



## Deployment Plan GuideStar model in Hungary

### Summary report, 31 October 2008

The GuideStar Europe project (April 2007 - October 2008) has assessed the feasibility of implementing GuideStar systems for four European countries as well as a pan-European portal site. Coordinated by GuideStar International, the project included partners with a track record in voluntary sector research, capacity building, and transparency development: DZI and MI (Germany) NIOK (Hungary), CBF (The Netherlands) and ICTR (Ireland). The project was co-funded by the European Commission under its eTEN programme and in several cases by governmental, private sector and philanthropy sources in member countries.

A GuideStar system provides an online, highly searchable catalogue of reports on the civil society organisations (CSOs) operating in a country. (Guidestar Europe will draw together into a single relational database information about the entire civil society sector in Europe, enhancing transparency and accountability while creating a knowledge infrastructure for the sector and its stakeholders.) The next phase of the GuideStar Europe project is planned to include both a roll out of the GuideStar model to more countries and a launch of a pan-European search capability.

The Nonprofit Information and Training Center (NIOK) Foundation, a key nonprofit sector capacity building organisation, is developing a comprehensive database in Hungary. Registry information obtained from the courtswill form the basis of this database; it will then be expanded with data provided voluntarily by NGOs themselves. The database will contribute to the transparency of the nonprofit sector and will provide services and opportunities to NGOs, thus enabling them to operate more effectively.

The NIOK Foundation has operated a voluntary non-profit database since 1996. The 'Nonprofit Self-Portrait' (NSP) database provides profiles of more than 12,000 organisations out of the total 58,242 operating organisations registered in Hungary, including details on their activities and finances. However, in order to ensure a better standard of transparency in the sector, it was decided that the voluntary database should be supplemented with official registry information. During the GuideStar Europe project (financed by the European Commission), the NIOK Foundation elaborated a plan for a comprehensive NGO database in Hungary. It signed a contract with the Office of the National Judicial Council (ONJC), who collect registry information on NGOs; the contract specified that the ONJC should provide registry information to feed into the NIOK database.

The long term strategy of the NIOK Foundation states that the Nonprofit Self-Portrait will be based on three valid sources of data: a daily feed of registry information from the ONJC (name, address, representatives, activity type, goals, identifiers, status (if the organisation is existing or not)); basic data from the Tax and Financial Authority (tax-number and number of employees); and finally, income figures and reports from the Ministry of Social Affairs and Labour with regard to the usage of 1% allocations offered by taxpayers to NGOs. . In addition to this, NGOs will still have the opportunity to provide more detailed information on their activities and finances by filling in the reporting framework of the NSP voluntarily.

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A fundamental element of the Hungarian comprehensive database plan is a cooperative model of the different voluntary NGO databases that exist in Hungary. The essence of the model is as follows: instead of fragmented CSO databases, there would be one single database that feeds several different portals, each of which provides different services. The core one is a Guidestar-type database (the NSP); all the others are connected to this and also use its core fields. However, partners can also include other specific fields in their reporting formats that are unique to their particular service. In this sense, the reporting format for CSOs is built up of different layers: obligatory fields, core fields, additional fields presented in the Nonprofit Self-Portrait, additional fields required by partners, and finally, documents to be uploaded. It is left to the discretion of individual CSOs as to whether they fill in any fields other than the obligatory ones.

The databases are connected in a way that allows new entries on any portals to be automatically stored in a central profile for that particular CSO; these new entries will also appear in all websites specified by the partner. The services provided by the partners will strengthen the authority of the database from the perspective of both CSOs and other users. According to NIOK's strategy, the partnerships and provided services will play a key role in encouraging CSOs to visit the site and update their profile regularly, in the hope of acquiring capacity-building services (e.g. fundraising, finding volunteers, network building, ranking of CSOs, etc.). The entities that the NIOK Foundation would like to cooperate with include: nonprofit service centres, other CSO service providers and umbrella bodies from different fields of the sector.

As far as the operation is concerned, a new entity will be established to build up the common CSO database model in Hungary and to ensure that the system is maintained, developed and sustained. The new entity will be governed by a board made up of CSO database operator representatives and also by a separate advisory body consisting of all types of stakeholders. It will be in contractual agreement with other CSO database operators and will coordinate and harmonise the developments, services, communication and fundraising efforts of the partnership. The contractual partners will have individually defined rights in order to allow them access to certain part of the database and will also have liability to ensure data provision into the system.

For sustainability reasons, the new entity will be incubated by the NIOK Foundation until it gets stronger and builds its organisational network of contracted partners. The model is financially feasible only with external funding from public sources (part of which is already secured for the first 3 years); however, the ratio of other resources (including services fees, advertising and corporate funding) should also be raised by the end of the third year to cover 25% of the total costs.

The database is going to be the prime source of information on the not-for-profit sector in Hungary and is going to feed information into the GuideStar Europe database to be part of the pan European and international search capability.