



Accelerating Corporate Social Responsibility in the new EU Member States and Candidate Countries to promote harmonization, competitiveness, and social cohesion

**Regional CSR Conference for business and stakeholders
“CSR in the New Europe: Challenges and Solutions”, 26 June 2007, Brussels**

CLOSING REMARKS AND THE WAY FORWARD
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Ladies and Gentlemen,

We had a long and intense day to discuss progress and tendencies in implementing Corporate Social Responsibility (CSR) in the Central and Eastern European (CEE) region and compare it with the developments in Western and Northern Europe.

It is evident, that integration of CSR in strategies of organizations and business companies is a learning process that also involves changing of our mentality. We know it takes long time and we cannot afford to just wait, because social, environmental and governance challenges call for action already today. As one of our British colleagues indicated, only one third of respondents in the UK remember companies acting on an issue without being prompted to do so. In the context of CEE region, where traditional drivers (consumers, NGOs and critical media) are not forceful, CSR promotion and encouragement by the Governments plays a vital role for accelerating the process. Without the Government encouragement the leadership of businesses may be insufficient to achieve substantive results. CSR is indeed a voluntary initiative, but calling for more active role to be played by the Government should not become an excuse for absence of action on the side of business.

Secondly, many have raised the issue of CSR definition and it stems from the discussions that the challenge is not just about defining CSR, but rather finding a particular relevance and content to a complex combination of social, environmental, ethical and other aspects for an individual company and organization. It is difficult and probably unnecessary to generalize and find a uniform format of CSR implementation for everybody. Each company and organization needs to find its' own way of CSR integration. On the other hand, the importance also lies in finding common criteria for countries to measure the progress at national level and enable to put it in a regional perspective. This should be done in a way of a dialogue with stakeholders. We believe the comprehensive survey presented today addressed this challenge to a certain extent.

Let me to summarize our day in a nutshell. In the morning we have heard the highlights of CSR challenges and realities from the European Commission, the European Parliament and the United Nations Development Programme. Trust is becoming, as Ms. Kori Udovički of UNDP pointed out, an essential factor for long term profitability of business, thus companies need to manage their business in transparent manner and show they create social value. In this view, using CSR just as public relations' exercise can do more harm than bring benefits.

Today we spoke about similarities and differences of approaches to CSR our countries take. As Mr. Richard Howitt, European Parliament Rapporteur on Corporate Social Responsibility, pointed out, we need to increase the involvement of wide array of stakeholders, because ultimately only the joint efforts can bring about meaningful changes. There is a need to work on capacities of civil society organisations, spread CSR practices to SMEs. Perhaps we also need joint initiatives that would allow bringing together UN Global Compact, Global Reporting Initiative and OECD Guidelines for Multinational Enterprises to make a more effective promotion of CSR. And I could not agree more with the Commissioner Mr. Vladimír Špidla that the accession process, implementation of the European Community *acquis* and the growing number of multinational companies all have contributed to the increasing awareness of CSR standards as prerequisites for long-term success, but we do have to make use, perhaps even better use, of CSR as an instrument of social reform.

Our working groups have demonstrated that while there are some success stories to be proud of there is also plenty of work to be done. To succeed with any initiative we need all three groups of actors - governments, businesses and the civil society - to be sincere and active in promoting and implementing CSR standards. It should not be just lip-service to meet the demands of the local public or pressures by the international community.

From the perspective of the business sector, by prioritizing CSR and integrating the management system for sustainability through the code of conduct standards and other measures, leads to numerous business benefits. Primarily the satisfied worker who creates better quality products, increased productivity and better company image as well as satisfied employer doing the right thing.

With regard to the role of the Government, a broad framework including Mandating, Facilitating, Partnering and Endorsing was accepted by the workshop group, while introducing social and environmental measures in public procurement is a key. In the context of civil society discussions there were three points. First of all, challenges facing NGOs: a shift in thinking from philanthropy to partnership and collaboration. Secondly, working with the media to engage them in a meaningful differentiation between philanthropy and CSR. Thirdly, the main challenge is how to bridge the gap of trust between business and NGO sector, because this is a serious impediment to the process. Cooperation between NGOs locally and regionally as well as capacity strengthening is obviously needed.

Clearly, it is short time to include in this nutshell summary every important issue that has been raised and discussed during the day. But we will be producing detailed report for the Conference for all of us to refer to in the coming months locally and at the regional level. I would like to proceed now with short overview of what you could expect during the rest of the year and the beginning of 2008 from us within the framework of our regional project.

The Baseline Study presented by Mr. Robert Braun outlined the state of CSR affairs in eight CEE countries and provided us with a unique instrument to proceed with further CSR initiatives in the region or perhaps the entire EU. I will mention the opportunities this Project offers for building upon further actions on the basis of this evaluation work. We have also heard constructive reflections from the country teams about the results of the report.

Firstly, we encourage you to use both your national and also the European Baseline Report in defining the national priorities. A few national reports have been launched already, in some countries it will be launched during summer and autumn months. We hope that the national reports will become roadmaps for action, endorsed by national stakeholders, as it shows where capacities need to be strengthened, who-is-who and with whom to partner and coordinate the activities at country level and where the good examples could be found. The European report can serve a good basis for discussion on commonalities between the countries in the CEE region as well as with Western EU countries to engage in cooperation on issues that countries could handle together and not only individually. We expect to facilitate country to country visits between the end of this year and beginning of 2008 to promote experience exchange and network with partners facing similar challenges. Importance of media engagement was stressed several times during today and activities for media are also planned in late autumn through identification of country journalists and bringing them together to raise their awareness, share experiences and challenges of reporting on CSR. A database of available CSR tools, materials and learning courses will be offered to you by the end of the year to assist your daily tasks of working with such a complex issue as CSR is.

These and other activities that are offering opportunities for networking in our region calls for active cooperation between all of us and I am proud that we managed to make it today to Brussels for this first joint event that will lead to closer engagement, cohesion and harmonisation of CSR policies and practices in Europe.

Last, but not least, I would like to thank you all for participating in this event, the European Commission for funding to this Project, the UNDP colleagues for their daily contribution to Project activities, our partner countries Spain, UK and Germany, our partner Microsoft, our speakers, moderators and note takers, our event organisers and my colleague Ms. Indre Kleinaité for having helped to make this Conference happening.

I wish you, ladies and gentlemen, fruitful informal networking and cooperation following the official closing of our event.