priority habitats are included in the Natura 2000 network. That means that further analyses are based on the status of the Natura 2000 network. See for assessment A) to C) under indicator 3.1 above.

**D) Habitat improvements following Natura 2000 (lit 10)**

In Hungary 18 Priority (and 28 non-priority) habitats are recognised under the EU Habitats Directive, of which 14 important ones are related to forestry. The table below list all these forest related priority habitats, their current status and the trend between 2007 and 2013.

Type	Code	Current status	Trend
Alluvial forests with <i>Alnus glutinosa</i> and <i>Fraxinus excelsior</i> (Alno-Padion, Alnion incanae, Salicion albae)	91E0	Inadequate	Improved
Asperulo-Fagetum beech forests	9130	Favourable	Improved
Euro-Siberian steppic woods with <i>Quercus spp.</i>	91I0	Bad	no change
Illyrian <i>Fagus sylvatica</i> forests (Aremonio-Fagion)	91K0	Inadequate	Improved
Illyrian oak-hornbeam forests (Erythronio-Carpinion)	91L0	Inadequate	Improved
Luzulo-Fagetum beech forests	9110	Favourable	Improved
Medio-European limestone beech forests of the Cephalanthero-Fagion	9150	Favourable	Improved
Pannonian woods with <i>Quercus pubescens</i>	91H0	Inadequate	Improved

by management activities.

Pannonian-Balkan turkey oak –sessile oak forests	91M0	Inadequate	Improved
Pannonic inland sand dune thicket (Junipero-Populetum albae)	91N0	Bad	no change
Pannonic woods with <i>Quercus petraea</i> and <i>Carpinus betulus</i>	91G0	Inadequate	Improved
Riparian mixed forests of <i>Quercus robur</i> , <i>Ulmus laevis</i> and <i>Ulmus minor</i> , <i>Fraxinus excelsior</i> or <i>Fraxinus angustifolia</i> , along the great rivers (Ulmenion minoris)	91F0	Inadequate	Improved
Tilio-Acerion forests of slopes, screes and ravines	9180	Inadequate	Improved
Alluvial forests with <i>Alnus glutinosa</i> and <i>Fraxinus excelsior</i> (Alno-Padion, Alnion incanae, Salicion albae)	91E0	Inadequate	Improved

Similar to other literature (83) the above picture confirms indeed that nature needs more time to recover, even with all protection measures in place. But nevertheless, most of the forest related habitats improved since 2007. Hungary properly implemented the EU regulations that were needed to protect species, biodiversity and habitats, from a legislation point of view.

We could ask ourselves if 'improved' in the table above is good enough. After all the current status of most of them is still 'inadequate'.

With regards to habitat (and species) improvements and the relation with Natura 2000 we have seen a similar conclusion in other EU countries. Even with everything implemented and a proper law enforcement the improvement levels are not yet convincing. We may conclude that Natura 2000 is not effective enough. Recently the EU announced [15 new actions](#) to be carried out by 2019, this to improve the situation. We should also take the climate change into account which is resulting in a new mix of species in every country. Rare species will become abundant while common species will migrate to other regions. This makes future HCV assessments a challenge.

Hungary is not losing any forest either, the forest cover is growing over the years. And illegal harvesting levels are small. Thus, these cannot be the reasons that habitat recovery is going slow.

#### **Habitat improvements following CBD Aichi targets?**

Aichi Biodiversity targets are used because the country signed '[The Convention on Biological Diversity](#)' (CBD) in 1994. The CBD [Strategic Plan](#) for Biodiversity 2015-2020 is followed as a guideline for implementation. During the European Summit of Gothenburg in 2001 the country committed itself also to "halting biodiversity decline". Related to all this, the country developed a National Biodiversity [Strategy](#) and an [updated](#) action plan in 2015 where 20 strategic objectives and many operational objectives are specified that aim to reduce and prevent the causes of biodiversity loss in all regions of the country. In the last years these are converted to [20 Aichi targets](#), which are the same for all countries that have signed the CBD. Out of these 20 there is one that can be used to assess habitat improvements directly.



Aichi target number 5 reads: 'By 2020, the rate of loss of all natural habitats, including forests, is at least halved and where feasible brought close to zero, and degradation and fragmentation is significantly reduced'. Studying the practical progress of the Aichi targets is another way to judge habitat improvements. In the latest CBD reporting document (5<sup>th</sup> National report, lit 83, page 44) the following is stated:

*'Partially implemented. In Hungary, the proportion of agricultural area (57.4 %) is much higher, while the proportion of forest area is lower than the EU average. In Hungary the extent of areas withdrawn from cultivation as well as the extent of forests and forest plantations, reeds and fishponds have increased between 2000 and 2013, while the rest of the cultivated areas have decreased. Areas withdrawn from cultivation include artificial surfaces, roads and other infrastructure elements but wetlands are also counted into this category. Based on the survey of the European Environmental Agency published in 2011, Hungary's habitats are moderately fragmented in comparison with the EU average. The concept of green infrastructure can still be considered a new approach, green infrastructure aims to create and maintain an ecological network with linking already existing natural areas and create strategically planned areas that are able to provide a broad spectrum of ecosystem services. The backbone of green infrastructure in Hungary is the national ecological network, which incorporated protected areas and Natura 2000 sites complemented with other natural and semi-natural adjacent areas that would account for 36% of the total area of the country'.*

This means that conclusions with regards to CBD implementation are directly linked to the Natura 2000 assessment mentioned above, and besides that no additional practical measures are implemented to achieve target nr 5.

**Conclusions**

Habitat levels show an improving picture (see above) but in general still need more time to recover. Based on category 1 assessment A), B) and C) we may conclude that Hungary is well underway to protect habitats, from a legislation point of view. We may also assume that the Daily practise in the field, with harvesting permits and the online map systems, are robust enough, and publically available, to guarantee a proper implementation of laws without much room for doubts and mistakes. International sources and local experts do not state otherwise. With a neglectable illegal harvesting rate we may also assume that law enforcement is in place, and equal for all ownership types.

There is no further evidence that forest management causes habitat loss. Climate change is posing a bigger threat (some habitats may no longer flourish in areas where they use to do well). Fragmentation in Hungary, certainly in the past, is also resulting in slow habitat recovery).

(see for assessment A) to C) under indicator 3.1 above.

A) CBD	B) felling/harvesting licenses	C) Law enforcement	D) Habitat status	E) Overall risk
Low risk	Low risk	Specified risk	Low risk	Low risk

*Based on the above sub-assessments we conclude that, for HCV 3, all of Hungary is considered Low Risk.*

3.4 HCV 4	2,3,9,10,15 36-43, 59,83,85	<p><b>Critical ecosystem services.</b> Under HCV 4 we assess if there are forests present and classified as important for erosion control, preventing of flooding, barriers from destructive fire and clean water catchments. We also assess if forest management activities are threatening these areas.</p> <p>Hungary does contain HCV 4.</p> <p>In Hungary forests are <u>not</u> categorized by the exact 'functions' as mentioned above. This means that we cannot judge <i>officially</i>, if there are forests present and classified as important for erosion control, preventing of flooding and barriers from destructive fire. Thus, we have to assess this in a more general way in some cases, one by one.</p> <p>In general, Hungarian forests have multipurpose functions and although the main function is wood production, the importance of other benefits such as recreation and conservation is in place as well. Other forests could have special functions such as education, research or even health protection.</p> <p><b>Forests acting as protection against erosion and flooding.</b> 'Protective forests' include forests protecting forest land against surface soil erosion, landslides, flooding and snow or mud avalanches. Such forests are identified in Forest Management Plans and have the additional functions of soil protection, water protection, landscape protection or protection of settlements. Such regulations are also stipulated in the regular forest laws.</p> <p>In the annual NFCSO-FD report (2016, lit 2) there are no further cases of calamities, nor are there any cases found in international sources (lit 85) or in Natura 2000 (lit 10) or CBD reports (lit 83).</p> <p>Forests acting as protectors against flooding and erosion are thus well defined and in place in Hungary. Active forest management is no threat to these forests. This can be concluded by the absence of calamities and international sources that contradict this conclusion.</p> <p><b>Forests acting as barriers for destructive fire (lit 3,9,15)</b> Officially there are no special forests classified as acting as barriers for destructive fire. Nevertheless, we need to assess if there is a potential problem with forest fires and if there is a risk of forest management contributing to this problem.</p> <p>Large-scale (50 ha&lt;) uncontrolled forest fires rarely occur in Hungary, though size of the burned area has been increasing for the last years. Compared to the total forest area of Hungary, areas affected by fire are very small. In Hungary, the so-called surface fires are common in which loose debris (including dead branches and leaves), as well as, small shrubs are burnt. High intensity surface fires can become crown fires in coniferous forests,</p>	Country	<p><b>Low risk</b></p> <p>The following thresholds are met: (21) HCV 4 is identified, and its occurrence is likely in the area under assessment, but it is effectively protected from threats caused by management activities.</p>
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especially in the Great Hungarian Plain. In Hungary underground fires are unimportant, but not completely unknown. Approximately 10% of the fires are crown fires (data of 2007-2008) which may lead to the total destruction of the tree stands. It is estimated that most (99%) of the forest fires are caused by human activities (negligence or intentional arson). The number of forest fires over the last years are as follows:

	2008	2009	2010	2011	2012	2013	2014
Number of fires	502	608	109	2 021	2 657	761	1 340
Lost ha	2 200	6 200	900	8 000	14 000	1 955	5 200
% of total forest	0,11	0,32	0,05	0,41	0,72	0,10	0,27

The number of fires is fluctuating over the years (lit 3,15). A special [EU Life project](#) (2014-2018) was granted and started by the NFCSO to prevent fires and train additional fire fighters.

Altogether the annual amount of forests lost to forest fires is not small, but still below 1%. There are no special forests classified and acting as barriers for destructive fire, and for the moment there is no need to appoint such forests. Nevertheless, the situation should be monitored closely in the years to come. Thus there is no danger that any forest management will contribute to any further increase of forest fires.

**Forests acting as clean drinking water catchments and protection of water quality.**

Forests provide numerous traditional water supplies to individual houses. Forests that include water catchments are generally smaller and are predominantly in agricultural landscape, mostly in private property. FM planning includes forests that have the water protection function (including water supply). All water catchment sites and its surroundings are under the hydrological function. Water catchments are placed under forest areas with special management requirements, like the use of biodegradable oils in the forest. These things will be mentioned in harvesting permits, if issued. All such areas can be found in the Forest Management Plans and in the general online map system for Hungary (lit 59). In general, all such forests are protected by the regular laws mentioned earlier in this document of some additional ones:

- Act XLII of 1993 on Streams and Lakes of International Importance (lit 43)
- Act LVII of 1995 on Water Management (lit 41). Supplemented by:
  - Gov. Decree No. 123/1997 (VII.18) on protection of water resources
  - Gov. Decree No. 160/1995 (XII.26) on water management corporations
  - Gov. Decree No. 50/2001 (IV.3) on protection of water against nitrate pollution
- Act CCIX of 2011 on water supply (lit 42).

		<p>The protection of water resources is also a principle objective. Improving waste water treatment, modernizing landfills, implementing the nitrate action programme and the new Act CCIX of 2011 all contribute to a reduction in adverse effects on waters and the realization of sustainable water management. Basic elements of the Act are principles of protection of natural resources and of recovery of costs, and the 'polluter-pays' principle. The continued improvement of natural water retention, and reservation technologies also play an important role in climate change adaptation. Further hydro-morphological measures are to be made to expand the good ecological status of surface waters.</p> <p>In the annual NFCSO-FD report over the last years (lit 2) there are no further cases of polluted water catchment areas due to forest harvesting, nor are there any cases found in international sources (lit 85) or in Natura 2000 (lit 10) or CBD reports (lit 83).</p> <p>With regards to the presence of forests acting as a source for clean drinking water, and if these are potentially threatened by forest management activities, the conclusion is that they are present in the area under assessment, and they are effectively protected from threats caused by management activities. We found no further evidence or data that prove otherwise.</p> <p><i>Based on the above sub-assessments we conclude that, for HCV 4, all of Hungary is considered low risk.</i></p>		
3.5 HCV 5	CNRA cat 1 (1.13 & 1.15) and cat 2 (2.3). 44,45 and local expert	<p><b>Community needs</b> Does this HCV occur in the country? In some cases, communities do rely on drinking water (see indicator 3.4) and fuel wood (see indicator 1.4) that are sourced from forest areas. However, following the government no forest areas are identified that are <b>fundamental</b> to meeting the <b>basic needs</b> of local communities or indigenous people. There are also no special laws or regulations that regulate such 'fundamental needs'.</p> <p><b>Drinking water and fuelwood.</b> There are only a few Hungarian sources that are relevant for this HCV. There is the Hungarian National Landscape Strategy (2017-2026), and this list most important topics in and around 'landscapes' (including forestry). But it does not present basic needs that are fundamental for local communities. It presents the biggest rural problems as being housing, infrastructure, lack of social services (schools etc) and people becoming older in small villages (lit 44). In the report 'poverty and social exclusion in rural areas in Hungary'(lit 45) it is explained how poverty in Hungary is defined and what it means. But the conclusion is that poverty is not a result from being excluded from basic needs that are fundamental. Beside this water protection is arranged because FM planning includes forests that have the water protection function (including water supply). See indicator 3.4 for detailed information where this is also low risk.</p> <p>With regards to fuelwood there is a need for local fuelwood. Indicator 1.4 explains that fuelwood is indeed harvested on a substantial scale. There is no special regulation handling about fuelwood as this falls under</p>	Country	<p><b>Low risk</b></p> <p>The following thresholds are met: (23) There is no HCV 5 identified and its occurrence is unlikely in the area under assessment.</p>

		<p>normal forest laws and harvesting guidelines. There is no evidence that shows that there is no access to fuelwood.</p> <p>There are no cases in literature, press or international reports to be found where this is stated different. The consulted local expert declares the same. Other international sources that contradict this conclusion could not be found.</p> <p><b>Indigenous people?</b> Besides this no sources mention indigenous people (IP) presence in Hungary, neither the sources that give overviews, such as The Indigenous World, nor could any report or website be found mentioning or claiming IP presence or a discussion or debate about such a presence (lit 1 and local experts hired for this CNRA analyses). Based on the indicator 2.3 assessment we conclude that the Roma minority in Hungary should be handled as a 'traditional' group of people. But the Roma population in general have the same rights as every other Hungarian citizen. Other international sources consulted in the cat 2 assessment do not draw different conclusions. Roma community needs are thus identical to every other Hungarian community and should be assessed as such.</p> <p>Do forest management practices/activities pose a threat to the identified HCV? As this HCV does not occur in the country forest management does not pose a threat either.</p> <p><i>See also the CNRA cat 1 (indicator 1.13 &amp; 1.15) and cat 2 (indicator 2.3) assessment (see above) where risks are also identified as low. For HCV 5, all of Hungary is considered Low Risk.</i></p>		
3.6 HCV 6	9,66,67,81	<p><b>Cultural values and Cultural Heritage Sites.</b> HCV 6 is present in the area under assessment and all significant cultural features created intentionally by humans are identified. Examples of cultural sites found in forests (such as archaeological sites, monuments etc) are rarely considered <b>critical</b> to local community's traditional cultural identity. But nevertheless, these sites are important.</p> <p>A Register of Cultural Heritage is available online. The Gyula <a href="#">Forster National Office for Cultural Heritage Management</a> is the main governmental organisation for cultural heritage preservation. The office itself takes care of more than 40 significant sites (archaeological sites, stately homes, castles) owned by the Hungarian State. Besides that, there are 5 200 sites in the register of which 200 are forest related. The public administration system for archaeological and built heritage is operated through 21 District Offices of the Government Offices of Counties and the Capital Budapest. Their main role is licensing for works that affect the cultural heritage. Their Ranger Service is operated by the National Park Directorates. State rangers are entitled to take measures on behalf of the authorities and are equipped with appropriate service devices and a uniform. Their primary duty is the protection of the natural assets and areas, but they also guard the archaeological heritage within the National Parks (lit 9, 66 and 67).</p>	Country	<p><b>Low risk</b></p> <p>The following thresholds are met: (29) HCV 6 is identified, and/or its occurrence is likely in the area under assessment, but it is effectively protected from threats caused</p>

	<p>In Hungary the Hungarian <a href="#">National Commission</a> for UNESCO (Ministry of Human Capacities) is responsible for all UNESCO matters. There are no Hungarian sites on the UNESCO 'danger' list of '<a href="#">World Heritage sites in Danger</a>'. Hungary itself did not report any major problems with protection in their official '<a href="#">cycle 1</a>' report to UNESCO (lit 81). There are no cases in literature, press or international reports to be found where heritage sites seem to be threatened by forest management. There are also no economic incentives that would lead to, and no well-known cases of, forest managers causing damage or disturbing sites or features of national cultural significance.</p> <p>There are no cases in literature, press or international reports to be found where this is stated different. The consulted local expert declares the same. Other international sources that contradict this conclusion could not be found.</p> <p><i>For HCV 6, all of Hungary is considered Low Risk.</i></p>		by management activities.
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### Recommended control measures

N/A

### Information sources

No.	Source of information	Relevant HCV category and indicator
	<b>Hungary specific</b>	
1	National Food Chain Safety Office, Forest Authority (NFCO-FD) <a href="#">Main introduction.</a> <a href="#">Forest administration.</a>  Please note that the <a href="#">Hungarian language site</a> has more information.	All
2	NFCO-FD General Forest summary 2015 <a href="http://www.mecsekerdo.hu/_user/browser/File/pdf/Efol/EFOL_Forestry%20in%20Hungary.pdf">http://www.mecsekerdo.hu/_user/browser/File/pdf/Efol/EFOL_Forestry%20in%20Hungary.pdf</a>	All
3	Forestry-related Databases of the Hungarian Forestry Directorate (including a good history of forestry) <a href="http://portal.nebih.gov.hu/de/web/english/hungarian-forest-management/-/asset_publisher/pHBk9pq6UNxK/content/forestry-related-databases/maximized?_101_INSTANCE_pHBk9pq6UNxK_redirect=%2Fde%2Fweb%2Fenglish%2Fhungarian-forest-management">http://portal.nebih.gov.hu/de/web/english/hungarian-forest-management/-/asset_publisher/pHBk9pq6UNxK/content/forestry-related-databases/maximized?_101_INSTANCE_pHBk9pq6UNxK_redirect=%2Fde%2Fweb%2Fenglish%2Fhungarian-forest-management</a>	All
4	The 22 State owned forest management companies. There are 22 of these. Example is <a href="#">MECSEK FORESTRY</a> Co. Ltd. The list: <a href="http://gotohungary.com/forestries?_1_WAR_turizmusjournalcontentdisplayportlet_INSTANCE_DWcDguPliPn4_entryEnd=10&amp;_1_WAR_t">http://gotohungary.com/forestries?_1_WAR_turizmusjournalcontentdisplayportlet_INSTANCE_DWcDguPliPn4_entryEnd=10&amp;_1_WAR_t</a>	All

	<a href="http://urizmusjournalcontentdisplayportlet_INSTANCE_DWcDguPliPn4_entryStart=0&amp;p_p_id=1_WAR_turizmusjournalcontentdisplayportlet_INSTANCE_DWcDguPliPn4&amp;p_p_lifecycle=0">urizmusjournalcontentdisplayportlet_INSTANCE_DWcDguPliPn4_entryStart=0&amp;p_p_id=1_WAR_turizmusjournalcontentdisplayportlet_INSTANCE_DWcDguPliPn4&amp;p_p_lifecycle=0</a>	
5	NFC SO-FD New National Forest Strategy 2016-2030 (Hungarian language) <a href="http://www.kormany.hu/download/a/1a/d0000/Nemzeti_Erd%C5%91strat%C3%A9gia.pdf">http://www.kormany.hu/download/a/1a/d0000/Nemzeti_Erd%C5%91strat%C3%A9gia.pdf</a>	All
6	FAO country report Hungary (with graphics) <a href="http://www.fao.org/faostat/en/#country/97">http://www.fao.org/faostat/en/#country/97</a> Forest resources, policy, legislation and use of wood in Hungary <a href="http://www.fao.org/docrep/w3722E/w3722e20.htm">http://www.fao.org/docrep/w3722E/w3722e20.htm</a>  Forestry in a transitional economy: Hungary 1993 (about history and others) <a href="http://www.fao.org/docrep/t4620e/t4620e04.htm">http://www.fao.org/docrep/t4620e/t4620e04.htm</a>  Forest statistics 2015 Hungary <a href="http://www.fao.org/3/a-az236e.pdf">http://www.fao.org/3/a-az236e.pdf</a>	All
7	Acta Silv. Lign. Hung. Special Edition (2005). Good summary of forests stats 2005 (with links etc). <a href="http://publicatio.nyme.hu/454/1/hungary.pdf">http://publicatio.nyme.hu/454/1/hungary.pdf</a>	All
8	NFC SO-FD Annual reports over the years. <a href="http://portal.nebih.gov.hu/web/quest/-/magyaroszag-erdejeivel-kapcsolatos-adatok">http://portal.nebih.gov.hu/web/quest/-/magyaroszag-erdejeivel-kapcsolatos-adatok</a>	All
9	Forest Europe. Hungary report. Statistics from 2014. <a href="http://foresteurope.org/state-europes-forests-2015-report/#1476295965372-d3bb1dd0-e9a0">http://foresteurope.org/state-europes-forests-2015-report/#1476295965372-d3bb1dd0-e9a0</a>	6
10	Natura 2000 Hungary website and status. <a href="http://www.natura2000.hu/hu">http://www.natura2000.hu/hu</a>  EU Habitats Directive, country reporting, Article 17 report to the EU (2007-2012) <a href="https://bd.eionet.europa.eu/activities/Reporting/Article_17/Reports_2013">https://bd.eionet.europa.eu/activities/Reporting/Article_17/Reports_2013</a>  EU Habitats Directive, country reporting, Article 12 report to the EU (2008-2012) <a href="https://circabc.europa.eu/faces/jsp/extension/wai/navigation/container.jsp">https://circabc.europa.eu/faces/jsp/extension/wai/navigation/container.jsp</a>  New action plans towards 2019 : <a href="http://europa.eu/rapid/press-release_IP-17-1112_en.htm">http://europa.eu/rapid/press-release_IP-17-1112_en.htm</a>	All
11	NFC SO-FD EUTR starting page <a href="http://portal.nebih.gov.hu/eutr">http://portal.nebih.gov.hu/eutr</a>	All
12	Minister for Agriculture, Secretariat for Nature Conservation and Environment Protection. Park and protected area management. <a href="http://www.termeszetvedelem.hu/welcome">http://www.termeszetvedelem.hu/welcome</a> For a summary of sites: <a href="https://en.wikipedia.org/wiki/Protected_areas_of_Hungary">https://en.wikipedia.org/wiki/Protected_areas_of_Hungary</a>	All
13	Illegal logging and trade of illegally-derived forest products. UNECE 2004. Hungary report. <a href="http://www.unece.org/fileadmin/DAM/timber/docs/sem/2004-1/full_reports/Hungary.pdf">http://www.unece.org/fileadmin/DAM/timber/docs/sem/2004-1/full_reports/Hungary.pdf</a>	All

14	Secretariat for Nature Conservation and Environment Protection, landscape strategy. <a href="http://www.kormany.hu/download/f/8f/11000/Hungarian%20National%20Landscape%20Strategy_2017-2026_webre.pdf">http://www.kormany.hu/download/f/8f/11000/Hungarian%20National%20Landscape%20Strategy_2017-2026_webre.pdf</a>	2
15	EU Life project FireLife. Presentation. <a href="http://erdotuz.hu/wp-content/uploads/2015/03/firelife_el%C5%91ad%C3%A1s_falugondnokok2015.pdf">http://erdotuz.hu/wp-content/uploads/2015/03/firelife_el%C5%91ad%C3%A1s_falugondnokok2015.pdf</a> Website <a href="http://erdotuz.hu/mainpage/">http://erdotuz.hu/mainpage/</a>	4
	<b>Statistics</b>	All
31	Official statistics of Hungarian forests relevant to KP LULUCF. <a href="http://portal.nebih.gov.hu/informaciok/noveny/lakossagi?p_p_id=101&amp;p_p_lifecycle=0&amp;p_p_state=maximized&amp;p_p_mode=view&amp;_101_struts_action=%2Fasset_publisher%2Fview_content&amp;_101_returnToFullPageURL=http%3A%2F%2Fportal.nebih.gov.hu%2Finformaciok%2Fnoveny%2Flakossagi%3Fp_auth%3DzKaaHr5F%26p_p_id%3D3%26p_p_lifecycle%3D1%26p_p_state%3Dnormal%26p_p_state_rcv%3D1&amp;_101_assetEntryId=179037&amp;_101_type=content&amp;_101_groupId=22070&amp;_101_urlTitle=official-statistics-of-hungarian-forests-relevant-to-kp-lulucf&amp;redirect=http%3A%2F%2Fportal.nebih.gov.hu%2Finformaciok%2Fnoveny%2Flakossagi%3Fp_p_id%3D3%26p_p_lifecycle%3D0%26p_p_state%3Dmaximized%26p_p_mode%3Dview%26_3_groupId%3D0%26_3_keywords%3DHungarian%2BForest%2BManagementMagyar%2Berd%25C5%2591gazd%25C3%25A1lkod%25C3%25A1s%26_3_struts_action%3D%252Fsearch%252Fsearch">http://portal.nebih.gov.hu/informaciok/noveny/lakossagi?p_p_id=101&amp;p_p_lifecycle=0&amp;p_p_state=maximized&amp;p_p_mode=view&amp;_101_struts_action=%2Fasset_publisher%2Fview_content&amp;_101_returnToFullPageURL=http%3A%2F%2Fportal.nebih.gov.hu%2Finformaciok%2Fnoveny%2Flakossagi%3Fp_auth%3DzKaaHr5F%26p_p_id%3D3%26p_p_lifecycle%3D1%26p_p_state%3Dnormal%26p_p_state_rcv%3D1&amp;_101_assetEntryId=179037&amp;_101_type=content&amp;_101_groupId=22070&amp;_101_urlTitle=official-statistics-of-hungarian-forests-relevant-to-kp-lulucf&amp;redirect=http%3A%2F%2Fportal.nebih.gov.hu%2Finformaciok%2Fnoveny%2Flakossagi%3Fp_p_id%3D3%26p_p_lifecycle%3D0%26p_p_state%3Dmaximized%26p_p_mode%3Dview%26_3_groupId%3D0%26_3_keywords%3DHungarian%2BForest%2BManagementMagyar%2Berd%25C5%2591gazd%25C3%25A1lkod%25C3%25A1s%26_3_struts_action%3D%252Fsearch%252Fsearch</a>	All
32	Official stats for Kyoto protocol (all in English) <a href="http://portal.nebih.gov.hu/web/quest/-/kiotoi-jegyzokonyvvel-kapcsolatos-erdeszeti-adatok">http://portal.nebih.gov.hu/web/quest/-/kiotoi-jegyzokonyvvel-kapcsolatos-erdeszeti-adatok</a>	All
	<b>Laws, regulation and policies</b>	All
36	LIV of 1996 Law on Forests (old version of the law, see 39 for new one) <a href="http://portal.nebih.gov.hu/documents/22070/170513/Act_LIV_of_1996_eng.doc/dfba58e-5c49-4b9a-a993-4bfd924bf3b9">http://portal.nebih.gov.hu/documents/22070/170513/Act_LIV_of_1996_eng.doc/dfba58e-5c49-4b9a-a993-4bfd924bf3b9</a>	All
37	No. LIII of 1996 Law on Nature Conservation <a href="https://www.ecolex.org/details/legislation/law-no-liii-of-1996-on-nature-conservation-lex-faoc011619/?q=Act+No.+LIII+of+1996+">https://www.ecolex.org/details/legislation/law-no-liii-of-1996-on-nature-conservation-lex-faoc011619/?q=Act+No.+LIII+of+1996+</a>	All
38	No. LV of 1996 Law on the protection of game, game management and hunting. <a href="https://www.ecolex.org/details/legislation/decreo-no-79-of-2004-v-4-fvm-of-the-ministry-of-agriculture-and-rural-development-laying-down-implementing-provisions-of-act-no-lv-of-1996-on-the-protection-and-management-of-wildlife-and-on-hunting-lex-faoc127252/?q=Act+No.+LV+of+1996+">https://www.ecolex.org/details/legislation/decreo-no-79-of-2004-v-4-fvm-of-the-ministry-of-agriculture-and-rural-development-laying-down-implementing-provisions-of-act-no-lv-of-1996-on-the-protection-and-management-of-wildlife-and-on-hunting-lex-faoc127252/?q=Act+No.+LV+of+1996+</a>	All
39	XXXVII of 2009 Law on forests <a href="https://www.ecolex.org/details/legislation/act-no-xxxvii-of-2009-on-forests-on-the-protection-and-management-of-forests-lex-faoc094026/?q=Act+No.+XXXVII+of+2009+">https://www.ecolex.org/details/legislation/act-no-xxxvii-of-2009-on-forests-on-the-protection-and-management-of-forests-lex-faoc094026/?q=Act+No.+XXXVII+of+2009+</a>  The legal background of forest management in Hungary is based on the Act No. XXXVII of 2009 on forests, on the protection and management of forests, which was passed in 2009, together with their implementation orders of No. 153/2009 (13 November) and 63/2012 (2 July, Ministry of Rural Development).	All
40	Court cases between Hungary and the EU with regards to the environment.	All



	<a href="http://curia.europa.eu/juris/liste.jsf?pro=&amp;lgrec=nl&amp;nat=or&amp;ogp=&amp;dates=&amp;lg=&amp;language=nl&amp;jur=C%2CT%2CF&amp;cit=none%252CC%252CJ%252CR%252C2008E%252C%252C%252C%252C%252C%252C%252C%252C%252C%252C%252C%252Ctrue%252Cfalse%252Cfalse&amp;td=%3BALL&amp;pcs=Oor&amp;avg=&amp;page=1&amp;mat=ENV%252CAGRI%252Cor&amp;parties=Hongarije&amp;jge=&amp;for=&amp;cid=1006902">http://curia.europa.eu/juris/liste.jsf?pro=&amp;lgrec=nl&amp;nat=or&amp;ogp=&amp;dates=&amp;lg=&amp;language=nl&amp;jur=C%2CT%2CF&amp;cit=none%252CC%252CJ%252CR%252C2008E%252C%252C%252C%252C%252C%252C%252C%252C%252C%252C%252C%252C%252Ctrue%252Cfalse%252Cfalse&amp;td=%3BALL&amp;pcs=Oor&amp;avg=&amp;page=1&amp;mat=ENV%252CAGRI%252Cor&amp;parties=Hongarije&amp;jge=&amp;for=&amp;cid=1006902</a>	
41	CCIX of 2011 Law on water supply. <a href="https://www.ecolex.org/details/legislation/act-no-ccix-of-2011-on-water-public-utility-service-lex-faoc116034/">https://www.ecolex.org/details/legislation/act-no-ccix-of-2011-on-water-public-utility-service-lex-faoc116034/</a>	All
42	LVII of 1995 Law on Water Management. <a href="https://www.ecolex.org/details/legislation/act-no-lvii-of-1995-on-water-management-lex-faoc005203/?q=Act+LVII+of+1995+">https://www.ecolex.org/details/legislation/act-no-lvii-of-1995-on-water-management-lex-faoc005203/?q=Act+LVII+of+1995+</a>	All
43	XLII of 1993 Law on Streams and Lakes of International Importance <a href="https://www.ecolex.org/details/legislation/act-no-xlii-of-1993-publishing-the-consolidated-text-of-the-ramsar-convention-on-wetlands-lex-faoc116173/?q=Act+XLII+of+1993+&amp;xdate_min=&amp;xdate_max=">https://www.ecolex.org/details/legislation/act-no-xlii-of-1993-publishing-the-consolidated-text-of-the-ramsar-convention-on-wetlands-lex-faoc116173/?q=Act+XLII+of+1993+&amp;xdate_min=&amp;xdate_max=</a>	All
44	National Landscape Strategy (2017-2026). <a href="http://www.kormany.hu/download/f/8f/11000/Hungarian%20National%20Landscape%20Strategy_2017-2026_webre.pdf">http://www.kormany.hu/download/f/8f/11000/Hungarian%20National%20Landscape%20Strategy_2017-2026_webre.pdf</a>	5
45	Poverty and social exclusion in rural areas in Hungary, 2008. <a href="https://www.google.com/url?sa=t&amp;rct=j&amp;q=&amp;esrc=s&amp;source=web&amp;cd=1&amp;ved=2ahUKEwj6ysrFyKngAhXO-aQKHSUiB24QFjAAegQICRAC&amp;url=http%3A%2F%2Fec.europa.eu%2Fsocial%2FBlobServlet%3FdocId%3D4429%26langId%3Den&amp;usq=AOvVaw0Oa6o9XMO8zfuU3HmpG2Pw">https://www.google.com/url?sa=t&amp;rct=j&amp;q=&amp;esrc=s&amp;source=web&amp;cd=1&amp;ved=2ahUKEwj6ysrFyKngAhXO-aQKHSUiB24QFjAAegQICRAC&amp;url=http%3A%2F%2Fec.europa.eu%2Fsocial%2FBlobServlet%3FdocId%3D4429%26langId%3Den&amp;usq=AOvVaw0Oa6o9XMO8zfuU3HmpG2Pw</a>	5
	<b>Maps</b>	
59	Natura 2000 and other forest functions online map <a href="http://erdoterkep.nebih.gov.hu/">http://erdoterkep.nebih.gov.hu/</a>	1,3
60	Nature Conservation Information System (NCIS) <a href="http://geo.kvvm.hu/tir_en/viewer.htmv">http://geo.kvvm.hu/tir_en/viewer.htmv</a>	All
		All
	<b>Cultural heritage</b>	
66	Gyula Forster National Office for Cultural Heritage Management <a href="http://www.forsterkozpont.hu/">http://www.forsterkozpont.hu/</a>	6
67	European Heritage Policies country profile. <a href="http://www.herein-system.eu/hungary-country-profile">http://www.herein-system.eu/hungary-country-profile</a>	6
	<b>General sources HCV</b>	
73	Chatham House Illegal Logging Indicators Country Report Card, 2016 <a href="https://www.illegal-logging.info/regions/hungary">https://www.illegal-logging.info/regions/hungary</a>	1,3
74	Greenpeace Intact Natural Forest Landscapes, General <a href="http://www.intactforests.org/world.map.html">http://www.intactforests.org/world.map.html</a>	3
75	IUCN Red List, Country info <a href="http://www.iucnredlist.org/about/summary-statistics#Tables_5_6">http://www.iucnredlist.org/about/summary-statistics#Tables_5_6</a>	1
76	World Resource Inst., General Atlas of Forest and Landscape Restoration <a href="http://www.wri.org/resources/maps/atlas-forest-and-landscape-restoration-opportunities">http://www.wri.org/resources/maps/atlas-forest-and-landscape-restoration-opportunities</a>	3

77	HCV network, General <a href="https://www.hcvnetwork.org/resources/global-hcv-toolkits">https://www.hcvnetwork.org/resources/global-hcv-toolkits</a>	All
78	High Conservation network, The use of the 'Common guidance for the identification of High Conservation Values' for the assessment of HCV presence is recommended. Also use this for interpretation of 'Significant values' . <a href="https://www.hcvnetwork.org/resources/folder.2006-09-29.6584228415/2013_commonguidancev5">https://www.hcvnetwork.org/resources/folder.2006-09-29.6584228415/2013_commonguidancev5</a>	All
79	Proforest, HCV Toolkit <a href="http://www.proforest.net/en/publications/high-conservation-value-forest-toolkit">http://www.proforest.net/en/publications/high-conservation-value-forest-toolkit</a>	All
80	Ramsar, Ramsar sites <a href="http://www.ramsar.org/wetland/hungary">http://www.ramsar.org/wetland/hungary</a>	All
81	UNESCO, UNESCO Biosphere sites <a href="http://www.unesco.org/new/en/natural-sciences/environment/ecological-sciences/biosphere-reserves/europe-north-america/hungary">http://www.unesco.org/new/en/natural-sciences/environment/ecological-sciences/biosphere-reserves/europe-north-america/hungary</a> UNESCO cultural heritage <a href="http://www.unesco.hu/">http://www.unesco.hu/</a> UNESCO World Heritage sites in Danger (list) <a href="http://whc.unesco.org/en/danger/">http://whc.unesco.org/en/danger/</a>	6
82	Natura 2000, EU website with maps and data of all sites <a href="http://ec.europa.eu/environment/nature/natura2000/data/index_en.htm">http://ec.europa.eu/environment/nature/natura2000/data/index_en.htm</a>	All
83	Convention on Biological Diversity (CBD), Country profile. <a href="https://www.cbd.int/countries/default.shtml?country=hu">https://www.cbd.int/countries/default.shtml?country=hu</a> National website, Ministry of the Environment and Spatial Planning <a href="http://www.biodiv.hu/">http://www.biodiv.hu/</a> Direct link to 5th National report <a href="https://www.cbd.int/doc/world/hu/hu-nr-05-en.pdf">https://www.cbd.int/doc/world/hu/hu-nr-05-en.pdf</a> Direct link to National Biodiversity Strategy and action plan <a href="https://www.cbd.int/doc/world/hu/hu-nbsap-v2-en.pdf">https://www.cbd.int/doc/world/hu/hu-nbsap-v2-en.pdf</a>	1,3
84	Intact Forest Landscapes, Country profile (NA) <a href="http://www.intactforests.org/data.ifl.html">http://www.intactforests.org/data.ifl.html</a>	3
85	Global Forest Watch, Country profile. <a href="http://www.globalforestwatch.org/country/HUN">http://www.globalforestwatch.org/country/HUN</a>	All
86	WWF, WWF Global 200 Ecoregion/habitat list <a href="http://wwf.panda.org/about_our_earth/ecoregions/about/habitat_types/">http://wwf.panda.org/about_our_earth/ecoregions/about/habitat_types/</a>	All
87	FSC Int website & local standards, Country profile. <a href="https://ic.fsc.org/national-standards.247.htm">https://ic.fsc.org/national-standards.247.htm</a> (there is no local standard).	All
88	EU Habitats Directive, about protected habitats and EU countries <a href="http://biodiversity.europa.eu">http://biodiversity.europa.eu</a>	All
89	FSC international GFR, already approved CNRA's. <a href="http://www.globalforestregistry.org/">http://www.globalforestregistry.org/</a> and <a href="http://www.globalforestregistry.org/map">http://www.globalforestregistry.org/map</a> <b>Direct link to most legislation applicable</b> <a href="http://globalforestregistry.org/related_files/download_related_file/110">http://globalforestregistry.org/related_files/download_related_file/110</a>	All

## Controlled wood category 4: Wood from forests being converted to plantations or non-forest use

### Risk assessment

Indicator	Source of information	Functional scale	Risk designation and determination
4.1	<p><b>Legislation</b> 2009. évi XXXVII. Törvény az erdőről, az erdő védelméről és az erdőgazdálkodásról (Law on forests). <a href="https://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=A0900037.TV">https://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=A0900037.TV</a></p> <p>153/2009. (XI. 13.) FVM rendelet az erdőről, az erdő védelméről és az erdőgazdálkodásról szóló 2009. évi XXXVII. törvény végrehajtásáról ((Regulation of the Implementation of the law on forests) all paragraphs <a href="http://njt.hu/cgi_bin/njt_doc.cgi?docid=126182.333667">http://njt.hu/cgi_bin/njt_doc.cgi?docid=126182.333667</a></p> <p><b>Other information</b> Interviews with staff of National Food Chain Safety Office, Forestry Department (NFC SO-FD) 2017,</p> <p><b>Consulted international sources 2017:</b> Global Forest Watch, Country profile. <a href="http://www.globalforestwatch.org/country/HUN">http://www.globalforestwatch.org/country/HUN</a></p> <p>Chatham House Illegal Logging Indicators Country Report Card, 2016 <a href="https://www.illegal-logging.info/regions/hungary">https://www.illegal-logging.info/regions/hungary</a></p> <p>European court cases against Hungary 2017, <a href="#">CURIA</a>)</p> <p>Illegal logging and trade of illegally-derived forest products. UNECE 2004. Hungary report. <a href="http://www.unece.org/fileadmin/DAM/timber/docs/sem/2004-1/full_reports/Hungary.pdf">http://www.unece.org/fileadmin/DAM/timber/docs/sem/2004-1/full_reports/Hungary.pdf</a></p> <p>NEBIH: Official statistics for reporting to the Kyoto protocol (all in English) 2017</p>	Country level	<p><b>Content of the law</b> Conversion is discussed by section VIII of the Law on Forests. The law uses the term of “claiming and change to other uses”. Conversion is defined as land use change from forests to: a) agricultural land, b) building of infrastructure with no further options of land management, c) interim change, where forest management will be possible again later, d) no land use change, but no actual forest management options during this status (for example in case of pipe lines or electricity cables) (§77, (1)).</p> <p>Conversion from forest to plantations is not an option in the law and not allowed.</p> <p>There are 3 ways to convert forest to other land uses:</p> <ul style="list-style-type: none"> <li>1) Section 78, (1) sets, as a general rule, that conversion of forest land to other uses shall only happen in exceptionally cases and in line with public interests. Neither the approved new land use form, nor the purpose of the new use might be changed.</li> </ul> <p>In case of investments into infrastructure of national interests or water or electricity (etc) system infrastructure, respectively change for the purposes of flood protection, military uses or national border protection the presence of public interest shall be assumed. §78, (4).</p> <p>However, the Forestry Authority may list special conditions on the approval on conversion, e.g. in case of assumed negative impacts on the remaining forests, which must be kept by the claiming party. §80 (1). Special conditions can be, for example, buffer zones, fencing etc.</p> <p>There are further two cases specified in (3) of §78, where conversion can be allowed. These are the following:</p>

<p><a href="http://portal.nebih.gov.hu/web/guest/-/kiotoi-jegyzokonyvvel-kapcsolatos-erdeszeti-adatok">http://portal.nebih.gov.hu/web/guest/-/kiotoi-jegyzokonyvvel-kapcsolatos-erdeszeti-adatok</a></p> <p>NFC SO-FD General Forest summary 2015 <a href="http://www.mecsekerdo.hu/_user/browser/File/pdf/Efol/EFOL_Forestry%20in%20Hungary.pdf">http://www.mecsekerdo.hu/_user/browser/File/pdf/Efol/EFOL_Forestry%20in%20Hungary.pdf</a></p> <p>Forestry-related Databases of the Hungarian Forestry Directorate 2017 (including a good history of forestry) <a href="https://www.nebih.gov.hu/.../Forestry_related_databases_2012.pdf">https://www.nebih.gov.hu/.../Forestry_related_databases_2012.pdf</a></p> <p>FAO country report Hungary (with graphics) 2017 <a href="http://www.fao.org/faostat/en/#country/97">http://www.fao.org/faostat/en/#country/97</a></p> <p>FAO Forest resources, policy, legislation and use of wood in Hungary 2017 <a href="http://www.fao.org/docrep/w3722E/w3722e20.htm">http://www.fao.org/docrep/w3722E/w3722e20.htm</a></p> <p>FAO Forestry in a transitional economy: Hungary 1993 (about history and others) <a href="http://www.fao.org/docrep/t4620e/t4620e04.htm">http://www.fao.org/docrep/t4620e/t4620e04.htm</a></p> <p>FAO Global Forest Resources Assessment 2015 Country Report: Hungary <a href="http://www.fao.org/3/a-az236e.pdf">http://www.fao.org/3/a-az236e.pdf</a></p> <p>NFC SO-FD 2017 Annual reports over the years. <a href="http://portal.nebih.gov.hu/web/guest/-/magyaroszag-erdejeivel-kapcsolatos-adatok">http://portal.nebih.gov.hu/web/guest/-/magyaroszag-erdejeivel-kapcsolatos-adatok</a></p> <p><b>Online map systems Hungary 2017</b> Natura 2000 and other forest functions online map <a href="http://erdoterkep.nebih.gov.hu/">http://erdoterkep.nebih.gov.hu/</a></p> <p>Nature Conservation Information System (NCIS) <a href="http://geo.kvvm.hu/tir_en/viewer.htmv">http://geo.kvvm.hu/tir_en/viewer.htmv</a></p>	<ul style="list-style-type: none"> <li>• 2) Land use change in the sense of §77 (1), b-d) can be allowed: in case of forests with the primary function of production AND with the function of semi-plantations or plantations when a so-called substitution afforestation is provided as compensation measure. The claiming party has to bring in a forest of the same size and with a higher natural value (forest in Hungary are also divided by so called 'natural value classes'). Forest owners can be public or private.</li> <li>• 3) In case of plantations and semi-plantations not owned to 100% by the state AND canopy cover is low (lower than 30%), the land use form, on request of the land manager submitted to the Forestry Authority, might be changed to agriculture. In this case, within 10 years of conversion, no afforestation shall be co-financed by the state. This option is used by private owners with some trees on their land, or a failed plantation.</li> </ul> <p><b>Documentation and authorisation needs</b> In all cases of land use conversion, the claiming party must present to the Forestry Authority the written endorsement of the land owner or the legal land user listed in the National Land Registry System. Also, in case of compensation afforestation measure, the endorsement for afforestation of that land owner or legal user of the land concerned by the measure, must be submitted. §79 (3, 3a).</p> <p>Maps of the changes with the new borders must also be presented to the National Land Registry System with copies to the Forestry Authority. §54 (1b) 153/2009. In case of infrastructure building above 400 m<sup>2</sup> on the forest land, records and documented descriptions on the humus layer's set aside procedure must also be presented to the Forestry Authority. §54 (1d) 153/2009.</p> <p>After the termination of the conversion, evidence documentation on functioning is to be presented to the Forestry Authority, such as e.g. use approvals of infrastructure or other documentation. §79 (1b, b).</p> <p><b>Timing</b> The approval is valid for 4 years, in general. For mining purposes this might be longer, in line with the resolution of the Mining Authority on functioning. In case of approval by the Forestry Authority the claiming party must start measures of conversion within set time limits, if not commenced within this period, the specific approval expires, and forest management must be continued. Also, if the conversion is not terminated within 5 years after the conversion's recorded starting date, the approval expires, and the Forestry Authority obliges the claiming party to restoration measures.</p>
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**Fees**

§ 81 of the law sets the level of fees, which must be paid by the claiming party. The fee is based on area size in hectares and function or quality category of the forest. The fee is part of the incomes of the central budget and in general is to be paid latest within 30 days after the conversion has started. §82 (2)

There are differences of the fees specified, as follows:

- In case, if no further land management after conversion is possible, e.g. due to infrastructure, or buildings, the fee is higher when forests with protection or recreational primary functions should be converted (ca. 10,000 €/ha). In case of production forests this is ca. 7,000 €/ha. However, when conversion with no land management options should be exercised close to large cities or the Budapest area a multiplier of 1,5-2,0 to the previous fees must be used, when setting the fee.
- In case of forest conversion to agricultural land use, the fee is set substantial higher, when natural or semi natural forests respectively forests with protection primary function get approved for conversion. In these cases, ca. 7,000 €/ha must be paid by the claiming party.
- In case of interim conversion, when forest management will be possible afterwards again, fees of 700-1.000 €/ha are to be paid, depending on natural category and primary function.

There is no fee required with forests of the natural categories plantation and semi-plantation being converted to agricultural land, when the crown cover becomes very low (<30%) because of diseases or windfall, for example. (§82 (3d)). Further, no fee will be claimed, in case of forestry infrastructure is set up or the purpose of conversion is due to flood protection. (§82 (3b))

Neither any fee is required, in case the conversion to agricultural land takes place on protected land AND of forests with natural categories of plantation or semi-plantation, after the final cut AND no afforestation with native species is possible due to inadequate site conditions. However, inadequate site conditions must be proved by the forest manager by submission of detailed site assessment records to the Forestry Authority. (§82 (3c))

Such is, for example, the case when a plantation is growing on protected land and after the final harvest it has been proven that no further native trees will grow there (like a wetland, for example).

		<p><b>Compensation rules</b></p> <p>There is no fee to be paid in cases the claiming party provides substitution afforestation as compensation measure. These are the regulations:</p> <ul style="list-style-type: none"> <li>• When compensating for semi-plantations or plantations classes: same sized afforestation area with the same or higher level of natural category (§82 (3) (aa))</li> <li>• When compensating for <u>natural, semi natural, secondary or</u> intermediate natural categories, the substitution afforestation size must be 1,5 times larger than that of the converted forest area AND shall have the same or higher level of natural category (§82 (3ab)).</li> <li>• When compensating for forests with natural categories of natural and semi-natural forests and larger in size than at least 5000 m<sup>2</sup>, the Forestry Authority is obliged to prescribe the substitution afforestation as compensation measure and not claim fees. (§82 (4a) This is also the case, if there is a separate legal regulation in force in a certain region, allowing for no decline of the forest area. (§82 (4b). In such cases the Forestry Authority is thus responsible for compensation, and not the landowner. This means that such cases are never happening on request of private owners, but only in cases with national interest.</li> </ul> <p>In summary the law does not prohibit conversion, but it defines cases when possible and gives detailed prescriptions for cases with allowed conversion and determines procedures to be followed. It means that plantations and semi-plantations might be converted to other uses when compensation forests are available, or when the canopy cover is below 30%. All other types of forests (higher natural categories) can only be converted by reason of national public interest. But even in this case, the forest conversion must be compensated by afforestation 1.5 times larger than the converted area (and of similar environmental quality). Conversion of higher natural forest categories to plantations cannot take place.</p> <p><b><u>Is it possible to conclude that the spatial threshold can be met by assessing the enforcement of legislation?</u></b></p> <p>The yearly size of converted forests ranges btw. 350-900 ha as of 2010-2016 (data received from staff of National Food Chain Safety Office, Forestry Department (NFCSO-FD), 2017), which represent ca. 0,02-0,04% of the forest area and this scale is not varying much over the last 10-20 years. Conversion to agricultural use happens only in few cases in the country, whereas few other cases of conversion by infrastructure building or mining happens, the Forestry Authority always checks these cases at field (info from consultations with NFCSO FD staff).</p>
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The FAO Global Forest Resources Assessment Country Report for Hungary (2015) indicates, that naturally regenerated forests (i.e. non-plantations) are not decreasing in Hungary and planted forests (i.e. possible plantations) are increasing even by discounting introduced species.

type	1990	2000	2005	2010	2015
Primary forests	<u>1 801 000</u>	<u>1 917 000</u>	<u>1 983 000</u>	<u>2 046 000</u>	<u>2 069 000</u>
Primary forest converted	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Forest expansion (planted and natural)	<u>14 200</u>	<u>16 100</u>	<u>13 100</u>	<u>7 300</u>	<u>Not published yet</u>
Reforestation	<u>22 2000</u>	<u>20 400</u>	<u>20 100</u>	<u>14 200</u>	<u>Not published yet</u>

*Source: FAO Global Forest Resources Assessment Country Report for Hungary (2015)*

The CNRA spatial threshold reads as follows: 'Conversion of natural forests to plantations or non-forest use in the area under assessment is less than 0.02%- or 5000-hectares average net annual loss for the past 5 years (whichever is less)'.

FAO global forest resource assessment country report for Hungary (2015) differs from NFCSD-FD 2017 data. Thus, it is not possible to conclude that the spatial threshold can be met. Nonetheless, the conversion figure is limited to a small extent (up to 350-900 ha, 0,02-0,04%), the risk related with conversion is not substantial.

**Is the law enforced?**

Forest conversion without approval of the Forestry Authority will be followed by administrative actions and court cases where fee payments and penalties and/or reforestation obligations might be issued.

The Forestry Authority is responsible for controlling and monitoring throughout their local offices and forest rangers. For this they employ forests rangers that patrol the forests, as part of their mandate to protect the forests. All conversions are also checked in the field, before and after the work.

		<p><b>Illegal activities</b></p> <p>The yearly 2004 report for Hungarian forests summarizes deforestation because of illegal activities at 139 hectares. There were 131 cases and 27 230 m<sup>3</sup> of timber was lost. In a 2006 report an estimate refers to 1 000 ha loss due to harvesting without permits (this must be afforested again). Records of the Forest Authority state ca. 30-50 000 m<sup>3</sup> recorded illegal logging yearly, since 2006 (local expert based on FA consultation). The average for the last ten years is almost the same. In comparison with the area of the forest, deforestation is representing a negligible proportion (0,07%) (sources: see left column).</p> <p>However, due to land abandonment in remote areas and reforestation in general the combined forest area has increased by 138 ha over 2015. This was 1 086 over 2014, 2 395 in 2013 and 4 021 in 2012 (sources: NFCSO-FD Annual reports). This means that any loss due to illegal activities or conversion was overcompensated by forest growth in ha.</p> <p>There are no further incentives, like subsidies offered by the government to convert forest to other lands. Forest in general remains forests (source: local expert, interviews NFCSO staff and NFCSO-FD Annual reports).</p> <p>Other national or international sources are not showing any other risk nor are they contradicting the statements above (see sources consulted in left columns).</p> <p><b><u>Risk designation</u></b></p> <p>The following thresholds apply:</p> <p>(2) Applicable legislation for the area under assessment covers laws that prevent conversion (to the outcome required by the indicator), AND the risk assessment for relevant indicators of Category 1 confirms that the law is enforced ('low risk');</p> <p>(3) Other available evidence does not challenge a 'low risk' designation.</p> <p>Thus the 4.1 indicator is <b>low risk</b>.</p>
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**Recommended control measures**

N/A



## Controlled wood category 5: Wood from forests in which genetically modified trees are planted

### Risk assessment

Indicator	Sources of information	Functional scale	Risk designation and determination
<p>5.1</p> <p>There is no commercial use of genetically modified trees.</p>	<p>53/2006. (XI. 29.) OGY határozat a géntechnológiai tevékenységgel, annak mezőgazdasági és élelmiszer-előállítási alkalmazásával kapcsolatos egyes kérdésekről és az ezeket érintő magyar stratégiáról (<b>GMO-free strategy of Hungary (Resolution of the Parliament nr. 53/2006. (XI. 29.)</b> <a href="http://gmo.kormany.hu/download/7/9f/30000/OGy_2006_053_(XI_29)_hatarozat.pdf">http://gmo.kormany.hu/download/7/9f/30000/OGy_2006_053_(XI_29)_hatarozat.pdf</a>)</p> <p>A géntechnológiai tevékenységről szóló 1998. évi XXVII. törvény, továbbiakban: géntörvény (<b>Law Nr XXVII/1998 on the genetic engineering operations</b>) <a href="http://gmo.kormany.hu/download/8/e9/f0000/1998-xxvii-gentorveny-2015-06-05.pdf">http://gmo.kormany.hu/download/8/e9/f0000/1998-xxvii-gentorveny-2015-06-05.pdf</a></p> <p>110/2003. (X. 21.) FVM rendelet az erdészeti szaporítóanyagokról (<b>(Ministry order on the propagation material used in forestry)</b><a href="https://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=a0300110.fvm">https://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=a0300110.fvm</a>)</p> <p><b>Constitution of Hungary, Art. XX. (2)</b> <a href="http://www.njt.hu/cgi_bin/njt_doc.cgi?docid=140968">http://www.njt.hu/cgi_bin/njt_doc.cgi?docid=140968</a></p> <p>Other sources Biokontrol Hungaria Kft.: Növénynevelés és génmódosítás (Plant breeding and genetic engineering of plants) <a href="https://www.biokontroll.hu/novenynemesites-es-genmodositas/">https://www.biokontroll.hu/novenynemesites-es-genmodositas/</a></p> <p>Government portal for GMO news and regulation. <a href="http://gmo.kormany.hu/hazai-jogszabalyok">http://gmo.kormany.hu/hazai-jogszabalyok</a></p> <p>Magyar Biosafety Honlap (Hungarian Biosafety Webpage) <a href="http://biosafety.abc.hu/databases_hun.php">http://biosafety.abc.hu/databases_hun.php</a></p>	<p>Country level</p>	<p><b>GMO-free strategy of Hungary</b></p> <p>The GMO-free Strategy of Hungary requests the government to elaborate on strict rules of the management of GMO and non-GMO plants bordering each other and the experiences shall be submitted for examination to the European Commission (EC), however it does not specify tree species exclusively. The domestic monitoring and control system on GM organisations must be strengthened and any infection prevented.</p> <p>Further, the government shall do all possible efforts to maintain Hungary's status of a non-GMO cultivation country and region, where only research can take place of GM organisms. Any other cultivation of GMO's besides research in thus not allowed. Nevertheless, trading of EU licensed GMO products is possible (see below).</p> <p>Environmental impact studies and research should be started with GM plants, which are in the approval process in the EU. In case more GM plants should be approved in the EU and subscribed to the Community Plant List, Hungary shall examine the legal options of introducing a ban on their cultivation.</p> <p><b>Law on genetic engineering operations</b></p> <p>The law on genetic engineering operations introduces the new Gene Technology Advisory Committee. This committee, together with the National Food Chain Safety Office (NFCSO) are responsible for GMO matters in Hungary.</p> <p>The Gene Technology Committee acts as an advisory and consultative body to the government. It establishes the specific rules of all GMO related issues, their labelling and transport, database and co-management rules in agricultural or any other use. But this is for research only, as commercial cultivation is not allowed. Species that are (potentially) allowed in Europe will also be studied during such research, but according to the law such EU accepted species cannot be cultivated for commercial purposes.</p>

<p><b>Others:</b> a biológiai biztonságról szóló, Cartagena Jegyzőkönyv kihirdetéséről szóló 2004. évi CIX. Törvény (<b>Ratification law Nr CIX/2004 on the Cartagena Biosafety Protocol</b>) <a href="https://net.jogtar.hu/jogszabaly?docid=A0400109.TV">https://net.jogtar.hu/jogszabaly?docid=A0400109.TV</a></p> <p><b>Legal Authority</b></p> <p>Ministry of Agriculture, the Gene Technology Advisory Committee. National Food Chain Safety Office (NFCSO),</p>	<p>The elaboration, research, growing, dissemination and export or import of GM organisms jeopardizing biodiversity shall be controlled according to the same law. Further details of this law are:</p> <p><b>The law on genetic engineering operations</b> specifies that all genetic engineering operation executed in Hungary require authority approvals. The law specifies rules on GMO's use in:</p> <ul style="list-style-type: none"> <li>○ a) closed systems,</li> <li>○ b) non-commercial trade,</li> <li>○ c) commercial trade.</li> </ul> <p>All these activities are subject of approval and a licence process by the authority. Any approval drafts must be announced publically for consultation purposes in case of use in <b>closed systems</b> (paragraph 8, section 4) or the approvals in case of not-commercial trade (paragraph 10, section 2).</p> <p><b>As for the commercial trade</b> the law declares, that in Hungary only the GMO products with EU licenses may be commercially traded (§11.A (1)).</p> <p>The Hungarian Gene Technology Authority may submit proposals to the European Commission (EC) for excluding the whole country, or certain regions from the cultivation of GM organisations with EU licenses during the approval procedure or the licence renewal process.</p> <p><b>As for import, export and transport</b> the general rule is, that EU licensed GMO products may be handled without further procedures in these activities, but the ones without licences must undergo licencing procedures administered by the Gene Technology Authority. The Authority has a time period of 90 days for its decision and conditions on transport, import or export from or to Hungary. These procedures shall be based on the relating direct EU rules. (§13)</p> <p><b>The Authority may and can ban the cultivation</b> of EU licensed GM organisations due to the National Environmental policy, Rural Development policy, land use or agriculture policy issues, resp. for preventing the transfer of GMO parts into other products ((§11.A (1,4). In this case the EC will be notified. This, from the cultivation banned, GMO material cannot be used as propagation material either (§11.A (8)). At last, it is stated in Art. 11A (9) that GMOs suitable for food or forage must undergo directly EU regulated</p>
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		<p>administration procedures. This part of the law on the commercial trade of GMOs introduces the option of the <b>safeguard clause procedure</b> on already licensed GMO products, as well. This covers a similar procedure as in the previous case, but can also result apart of the cultivation ban, in suspension of the whole product chain, including trade, storage or transport, production or the elimination of affected plant stands of the concerned GM organisation (§11B (3b)). During a safeguard clause procedure of a GMO plant, no cultivation approval shall be issued, AND the issued ones be suspended. (§11B (4 a,b)). The EC and EU Member States shall be notified.</p> <p><b>Ministry order on the propagation material used in forestry</b> The Ministry order Nr 110/2003 deals with propagation material for forestry uses. Here also GMO forest propagation material can be used for research or trading, but never for cultivation or use in the forest. There are various articles applicable:</p> <p><b>Article 8</b> This article describes that any genetic engineering operation regarding forestry propagation material, such as modification, use of such organisms in closed systems or commercial use and trade, respectively import or export operation of those products and their transport, must be in accordance with the above described related regulation. If any GMO plant should fulfil those requirements, its commercial trade in forestry may only be exercised in case if it is of the category “assessed propagation material” including the rules on comparative analysis with standard species and rules for output from propagation production sites (§8 (8)). Assessed propagation material is one if:</p> <ul style="list-style-type: none"> <li>- its source site is listed and monitored and licensed for propagation material production by the NFCSO,</li> <li>- its source stand`s genetic added value is assessed and stated by the Authority and proved by comparative, documented trials,</li> <li>- its production was monitored by the related Authorities (§7(5)).</li> </ul> <p><b>Article 10</b> Certified production stands for propagation material consisting exclusively or partly of GM Organisms may receive approval only in case, if their impact on humans, flora and fauna and their environment is proven to be completely harmless, and if it is for research or trade purposes only, as cultivation is not possible. The process of impact assessment of those stands must be</p>
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		<p>executed according to special regulations determined by art. 8 of this law (see point above).</p> <p><b>Summary</b>  In summary the use/cultivation of GMO trees on forest lands in Hungary is not allowed. The Forestry Authority has a field staff who carry out the surveillance of any activities in the forests (see cat 1). All planting of trees must be with a permit anyway, and these permits are not issued when GMO tree species are proposed that will be used on forest lands. There is a special committee of Gene Technology that regulate everything related to GMO's and special regulations are in place.</p> <p>Trading of GMO trees (as distinct from use/cultivation) is in principle possible, when EU licenses are in place. But this does not happen as local nurseries are not allowed to grow GMO trees (<del>for export</del>) and forest owners are not allowed to use them in the forest either (<del>for import</del>). As a result, to even obtain GMO trees, they would need to be imported, which is economically disadvantageous.</p> <p>At this moment there are only a few ha of GMO plantations, and these are for research purposes only. Therefore, no extensive planting of GMO tree species is present, nor is it expected because there is no commercial incentive and strict regulations are in place to avoid it.</p> <p>There are no cases in literature, press or international reports to be found where the use of GMO trees is stated. The consulted local expert declares the same. Other international sources that contradict this conclusion could not be found.</p> <p><b>Conclusion</b>  Low risk  The following thresholds are met:  (1) GMO (trees) use is illegal according to applicable legislation of the area under assessment AND the risk assessment for relevant indicators of Category 1 confirms that applicable legislation is enforced ('low risk'),  (2) There is no commercial use of GMO (tree) species in the area under assessment,  AND</p>
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			(3) Other available evidence does not challenge a 'low risk' designation.
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GMO Context Question	Answer
1. Is there any legislation covering GMO (trees)?	Yes. See table above.
2. Does applicable legislation for the area under assessment include a ban for commercial use of GMO (trees)?	<p>Commercial cultivation is not allowed. Commercial trade can be allowed when EU licenses are in place. All other uses require a license, which will only be issued for research purposes. See above.</p> <p>Although the trade of GMO's is thus allowed it will not happen with trees as any cultivation or use in the forest of GMO trees is forbidden, thus there is no incentive to import. Commercial export will not happen either as cultivation is not allowed. This means nurseries are not allowed to grow GMO trees either.</p>
3. Is there evidence of unauthorized use of GM trees?	No reported cases of unauthorized use of GM trees.
4. Is there any commercial use of GM trees in the country or region?	<p>Commercial cultivation or use in agriculture or forestry is not allowed. Commercial trade (import) can be allowed, in theory, when EU licenses are in place. But such will not happen with trees because there is no demand, as the trees cannot be used in any cultivation or propagation (nursery) in Hungary. In principle you could import and export a closed container with EU licensed GMO trees, but such is not happening because there is no profit to be obtained. All other uses require a license, which will only be issued for research purposes. See above.</p> <p>This info is backed up by consultations with the National Forestry Research Institute deputy director and the National Agency for Food-Safety, Forestry Directorate and Directorate for Plant Growing and Horticulture, Section for Propagation Material in Forestry and Energy Plantations, Head of sections.</p>
5. Are there any trials of GM trees in the country or region?	<p>Yes.</p> <p>Use of GMO poplars in phytoremediation trials. Researching institution: Szent Istvan University, Faculty for Agriculture and Environmental Sciences, Institute for Genetics, Microbiology and Biotechnology. <a href="http://gbi.mkk.szie.hu/hu/kutatas/fitoremediacio">http://gbi.mkk.szie.hu/hu/kutatas/fitoremediacio</a>. There are 3 tests:</p> <ul style="list-style-type: none"> <li>• Phytoextraction potential of wild type and 35S-gsh1 transgenic poplar trees (<i>Populus x canescens</i>) for environmental pollutants herbicide paraquat, salt sodium, zinc sulfate and nitric oxide in vitro. Int J Phytoremediation 16: 379–396. IF.1,466.</li> </ul>

	<ul style="list-style-type: none"> <li>• Bittsánszky A, G Gyulai, M Humphreys, G Gullner, Zs Csintalan, J Kiss, Z Szabó, R Lágler, Z Tóth, H Rennenberg, L Heszky and T Kőmíves (2006) RT-PCR analysis and stress response capacity of transgenic gshI-poplar clones (<i>Populus x canescens</i>) in response to paraquat exposure. <i>Z Naturforschung C: J Biosci</i> 61:699–730. IF.: 0.756.</li> <li>• Gyulai G, M Humphreys, A Bittsánszky, K Skøt, J Kiss, L Skøt, G Gullner, S Heywood, Z Szabó, A Lovatt, L Radimszky, H Roderick, M Abberton, H Rennenberg, T Kőmíves, L Heszky (2005) AFLP analysis and improved phytoextraction capacity of transgenic gshI-poplar clones (<i>Populus canescens</i> L.) in vitro. <i>Z Naturforsch, C: J Biosci</i> 60:300–306. IF.: 0.756.</li> </ul>
6. Are licenses required for commercial use of GM trees?	<p>Commercial cultivation or use in forest is not allowed.  Commercial trade is allowed and require EU licenses but will not happen with trees. See above.  Other use is only allowed for research and require national licenses.</p> <p>Yes. See above: Ministry order of Nr. 110/2003, paragraph 8, point 8. Law Nr XXVII/1998 on the genetic engineering operations.</p>
7. Are there any licenses issued for GM trees relevant for the area under assessment? (If so, in what regions, for what species and to which entities?)	<p>For commercial use: No.  For research purposes yes, see above.  In trade EU licenses are applicable but will not happen with trees. See above.</p>
8. What GM 'species' are used?	<p>No GM species used commercially. In research see above. In trade EU rules are applied but will not happen with trees. See above.</p>
9. Can it be clearly determined in which MUs the GM trees are used?	<p>Not applicable. No use in management or other commercial activities.</p>

### Recommended control measures

N/A

## Update and Revision History

### Updates

The table below presents the history of corrections and minor edits to the risk assessment. These changes result in second-level version number changes. This table is cleared whenever a new first-level version number is issued (see table below).

Date	Version	Section/indicator	Change

### Revisions

The table below presents the history of major changes and revisions to the risk assessment. These changes result in first-level version number changes. This table is persistent throughout the lifetime of the risk assessment.

Date	From version...	To version...	Section/indicator	Change
02/11/21	1-0	2-0	Indicator 1.4	Description of risk expanded to include new evidence and sources. Risk conclusion text changed to reflect change in description of risk. Risk designation changed from Specified Risk to Low Risk. Risk threshold changed from threshold 2 to threshold 1.
			Indicator 1.10	Description of risk expanded to include new evidence and sources. Risk conclusion text changed to reflect change in description of risk. Risk designation changed from Specified Risk to Low Risk. Risk threshold changed from threshold 2 to threshold 1.
			Indicator 1.11	Description of risk expanded to include new evidence and sources. Risk conclusion text changed to reflect change in description of risk. Risk designation changed from Specified Risk to Low Risk. Risk threshold changed from threshold 2 to threshold 1.
			Indicator 1.12	Description of risk expanded to include new evidence and sources. Risk conclusion text changed to reflect change in description of risk. Risk designation changed from Specified Risk to Low Risk. Risk threshold changed from threshold 2 to threshold 1.