



Hungarian Competition
Authority

*HUNGARIAN COMPETITION
AUTHORITY*

*MEDIUM-TERM INSTITUTIONAL
STRATEGY
2015 – 2018*

APPROVED BY:

**DR. MIKLÓS JUHÁSZ
PRESIDENT**

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Dear Reader,

Competition on a market is a mechanism of a market economy, and generally best conveys the needs of a society and the efficiency constraints of undertakings, and thus contributes to an increase in social welfare (including consumer welfare, competitiveness and efficiency and, ultimately, economic growth, employment and the standard of living). It is the responsibility of the Hungarian Competition Authority (GVH) to ensure that this mechanism operates properly and to prevent its restriction or distortion.

The work of the GVH results in financial benefits for society that can be expressed in monetary terms: a conservative impact assessment concluded that by protecting competition, the GVH saved consumers at least HUF 58 billion in the 5 years between 2008 and 2012. In the assessment the GVH demonstrated the direct price-related benefit of interventions in cases involving restrictive agreements, abuse of dominance and mergers. In future impact assessments the GVH aims to extend this calculation to an assessment of the utility of consumer protection cases.

The GVH operates in a highly harmonised area of law and therefore cooperates closely with EU bodies. The operation of the OECD-GVH Regional Centre for Competition also allows for further international integration. Within the centre, the GVH functions as a professional knowledge base and provides technical support to the competition authorities of Central Europe and the Balkans, thereby improving the international reputation of the institution.

The effective operation of the authority is dependent on an efficient organisation and the existence of process-based procedures which promote effectiveness. It is for this reason that we have set as an objective continuous organisational development which promotes a cost efficient use of resources, relies on a closed management cycle and which adequately responds to changes in the environment and in markets.

This strategic document takes stock of our achievements, presents the fundamental objectives and directions for the future operation of the GVH and identifies the actions required to attain those objectives.

Dr. Miklós Juhász
President of the GVH

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1. SPECIFICATIONS OF THE STRATEGIC DOCUMENT

Purpose of the document	<p>The purpose of this document (hereinafter: 'strategic document') is to present the strategic efforts and actions to be taken by the GVH in the 2015–2018 period. The strategic document provides guidance to GVH staff so that each employee can contribute to the best of his/her abilities to the successful implementation of the strategy. Furthermore, it also provides information for external stakeholders.</p>
Subject-matter targeting	<p>The strategic document describes the challenges identified in the course of an assessment of the current situation of the GVH and the main areas in which changes need to be implemented. The document covers the various aspects of the strategy of the Authority for the 2015–2018 period such as the mission, core values, vision as well as the strategic target system and strategic action areas. The authority-level strategic target system will be the starting point for breaking down the strategy for its implementation to the level of tasks, for sub-strategies as well as the strategic targets for organisational levels, which are not covered in this document.</p>
Motivation of strategy making	<p>The medium-term strategy of the GVH was devised with the following motivations in mind:</p> <ul style="list-style-type: none"> – the most recent strategic period ended in 2014; – institutional strategy is a part of the appropriate control environment for the purposes of the development of internal controls; – the organisational development project '<i>Implementation of a closed management cycle in the GVH institutional governance system</i>' (ÁROP-1.2.18/A-2013-2013-0002.) identified the need for a strategy; – the action plan prepared on the basis of the findings of the audit of the operation and financial management of the GVH by the State Audit Office (No. 14001) set the elaboration of a strategy as a priority for 2014.
Planning horizon	<p>medium-term, 4 years</p>
Planning period	<p>2015–2018</p>
Organisational scope	<p>Hungarian Competition Authority</p>

Approval	President of the Hungarian Competition Authority
Access	The strategic document will be accessible to GVH staff through the intranet. An abbreviated version will be published on our website for external stakeholders.

2. PRESENTATION OF THE GVH

2.1 Legal status and responsibilities of the GVH

The Hungarian Competition Authority was established by Parliament in Act LXXXVI of 1990 on the Prohibition of Unfair Market Practices. The Authority began its operation on 1 January 1991, when the Act entered into force. The codification of the prohibition of anticompetitive practices and the establishment of the GVH to watch over compliance with the rules was motivated by the desire to protect the freedom and fairness of competition, which enforces economic efficiency.

The GVH is an autonomous state administrative body and is therefore not subordinate to the Government. The GVH constitutes a separate chapter in the central budget; its President is appointed by the President of the Republic and he/she is exclusively accountable to Parliament. In line with Article M) of the Fundamental law, the GVH performs its activities as the principal guardian of the state's obligation to protect fair and free economic competition, which is a fundamental principle of the market structure and economy of Hungary.

As Hungary is a member of the European Union, it is also obliged to enforce EU competition law. This task is also entrusted to the GVH, with the exception of issues relating to state aid.

The work of the GVH in protecting competition rests on three pillars: competition supervision, competition advocacy and the development of competition culture.

The GVH is an integrated law enforcement body. Consequently, similarly to a number of other EU competition authorities, it is bestowed with a number of consumer protection functions in order to ensure the fairness of competition in addition to its traditional competition supervision roles (antitrust, merger control).

As evident from the above, the GVH has a rather complex set of responsibilities. This is primarily because ensuring the structural conditions of competition is not sufficient in itself; if consumers are to effectively benefit from competition they must be able to choose the best of the available options with due care and in possession of all the relevant information. This is because the distortion of the decisions of a significant number of consumers may also distort market processes and competition. Consequently, the protection of the freedom of competition and the protection of the freedom of consumer choice are mutually interdependent.

A similar mutual interdependence exists between regulatory work concerning the conduct of undertakings on the one hand and the legal, economic and social environment affecting the conditions of competition on the other hand; this is why the GVH places emphasis not only on competition supervision but also on competition advocacy and the development of competition culture.

2.1.1 Competition supervision

In the course of its competition supervision work, the GVH monitors how markets are functioning and intervenes with regulatory instruments to enforce Hungarian and EU competition law if it becomes aware of any infringing practices or trends that threaten to significantly reduce competition. This regulatory law enforcement work is the most important function of the GVH.

In this capacity, the GVH takes action against restrictive agreements (in particular cartels), abuses of dominance, the unfair manipulation of the decisions of business partners and commercial practices that are unfair to consumers. Competition supervision responsibilities include the authorisation of concentrations of undertakings by the GVH: in these proceedings, the GVH **examines the expected impacts of proposed mergers** above a certain threshold and may prohibit mergers which are likely to result in a significant lessening of competition. In the framework of its regulatory work, the GVH may prohibit infringing conducts and may impose (often very severe) sanctions on infringing undertakings.

As a **competition authority of a Member State** and a member of the European Competition Network (ECN), the GVH also **enforces EU competition law** if the conduct concerned affects trade between Member States; furthermore, it uses the instruments available to it to assist the work of the competition authorities of other Member States and of the European Commission in protecting competition.

In its **consumer protection capacity** the GVH may prohibit unfair commercial or business practices and it may impose sanctions on infringing undertakings, if such practices deceive a substantial proportion of consumers, or if undertakings use aggressive sales techniques or other methods to induce consumers or business partners to make decisions which they would not have made otherwise. Members of the public encounter the work of the GVH most directly in consumer protection cases relating to unfair commercial practices. These cases represent a significant majority of the proceedings of the GVH. In its law enforcement work the GVH pays special attention to protecting **vulnerable consumers**.

In the context of competition supervision, mention should be made of **sectoral inquiries and market analyses**. The purpose of these instruments is to investigate phenomena that appear to indicate the presence of some competitive restriction in a market but it is not clear whether this is due to the conduct of undertakings, particular regulations or state intervention or the structure of the market itself. Where justified, sectoral inquiries or the less powerful instrument of market analyses may be followed by competition supervision proceedings and/or competition advocacy work.

In addition to enforcing the rules laid down in the Competition Act and in EU law, the GVH also has enforcement functions entrusted to it in other legislation¹.

2.1.2 Competition advocacy, development of competition culture

In the framework of **competition advocacy**, the GVH strives to use the instruments available to it to influence other public policies and – mostly regulatory – decisions of the state to create, improve or protect **competition and the conditions of conscious decision making by consumers**. Furthermore, in order to **promote public awareness of competition and the culture of informed decision-making of consumers**, the GVH also contributes to the **development of competition culture**. It does this by **disseminating information on competition policy** and by increasing the competition awareness of those **technical public experts** who are concerned with the legal and economic aspects of competition. As opposed to competition supervision proceedings, these activities do not directly target the conduct of undertakings; while they may set out to protect or strengthen competition the GVH has no power to directly intervene.

¹ See list of key legislation affecting the duties and competencies of the GVH in Section 9.

The **OECD-GVH Regional Centre for Cooperation in Budapest (RCC)** was established almost ten years ago, on 16 February 2005, by an agreement between the Organisation for Economic Cooperation and Development (OECD) and the GVH. The RCC focuses on four main target groups.

Its priority is to strengthen competition and promote economic growth in the countries of Eastern Europe and the Balkans by developing competition policy, competition law and competition culture. To this end, the RCC organises seminars and professional events relying on the Competition Section of the OECD and the professional facilities of the GVH.

The second target group of the RCC consists of judges working with competition law in the Member States of the European Union. By organising seminars for judges, the GVH actively promotes the development and dissemination of EU competition policy.

The third group of beneficiaries is countries participating in the Central European Competition Initiative (CECI). The Initiative, which was set up in 2003, provides a forum for cooperation between the participating Central Eastern European countries on competition issues.

The fourth target group is comprised of the staff of the GVH. The RCC regularly organises training sessions and meetings for the staff of the Authority on issues of competition law and competition policy. These seminars provide an excellent opportunity for GVH experts to acquire knowledge about the international theory and practice of competition law and law enforcement.

The GVH has earned international recognition for the training programmes it delivers in the framework of the RCC.

3. DEFINITION OF KEY CONCEPTS USED IN THE STRATEGIC DOCUMENT

Core value	Ethical, moral and behavioural norms, customs and cultural attributes that an organisation accepts and adheres to, which serve as the basis for organisational cohesion.
Stakeholders	External users of the outcomes 'produced' by the core activity, as well as any external persons or bodies which have expectations concerning the functioning of the GVH or which have effects on its operation.
Vision	Defines what the GVH hopes to achieve by a given period of time in the future (in this case by 2018), how it will set out to achieve its goals and the criteria that will be used to measure its success in relation to its identified goals.
Key performance indicators	KPI – a limited number of metrics or success criteria describing the key features of a given operational element (organisation, person or process), which facilitate the measurement of an objective (strategic objective) linked to the operational element concerned.
Mission	The core purpose of the GVH; it briefly describes the reason for its existence.. It specifies the entities that the organisation creates value for and the manner in which it does so.
Indicator / metric	It shows, directly or indirectly, the degree to which a performance indicator and, through that, the related objective (strategic objective) has been achieved. <i>Metric</i> - a parameter with its own unit of measure, indicating the most important characteristic of a task or material flow. There is a method and procedure of measurement linked to the metric as well as a system or instrument to conduct the measurement. <i>Indicator</i> – one of the key parameters of an operational element (e.g. process, organisation, person) to be quantified.
Viewpoints	The levels of the hierarchical, causal relationships of the strategic objectives on the strategy map. The various levels (Social benefits, Stakeholders, Operation, Fundamentals) all fit into the value creation logic of the GVH.
Strategy	In the broad sense, it encompasses the ideas for the future operation and value creation of the GVH and its vision; furthermore, it describes the development path, measurable objectives, development initiatives and the programme of change that will result in the desired outcome. In the narrow sense it tries to identify the way the Authority will achieve its vision, mission and what it needs to do to succeed.

Strategic management	Governance mechanism (management subsystem) geared towards the long-term development of the Authority to ensure its successful future operation. It lays out the future of the organisation and ensures, with the help of its control instruments and methods, that the organisation develops in line with its strategic objectives; it achieves this through organisational change, management decisions and measures. In other words, it shapes the future, integrates, motivates and creates organisational compatibility; the most important function of management.
Strategic action	One-off development task derived from the strategic objectives with persons responsible and designated deadlines. In the course of its implementation, resources are used to generate specific outcomes to achieve the strategy.
Strategic objectives	Measurable longer-term development objectives arranged in the strategy map by viewpoints; through their achievement, the organisation wishes to reach the desired operational state outlined in its vision. The organisation measures its success by the attainment of these objectives.
Strategy map	The hierarchical, causal relationship of the long-term development objectives (strategic objectives) of the GVH, which classifies objectives based on the perspectives of Social benefits, Stakeholders, Operation and Fundamentals.
SWOT analysis	A standard instrument of context analysis, which classifies the external and internal (organisational) factors that have an impact on the strategy based on four criteria (strengths, weaknesses, opportunities, threats). The key factors that are identified are incorporated into the strategy: exploitation of strengths and opportunities, elimination of weaknesses and threats.

4. ABBREVIATIONS USED IN THE STRATEGIC DOCUMENT

GVH, Authority	Hungarian Competition Authority
CC	Competition Council
EU	European Union
ECN	European Competition Network
Competition Act	Act LVII of 1996 on the Prohibition of Unfair and Restrictive Market Practices
OECD	Organisation for Economic Cooperation and Development
OECD RCC	OECD Regional Centre for Competition

I. MEDIUM-TERM INSTITUTIONAL STRATEGY OF THE GVH

5. MISSION, VISION

One of the milestones of the strategy making process of the GVH has been the updating and fine-tuning of the mission and vision of the GVH so that the former top-down definitions are now supplemented with bottom-up considerations to improve their acceptance.

5.1 Mission

As an independent public administrative authority, the GVH watches over the fairness and freedom of competition in order to improve consumer welfare.

It takes action against unfair and restrictive market practices and safeguards market structures promoting competition.

It contributes to the establishment of a pro-competitive regulatory environment and the broad acceptance of competition, and promotes the conscious market conduct of consumers and undertakings.

5.2 Vision

The GVH is a recognised, responsible and cooperative institution with decisive influence on professional matters relating to competition.

It responds to market developments at high professional standards, in a timely manner and with the appropriate form of intervention. Its enforcement practice is consistent and predictable and it actively utilises the regulatory instruments available to it.

It is proactive in competition policy and in establishing a pro-competitive regulatory environment.

It has a service provider attitude even in its regulatory capacity, proceeds in a customer-friendly manner and communicates actively, in a readily understandable format.

It is a renowned actor internationally and regionally and is an active member of the European Competition Network. It also cooperates with the OECD.

It operates transparently, with appropriate internal regulations and consciously works to improve its organisational culture. It uses budgetary funding efficiently. It operates an advanced system of internal controls. It continuously strives to enrich its knowledge assets and market knowledge. It keeps up-to-date with technological developments.

For the GVH, employees with high-level expertise and competencies constitute a fundamental value. Employees are committed and motivated and they can adapt to changes flexibly. They work as a team, in creative cooperation, to achieve their common goals. They perform their tasks responsibly, are performance-oriented and receive adequate rewards both in financial and professional terms.

5.3 Core values

Legality and due process. The GVH works in compliance with Hungarian and EU laws, respecting and promoting the rights of persons involved in proceedings, and meeting expectations relating to the mutual cooperation of parties in proceedings. All staff members of the GVH must proceed impartially and in compliance with the requirement of due process. The requirement of due process demands that procedural rules laid down in the Fundamental Law, in other legislation or in the directly applicable legal acts of the European Union that are binding in their entirety are observed in the course of case administration in the Authority.

Client focus. Client and public focus must become core values permeating the entire organisational culture. It is essential that the proceedings of the GVH are transparent and predictable and that in the course of performing their duties, employees do not place unnecessary burdens on clients and engage in open and two-way communication. The process of the professionalisation of customer service is present in the whole of the public administration sector; employees working in this area master abilities and skills relating to customer service and client relations, in addition to their professional competences. The actions and attitude of customer service employees have a decisive influence of the image and reputation of the entire institution; consequently, the development of the required competences must be a priority.

Professionalism. The GVH requires its employees to behave in a professional manner at all times and promotes professionalism as a core value of the entire operation of the GVH. To this end, work must be performed to high professional standards and professional considerations must be consistently enforced. The all-encompassing requirement of professionalism is conducive to the GVH being efficient in its operations, effective in its actions, law-abiding, thorough and consistent in its decisions, thereby preserving and enhancing its professional prestige.

Cooperation of employees. In their work, employees focus on the attainment of the corporate objectives formulated with their participation and, in addition to striving for good individual performance, they assist one another to create a cohesive community and to achieve common goals. The GVH considers it a priority that employees are willing to cooperate with each other as required for the professional performance of their tasks. This requirement is actively promoted by the GVH amongst its staff.

Employee recognition. The staff of the GVH perform their responsibilities with professional loyalty to the mission, values and strategic objective of the GVH. In return, within the constraints of the law, the GVH rewards, both financially and ethically, its employees for serving the public and working to high professional standards, and facilitates their professional development.

Transparency and predictability The GVH is committed to the highest degree of transparency in its operations and to making them accessible to the broad public. Transparency and predictability are required by the principle of due process, which promotes legal certainty: consistent law enforcement on the side of the GVH and voluntary compliance and enforcement on the side of market participants.

The GVH attaches great importance to transparency and disclosure in the context of its autonomous status: on the one hand, this supports responsible operation and lends credibility to the GVH, and on the other hand, it is a prerequisite for high-quality comments and critiques from the professional

competition community, which is particularly important for an independent competition authority, and which the GVH welcomes.

Integrity

GVH employees are obliged to report to their direct superior or to the appropriate authority with competence in the case of any act of corruption, use of public funds and public assets in a wasteful, non-transparent manner or for private purposes, any activities in violation of the requirement of due process, as well as any suspicion of the above. The GVH also promotes the practical application of professional ethics through internal rules (code of ethics), which guarantees the protection of complainants and the impartial investigation of complaints.

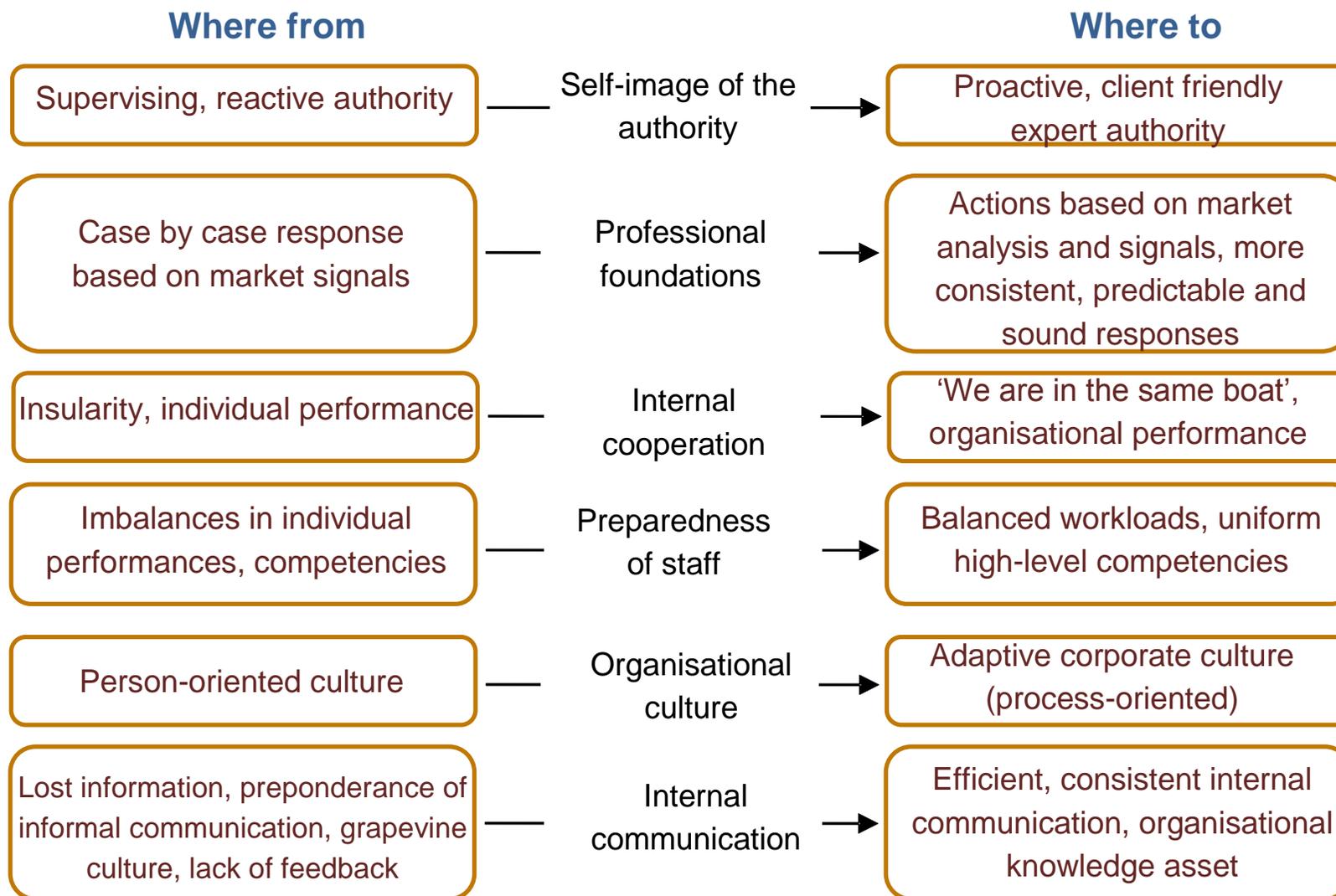
Partnership. The GVH strives for cooperation with external stakeholders affected by its work. It takes into consideration the general economic and market environment and the views of other stakeholders. In particular, the GVH regards as special partners the sectoral supervisory bodies responsible for the economic regulation of sectors as well as other public administrative bodies and strives to cooperate with them in various forms, including the coordination of actions to address particular problems and the sharing of the available instruments that are available to the various authorities.

The GVH also monitors the work of other institutions working in competition policy and incorporates the experiences gained by these institutions into the work of the GVH. This is primarily achieved by adapting the interrelations, approaches and methods of the institutions to meet the specific needs of the authority. Such institutions include competition authorities and sectoral regulators of other countries as well as international organisations (in particular the ECN, OECD, International Competition Network). The GVH also considers persons, organisations, institutions and non-governmental organisations working in the Hungarian or international professional communities and academia to be important cooperation partners.

6. CHANGE MAP (STRATEGIC CHALLENGES)

The change map is prepared by synthesising the outcomes of the assessment and the elements of the vision of strategy-making. It shows the key areas of strategic changes and, in particular, specifies the baseline state and the target state that the GVH would like to reach. The states of the strategic areas in the Change map serve as input information for strategy makers about the desired state (vision) for strategic thinking.

6.1 Change map of the GVH



1Change map of the GVH

6.2 Description of the change map

Self-image of the authority

Relying on the experience accumulated, the GVH will move on from its reactive, supervisory role and in the future it will strive to also increase consumer and social welfare with its **proactive** as well as **preventive and supportive actions**. To underpin its expanded role, in the future the GVH will allocate more resources to the active monitoring of markets and factors affecting competition and to ensuring **more active communication** with market participants, partners and consumers. The GVH views itself as an approachable expert body which not only monitors market participants but also supports them in pursuing conducts which are in compliance with the requirements of competition law. Additionally, the GVH assists the Government to establish a competitive regulatory environment. In its proceedings, which are always carried out to high professional standards, the GVH places **great emphasis**, alongside compliance and consistency, on transparency, predictability and **customer focus**, in line with the principle of due process. It regularly informs the profession and the general public about its actions in an easy-to-understand format, thereby promoting the greater acceptance of its decisions and the development of a culture of acceptance of competition as a social value.

Professional foundations

In the identification of situations requiring action or intervention by the GVH, greater emphasis will be placed on analytical work relying on the knowledge and intensive monitoring of market conditions, in addition to the appropriate screening and processing of external signals (from the market, stakeholders, authorities etc.). Through a **proactive approach** and a better utilisation of the available instruments, the ratio of targeted initiatives relying on the GVH's own detection work will increase and the coordination and organisation of GVH actions will improve. To ensure that its duties are carried out to a **high-quality**, the GVH is of the opinion that it is imperative that it increases its knowledge assets relating to sectoral, competition law, competition policy and consumer protection issues and that it is up-to-date with state-of-the-art methods and technologies; the organisation has a desire for, and provides support for their development. The continuous updating and improvement of professional values makes it possible for the actions and communications of the GVH to increasingly satisfy the requirements of consistency, soundness, timeliness and effectiveness in respect of all three pillars of the Authority's activities.

Internal cooperation

The operation and culture of the organisation need to be shifted so that employees focus in their work on the attainment of the corporate objectives formulated with their participation and so that, in addition to striving for good individual performance, they assist one another to **create a cohesive community** which facilitates the achievement of their common goals. The objective is to create appropriate mechanisms and attitudes in the organisation so that inevitable conflicts between individual and organisational interests and between units with different functions can be appropriately managed or prevented in the spirit of compromise, in the best interests of the entire organisation. The organisational culture is based on multi-directional trust: managers trust their subordinates and vice versa.

Preparedness of staff

In the system of positions devised by analysing positions as part of the strategy-based, integrated human resource management, the knowledge and competencies required for each post are clear and the scope and level of responsibilities relating to each position are identified.

As part of the annual individual assessment of each employee's performance, the competences required by each individual to carry out his/her responsibilities are evaluated. This enables the identification of any competence areas that need to be developed to improve the individual's performance and allows for appropriate training programmes to be devised in the context of the annual training.. The **conscious and planned development of the skills of employees** improves conformity between job requirements and the knowledge and competences of the holder of the job; this leads to competences being at a uniform high level and a more balanced workload due to the more even load bearing ability of employees.

Organisational culture

The person-oriented culture places employees and their competences at the core of the success of the organisation. As the effective operation of the organisation depends to a large extent on the willingness, abilities and needs of individuals, the other factors affecting its operation are often significantly adjusted to meet the expectations of individuals.

In an adaptive organisational culture all the factors of operation are aligned, in a coordinated manner, to the (appropriate and legitimate) external expectations from the organisation; the ability of the organisation and its functions to be adapted to the changing environment is essential. In this culture the importance of each organisational and operational factor (staff, information, regulation, technology, working environment etc.) is aligned to expectations.

The survey conducted into the organisational culture of the GVH in 2013 showed that there is no dominant culture. This suggests that there is a need to set as a strategic objective the devising and implementation of an overarching organisational culture development programme as this is likely to facilitate the aforementioned change in the entire organisational culture, and will allow the present non-characteristic ('open to all directions') culture to be replaced by a **characteristic, adaptive culture**.

Internal communication

In the GVH the communication of decisions and their justification, the collection and distribution of information relating to or necessary for the work of various units or working groups often takes place on an ad hoc, insufficiently planned basis or relies on unnecessarily unilateral and overwhelmingly verbal communication. This may lead to a significant loss of efficiency, duplication of work in certain fields, insufficient information availability at certain decision points or checkpoints and a loss of information on the level of the organisation. As in such situations informal channels inevitably take over to satisfy the natural need for information, this may lead to an increased spread of misinformation and guesswork and may engender mistrust. Consequently, it is necessary to ensure that the information relevant for daily work, decision making and the operation of the organisation as a whole freely reaches all those who need to use it, in a **structured and consistently applied system**, relying on an atmosphere of trust, and as soon as possible after it is generated, in a written form to facilitate its retrieval; in other words, information flow within the organisation should be **genuine multi-directional communication** rather than a series of unilateral statements. This can be

achieved gradually, mainly by developing the organisational culture and the competencies of management, amending the internal regulations and more intensively making use of modern information technology.

7. STRATEGIC OBJECTIVES OF THE GVH, 2015-2018

7.1 Higher-level compatibility of strategic objectives

The most comprehensive European and Hungarian directions, objectives, tasks and framework of the strategy of public administration development are laid down in the **Magyary Programme**. The organisational development programme implemented by the GVH in 2013-14 under the auspices of the State Reform Operational Programme (SROP) summarised in a consistent logical system and in line with the substantial development of the public administration system all previous organisational and operational development programmes. It also determined the future directions of development of strategic management with the same approach. Compatibility with the system of objectives of the Magyary Programme is indicated by the following target and action areas of the GVH's strategy:

- development of the system of strategic governance,
- establishment of a comprehensive institutional controlling system,
- integration of performance management into a closed management cycle,
- process-driven operational development and control,
- comprehensive organisational culture development, in particular integrity system development,
- establishment and institutionalisation of the knowledge management system,
- modernisation of customer and public relations in the spirit of service provision,
- expansion of electronic administration.

All these strategic development directions have been adapted in the strategy of the GVH while focusing on compliance with the criteria of the “**good state**”, and integrated with traditional public administration development objectives and requirements (also in the spirit of Magyary) such as being effective, **efficient, economical** and, last but not least, promoting **quality and professional excellence**.

7.2 Social benefits

The social utility of the GVH is derived from the utility of market competition. This gain is identical with the surplus that, as a direct or indirect result of the presence and work of the GVH, competition can add to its beneficial effects and contribute to the growth of consumer welfare.

The work of the GVH in itself brings social benefits through protecting a competitive market structure, fair competition and informed and undistorted consumer decision making. The achievement of these benefits is promoted by the fact that the GVH is the only entity that is entrusted with both classic competition authority and consumer protection functions, which are interrelated in a number of ways (for instance because of their market focus), thus these activities can reinforce each other's positive effects. Furthermore, the GVH as the competition authority of a Member State contributes to the functioning of the single market within the European Union.

Consequently, the 2015-2018 strategy focuses as its fundamental pillars on the social benefits that are also the aims of the existence and mission of the GVH.

Social welfare

Fair and free market competition as a tool to achieve long-term consumer welfare also serves the purposes of economic efficiency and social progress. This is the mechanism of a market economy which best conveys the needs of a society and the efficiency constraints of undertakings, and which ultimately benefits consumers. When competition functions properly, market success primarily depends on genuine achievement and efficiency; this performance-driven operation can ensure the enhanced competitiveness of the markets and sectors concerned and, ultimately, of the country itself, assisting economic growth and employment and thus a higher standard of living. This is true even if in some sectors, at a certain point in time, competition is impossible to create or it is unable to ensure the efficient operation of the market. In such cases, exceptionally, at the extent and for the time justified, state or regulatory intervention may be required to substitute for the market regulating mechanism of competition.

Fair competition on the market

Markets with fair and free competition have lower prices, higher quality, wider choice and stronger innovation in the longer term than markets characterised by unfair market practices, distorted market conditions and market structures. Fair competition is in the interest of consumers as well as undertakings operating efficiently and fairly. To promote long-term consumer welfare, the GVH protects the process of competition itself rather than the state of competition at any given time or individual market participants.

Developing competition culture

The competition culture development work of the GVH, that is, the promotion of the acceptance of competition and of the related knowledge and awareness also focuses on the protection and enforcement of fair and free competition as an instrument to guarantee the social benefits outlined above. By promoting market competition and the rules applicable to fair competition, the GVH wishes to foster the voluntary compliance of undertakings and consumer awareness.

* * *

The aggregate social benefits of the GVH arise because competition and its effects on welfare work more efficiently as a result of the activities of the Authority. The welfare gain arising from the operation of the GVH cannot be fully and accurately quantified (it is definitely not the same as the amount of fines imposed by the GVH, for instance). Nevertheless, the GVH strives to quantify, with economic measurements, the consumer gains resulting from its pro-competition work within the constraints of the available data and methodologies.

7.3 GVH 2015-2018. Institutional strategy map

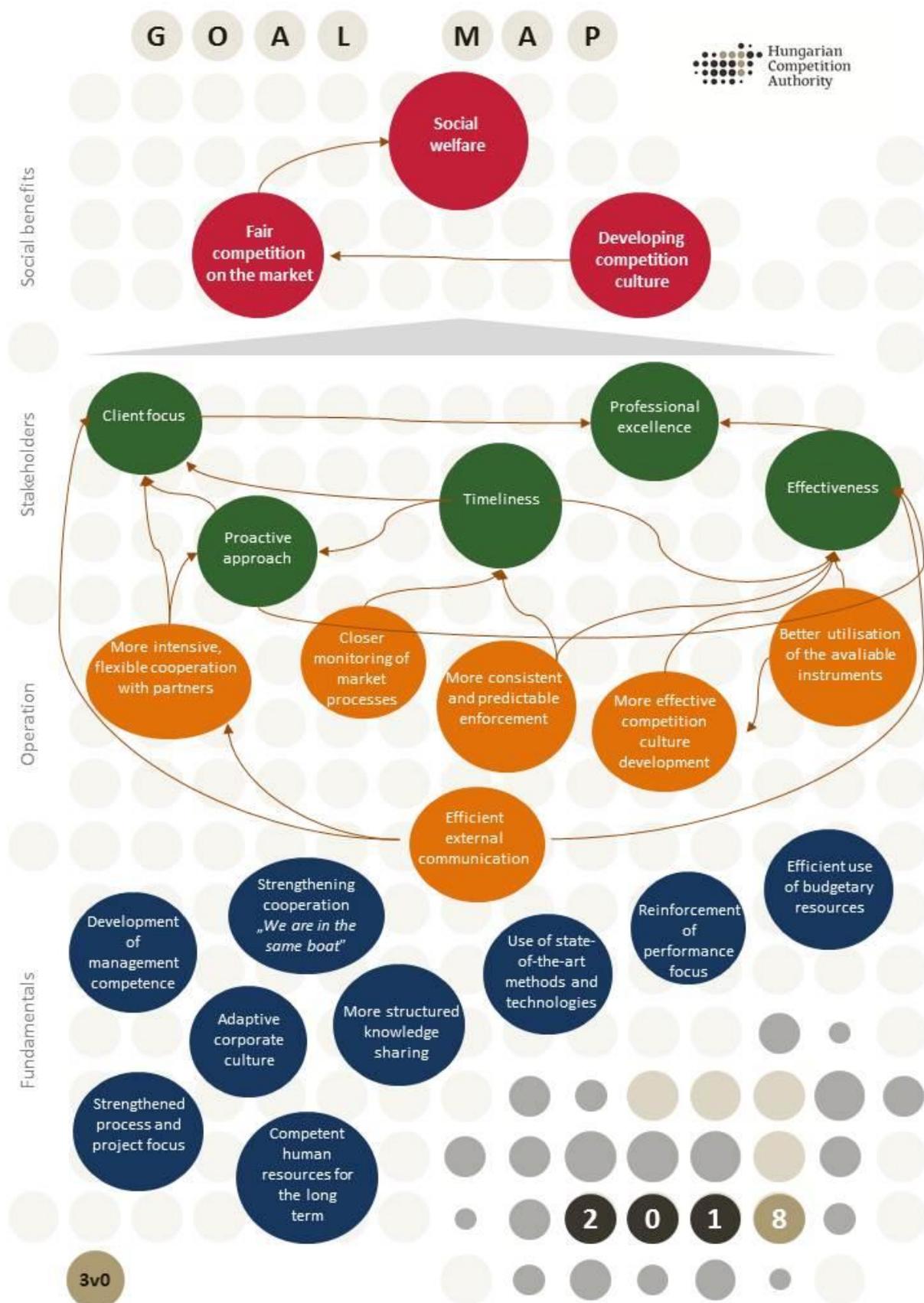


Figure 2. GVH Strategy map 2015-2018, 3v0

7.4 Strategic objectives and definitions

Proactive approach: The role perception based on a sense of initiative underlying the work of the GVH. Active role irrespective of external signals with a view to preventing or minimising damage arising from potential market distortions, competition problems or inadequate regulatory interventions, through targeted actions based on own observations.

Timeliness: Timely response to market developments with a view to minimising the duration of the harmful market effects of competition problems and to prevent irreversible harm. More efficient use of administrative time limits to shorten the duration of proceedings.

Professional excellence: Professional excellence is a quality-focused approach that requires the highest professional and analytical standards possible in the time frame available; keeping up-to-date with the relevant literature and case-law; continuous drive to display, preserve and heighten professionalism and professional prestige in Hungary and abroad, including a more pronounced presence in the European Competition Network.

Client focus: The organisation's work is client-oriented: proceedings are transparent, predictable and place no unnecessary burdens on clients; maintaining contact is simple. Through open, two-way and clear communication the GVH is able to get closer to its potential and existing 'clients', thereby promoting the awareness and skills of clients and the availability of the information that is necessary for the GVH.

Effectiveness: Through its competition supervision and regulatory work and other organically related actions, the GVH is able to achieve effective results by resolving issues in the functioning of markets to correct competitive conditions and increase consumer welfare. It has substantial influence over competition-related professional decisions.

More intensive, flexible cooperation with partners: The GVH strives for a more proactive role in its relationships with peer authorities, non-governmental organisations as well as institutions or bodies working in the professional or academic fields. In its relations with partners, the GVH aims for directness, flexibility, reciprocity and informative communication. Flexible handling of incoming enquiries as warranted by their nature and effective action to respond to signals.

Closer monitoring of market processes: The continuous, active monitoring and analysis of the development of market conditions underlying the functioning of markets and determining the dimensions of competition to collect and update information about sectors and market practices, which promotes the identification of the need for the competition authority to take action, the determination of the content and mode of required actions and the monitoring and assessment of the impacts of the interventions of the competition authority and regulator.

More consistent and predictable enforcement: In respect of the actions and communications of the GVH there is a pronounced requirement that identical situations should be accorded identical treatment, and departures from established practices should only occur in justified cases. The deliberation of decisions are based on an unbiased evaluation of objective, predetermined factors, and the rationale behind decisions and the factors taken into account are always disclosed to stakeholders in a detailed, clear and understandable format. The GVH discloses its law enforcement practice to a wide audience and improves the accessibility and clarity of the relevant information so as to reduce the costs of compliance due to any uncertainty in the interpretation of the law. Through this, the GVH promotes an attitude of compliance, which may in aggregate constitute one of the tools of prevention.

More effective competition culture development: Broadening the public acceptance of competition as well as increasing awareness of consumer decision making and its protection by reaching key target groups and communicating content and messages rooted in real life, which highlight direct or indirect involvement of the stakeholders.

Efficient external communication: It relies on information disseminated at the appropriate time with clear content and through carefully selected channels, which can influence the target audience of external communication, enhance the public acceptance and professional prestige of the GVH, increase the awareness of market participants and calls attention to market problems leading to the distortion of competition.

Better utilisation of the available instruments: In case of the various market problems and issues encountered, the efficient and effective selection of the form of intervention and the instruments to be used, taking into account the interaction between potential instruments and seeking new options, as well as their use despite any potential risk associated with the uncertainty of the effectiveness of the action.

Development of management competence: Development based on competence measurement, focusing on the presentation and practice of communication techniques, management decision-making and feedback methods that can be used in the practical work of managers with greater effect than traditional techniques; providing assistance and practical examples for efficient management work, the management of the performance of staff and the mastering of a management model supportive of effective goal setting and the attainment of goals.

Strengthening cooperation – ‘We are in the same boat’: Employees work as a team, helping each other and managing any potential conflict in their interests as can be expected in a cohesive community, to attain the goals of the GVH as a whole. Internal communication is conscious and relies on constant feedback so that the relevant information is available to the persons concerned in a timely manner.

Adaptive corporate culture: Comprehensive, unambiguous and clear internal rules applied consistently and impartially ensure a transparent and controllable operation as well as high professional standards. Due to their high level of acceptance, the enforcement of these rules primarily relies on the voluntary compliance of staff. The existence of internal rules and their application also guarantee sufficient flexibility and the management of unexpected situations in a regulated framework, as well as the use of creative solutions and practices in response to a changing environment.

Strengthened process and project focus: Implementation of tasks and operation is organised in the form of regularly recurring processes or one-off projects with deadlines, using process and project management methods and techniques. This is the basis of control and regulation, which describes the logical interaction of objectives, tasks, operating conditions and performance requirements. This increases the level of organisation, makes the attainment of objectives and operative decision-making more efficient and provides for better monitoring of the effects of any change in the entire organisation.

Competent human resources for the long term: Ensuring a continuous supply of staff members who plan to have long term careers at the GVH. The long term employment of staff members who are willing to develop their competences through self-education to comply with expectations and meet objectives enriches the prestige of the Authority.

More structured knowledge sharing: The structuring of the knowledge amassed in the organisation, its storage and handling in appropriate ways so that the information necessary for working, decision-making and personal development is accessible at the appropriate time and place.

Use of state-of-the-art methods and technologies Adoption of new, productive procedures and ideas; identification and application of new solutions and methods in the actions of the GVH, leaving more room for effect-based and economic approaches. Acquisition of technologies and technical tools at standards which are at least equivalent to what is customarily used by the participants of the continuously changing and progressing markets, allocation of analytical capacities to process the collected information with modern methodologies.

Reinforcement of performance focus: Key features of the organisational culture include high professional standards in working, and individual performance in tune with the predefined performance requirements and organisational objectives. The whole of the GVH recognises excellence both financially and ethically and stimulates its staff to maintain such performance standards.

Efficient use of budgetary resources: In the course of putting the limited budgetary funds to use, the requirements of the effective performance of core processes and of technical and technological adaptation to the changing economic environment are taken into account. The set objectives are achieved via the most possible cost efficient use of resources, which is supported by appropriate control processes. A cost-conscious attitude must also prevail in the day-to-day operations and the performance of the tasks of the public authority.

8. ACTIONS PROPOSED TO IMPLEMENT THE STRATEGY

The implementation of the strategy is supported, in addition to the existing operational processes, by a number of ongoing or proposed projects in the various action areas, as described below. The projects consist of complex programmes covering several action areas. During the strategy-making process, additional ideas and projects plans have also been identified which are still in the concept phase and which have not yet been expressly approved by management decisions. These may be incorporated in the strategy following their approval by senior management, in the framework of sliding planning.

The implementation of actions for the execution of the strategy makes the strategy a 'living' action permeating all the levels of the organisation's functions.

8.1 Process development

As a key area of the development of core operations, the expansion of process modelling and optimisation in specific areas (e.g., optimisation of claim management, institutionalisation of project management, initiation of competition advocacy actions, process-based regulation, mapping of document management system to processes), as well as in operational development in general.

8.1.1 Deepening of process culture in operational development

Process models describing key processes have been prepared or updated so that they are up-to-date on organisational and regulatory changes. The resulting models help in the stabilisation of a process-focused working culture, the efficiency-based improvement of processes, the easy identification of work processes and their monitoring by management and the review of resource requirements; furthermore, processes can be given additional IT support. The majority of the programmes of the action area are already under way; some processes need to be expanded, other deepened. The future directions of their application must be identified based on analyses.

8.1.2 Improvement of the claims management process

Improvement of the claims management process and the supporting computerised records through a review of the in-process controls so that the efficiency of the registration of claims and the timely initiation of their collection are increased. The improvement of this process can be manifested in a more efficient collection of the fines imposed by the GVH.

8.1.3 Integration of competition advocacy into competition supervision

Enhancement of the knowledge of investigators about competition advocacy and various sectors. The establishment and promotion of the competition advocacy database so that investigators can identify the need to engage in competition advocacy and, in possession of the relevant information, they can present pro-competition regulatory alternatives and participate more actively in the competition advocacy work of the GVH.

8.2 Strategic management

The identification of strategic and operative goals, the definition of the related performance requirements, process-based control of the organisation and its operation, the management of

projects and changes in the interest of development and comprehensive controlling to verify results constitute a uniform, harmonised system. In this system, effective operation in conformity with the purpose of the organisation and the set objectives increases significantly.

8.2.1 Completion of the closed-cycle strategic management system (objective setting, performance control, regulation, clarification of tasks, responsibilities, powers)

The development of strategic management began in the previous period and will be methodically continued in the future; the tried and tested elements will be institutionalised through internal regulations.

Priority programmes

- institutionalisation of the system of strategic planning,
- completion of the preparation of sub-strategies (coordination of existing and new ones with the core strategy and with each other),
- development of a system of indicators facilitating the achievement of strategic objectives and linked to performance requirements and the elaboration of its methodology in the priority fields of operation,
- expansion of the system of internal controls to the whole of strategic and operative activities (and within that, to resource allocation),
- incorporation of the reinforced integrity system into the system of comprehensive controls (GVH Controlling).

The institutionalisation of project management is a new area of management. With the exception of a few new proposed actions (project management, competition advocacy, communication sub-strategy), each action is the structured continuation of ongoing processes.

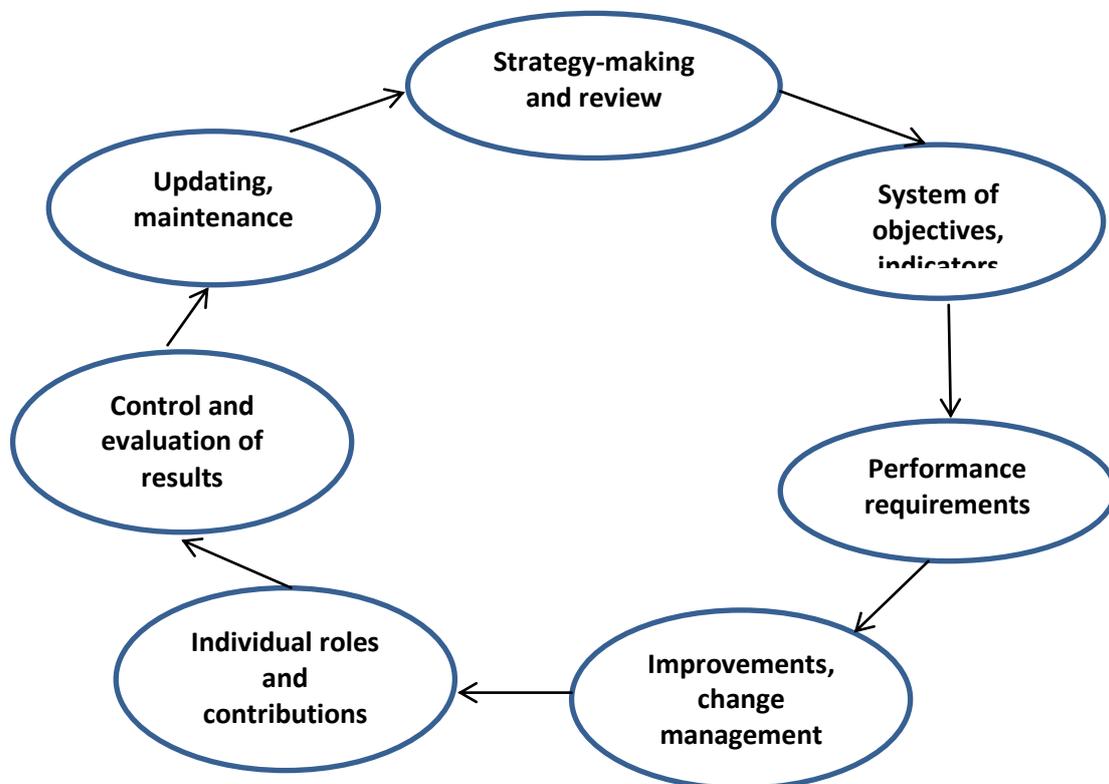


Figure3 Model of closed-cycle strategic management system

8.2.2 Institutionalisation of strategic planning

The successful implementation of the strategy requires the planning and organisation of strategic actions (projects, measures, investments and conditions), the allocation of appropriate resources, the establishment of an organisation and processes to support implementation, the execution of required changes (organisational, personal and cultural), as well as assuring the conditions of operation and the running of on-going and strategic controls. For the implementation of strategic management it is indispensable that this process, organisation and system of responsibilities is institutionalised in the form of an internal regulation and that a strategic approach permeates all levels of planning, including the review of strategic objectives and the related tasks from time to time.

8.2.3 Completion of the integrity management system

The integrity management system refers to the conscious 'facing' of corruption risks in a structured framework, the identification of specific actions to address any risks identified as well the monitoring and evaluation of their success. The President of the GVH has appointed an integrity official to perform these functions. This official must regularly measure and analyse the corruption hazards threatening the organisation, the operation of the internal controls set up to eliminate the risks and, based on the analysis, prepare annual organisation-level action plans to redress any deficiencies identified.

8.2.4 Improvement of internal regulations

The objective is to provide employees with internal regulations that are unambiguous, clear, can be applied consistently and allow for the handling of new situations in a regulated framework. Regulations must be consistent with the effective legal rules and they must ensure that the internal operation of the GVH stays within its pre-determined, necessary and sufficient boundaries. It is important that employees are aware of internal rules, understand their objectives and necessity and are able to apply them in their daily work.

8.2.5 Improvement of internal controls

The control system that complies with legal regulations will develop into an institutional controlling system encompassing all substantive control functions. Controls directly serve strategic and operative functions and feed data into the management information system. The internal control system will become suitable to be an integral part of closed-cycle management.

8.2.6 Development of the performance management system

The performance management system of the GVH must transform into a measurement and evaluation system, which under the regular supervision of management, has as its primary objective the development of individual performances and competences in order to promote the achievement of organisational objectives and ensure a consistent high level of individual performance.

One of the key objectives of the improvement of the performance management system is to establish and operate an objective evaluation system which, in addition to substantively evaluating the performance of investigators, shows the workload of each investigator as well as any disparities

in the distribution of workloads. After the introduction of the system, the performance of investigators will be able to be measured and compared based on more objective and verifiable criteria.

The fundamental elements of the system are: adequate managerial feedback, continuous improvement of competencies and their measurement along – preferably objective – indicators.

8.2.7 Development of the competition index methodology

The indicator known as the competition index is generally used to analyse individual markets or sectors and to establish potential risks by condensing information derived from indicators relevant for competition into a single metric.

8.3 IT development

Existing IT applications, or applications being developed, present services that may be used to promote efficient, effective and economical solutions, and to improve the utilisation of resources and increase the integration of the client service, management and data management systems in a number of areas. For instance, they may provide an appropriate framework for the development of electronic client relations and the document management system, the establishment of a library of document templates, a knowledge management database or application, and they may be used for the management of various processes or projects (client register, claims register). In the future, IT development aiming to broaden and deepen the secure use of infocommunication facilities must serve the achievement of strategic objectives. Most of the projects are under way or have been approved, while a few (electronic client relations, library of document templates, intranet and knowledge management system) are new project ideas.

8.3.1 Website development

On 1 January 2014 the GVH renewed its website in terms of structure, content and image. In addition to a review of the content of the new website, in 2015 a number of new functional solutions are planned, which would represent significant progress in maintaining contact with clients and increasing the efficiency of proceedings. Examples include the cartel-chat and the possibility to book dates for access to files.

8.3.2 Development of CC assignment system

The CC assignment system provides help in assigning the rapporteur and other members of the proceeding competition council in each proceeding in light of their experience and current workload. This contributes to an even distribution of cases, thus compliance with time limits, timely decision making and the re-assignment of cases can be of a higher standard than at present.

8.3.3 Improvement of the case register

Improvement of the integrated IT application supporting the GVH's competition supervision work and containing detailed case information. The improvement includes the incorporation of recent legislative changes into the programme and significant modifications to ensure the availability of up-to-date management information and to reduce administrative burdens on users. The development of the Civil-Criminal-Competition Law database is expected to be completed at the end of 2014, then

in 2015 the fine registration module will be improved and additional functions to support document management will be implemented.

8.3.4 Improvement of the electronic file/document management system

In the field of the management of various types of electronic documents, a working group is elaborating the most appropriate and practicable organisation of work and IT solutions. The objective is to have a single system integrated into other processes for the recording and administration of access rules to documents stored electronically and for the management of authorisations both in the file management system and in respect of document storage. This action also indicates future directions of development for information technology (common document management interface, electronic access to files, remote access, hardware development such as storage and backup capacities).

8.4 Human Resources Development

The development of human resources focuses on performance oriented programmes of the assessment of positions and the competences of management and staff in those positions, with a view to supporting even distribution of the workload and planned succession. This development mainly consists of ongoing projects (analysis of scope of activities, performance management) and some proposed actions to be elaborated (resource allocation, succession planning).

8.4.1 Analysis and assessment of the scope of activities (review)

An analysis of the scope of activities refers to a survey of the particular knowledge and competencies that are required for a specific position (not the person holding that position), the 'streamlining' of positions and the organisation of similar positions into families. Such an analysis of the scope of activities and the organically related competence analysis open up the way to the implementation of the oft-quoted 'right person to the right position' principle and planned succession.

When assessing the activities, relying on the data derived from an analysis of the scope of activities, the relative value of each position in the organisation will be identified, primarily in order to allow for differentiation of the investigator positions, mostly with a view to setting the investigator bonus on an objective basis.

8.4.2 Development of management competence

Provision of training and coaching sessions to present and practice decision making and communication techniques and managerial feedback methods that can be used in the work of managers, to assist managers through practical examples to increase their efficiency, heighten the effectiveness of their performance assessment interviews and allow them to master effective goal setting and the managerial model that is supportive of them achieving their objectives.

8.5 Partnership

The expansion of the scope of cooperation with peer authorities and professional partner organisations, the provision of support to academic research and educational institutions and the deepening the professional links to these bodies are important safeguards for professionalism and excellence. Partnership is developed continuously but the requirement to subordinate

partnerships to strategic objectives sometimes sets new objectives, tasks and occasionally points to new partners in the action area.

8.5.1 The development of competition culture supported by an efficient public relations system

The programmes of the competition culture action area focus on targeted, effective and state-of-the-art communication; its tools include the GVH's institutional and supplementary, thematic websites, new media interfaces, creative campaigns, educational programmes and a system of advisory bureaus as well as new interfaces for electronic administration. Most of the action area is comprised of proposed projects, a small number being ongoing developments (websites); while electronic client relations is a programme proposal that needs to be elaborated.

Fair competition is beneficial for both undertakings and the general public. To this end, the GVH continuously strives to enhance the competition culture in Hungary and to improve the social acceptance of competition among both consumers and economic associations (in particular SMEs). With this in mind, the GVH has created the website www.megfeleles.hu, which, among other things, contains useful information about the competition rules that need to be complied with.

Constructive and flexible communication with peer authorities enables the necessity of the actions of the GVH to be assessed and allows for interventions to be more efficiently carried out. Cooperation agreements tend to provide the institutional framework for expert consultations and therefore the GVH strives to conclude and maintain a wide range of such cooperation agreements as required.

8.5.2 Improving access to data on public procurement procedures to discover infringements

The acquisition of information about public procurement cartels, which typically conceal their identity, has fundamental importance in the work of the GVH in detecting cartels. Public sources (such as announcements published in the Public Procurement Gazette, decisions of the Public Procurement Arbitration Board) provide access to market information and such information is needed to move the case forward, using tools of detection, to the initiation of competition supervision proceedings and the detection of cartels. This is why it is important for the GVH to be able to use public sources to identify suspect behaviour in public procurement that warrants further analysis.

To this end, the GVH

- elaborates proposals, in the framework of institutional and personal communication, aimed at improving the searchability of the content of information published on public procurement;
- develops and improves its methodology for the detection of public procurement cartels;
- aims to procure analytical software for its market surveillance work which facilitates the processing of the available public procurement information and the search for related background information in public networks (Internet).

8.5.3 Cooperation agreements with new peer authorities, professional organisations and NGOs, review of existing cooperation agreements

The mutually advantageous expansion of cooperation with partners, the review of the system of institutionalised expert-level consultations and cooperation agreements as related to strategic objectives opens the way to the better utilisation of the public administration data available at peer authorities in certain areas (e.g. public procurement), the sharing of expertise and joint action (e.g. market monitoring, use of joint evaluation systems, joint communication).

8.6 Development of organisational culture to support the human side of change

Some of the proposed changes demanded by the strategic objectives are rooted in the organisational culture, which is methodologically reviewed and transformed by this action area.

This development covers, inter alia, adaptivity (fast response to changing needs, smart adaptation), cooperation (internal communication), organisational integrity (no corruption), the complementarity of formal and informal links and decision making, the identification of aspects of the culture which reinforce the responsible management of resources and their institutionalisation and incorporation into a complex system.

8.7 Institutionalisation of knowledge management as a safeguard of professional excellence

This action area focuses on establishing a system and knowledge base to assure the acquisition, storage and easy access and use of personal and institutional knowledge available to the organisation and the supplementation of knowledge in areas identified as having insufficient information.

A standing working group will be set up to promote the institutionalisation of knowledge management, with a view to the overall coordination of the collection, preservation and structuring of the accumulated professional knowledge, theoretical and practical information and data indispensable for the performance of the Authority's tasks, as well as its dissemination to staff in an organised framework.

The analysis of the situation has been completed and the concept of a possible programme has been created; the equipment for fundamental IT support is available or will be developed as a separate planned action. This can be a sound basis for further work.

9. PROCESS OF IMPLEMENTATION OF THE STRATEGY

As the implementation of the strategy will span several years, the actions required for its implementation need to be planned and coordinated centrally, in a structured manner, and the actions and tasks the need for which arises during the implementation phase must be examined so that the strategy can accommodate new requirements (or 'forget' others) and so that it becomes self-adaptive. **To this end, a strategic approach to the operation of the organisation needs to be introduced, and managerial decision-making needs to focus on strategic objectives.**

The successful implementation of the strategy requires the **introduction of the operation of strategic management. This entails** the planning of strategic actions, the allocation of the necessary resources, provision of the required conditions, as well as continuous monitoring and, where required, correction in light of the in-process and strategic indicators.

During the implementation of the strategic document, the **monitoring of the strategy** will be an ongoing task. The purpose is to monitor how the programmes, actions, tasks and projects promote the achievement of the objectives.

This requires the elaboration of a system of indicators that can inform members of strategic management about progress on an ongoing basis.

For the adequate monitoring of this strategic document, the first task after its adoption will be the **elaboration of a system of strategic indicators and its approval** by senior management. This is to be coordinated by the organisation development and quality management working group.

The most important precondition for the implementation of the strategy is that the management is fully committed to the strategic objectives, vision and core values of the GVH and that they convey that commitment to their subordinates. However, it is also **necessary that levels of responsibility are defined for the coordination of actions (projects) aimed at strategic management functions and geared towards the attainment of strategic objectives, that the required resources are allocated to strategic actions, and that the persons responsible for implementation are given substantive powers and discretion.**

The implementation of the strategy must be monitored on an ongoing basis and **evaluated** at specified intervals (typically in line with annual strategic action plans), with a particular focus placed on an assessment of the outcomes and effects of the strategy. The purpose of the assessment is to provide a review of the objectives, interventions and implementation system of the strategic documents in accordance with a given set of criteria, and to allow appropriate recommendations and conclusions to be drawn up based on the findings with a view to improving the quality of present and future actions.

As another important condition, employees should familiarise themselves with the strategy, embrace the objectives set therein and participate in the implementation of strategic actions. For the strategy to be successful, it must not remain a 'declaration' made by senior management and its authors; instead, it needs to become **an active action and approach permeating the entire organisation.**

II. APPENDICES

10. LIST OF KEY LEGISLATION AFFECTING THE DUTIES AND COMPETENCIES OF THE GVH

10.1 Key legislation pertaining to the functioning of the GVH

The Fundamental Law of Hungary

Act CXCIV of 2011 on public finances

Act XLIII of 2010 on central administrative agencies and the legal status of the members of the Government and junior ministers

Act CXCV of 2011 on public service officials

Act CXII of 2011 on informational self-determination and freedom of information

Act XCIII of 1990 on duties

10.2 Key legislation governing the law enforcement work of the GVH

10.2.1 Rules applicable to the Hungarian market

10.2.1.1 Competition law

Act LVII of 1996 on the prohibition of unfair and restrictive market practices (CA, Competition Act)

Government Decree No. 202/2011 (X.7.) Korm. on the exemption from the prohibition on the restriction of competition of certain groups of specialization agreements

Government Decree No. 203/2011 (X.7.) Korm. on the exemption from the prohibition on the restriction of competition of certain groups of insurance agreements

Government Decree No. 204/2011 (X.7.) Korm. on the exemption from the prohibition on the restriction of competition of certain groups of agreements concerning the after-market of motor vehicles

Government Decree No. 205/2011 (X.7.) Korm. on the exemption from the prohibition on the restriction of competition of certain groups of vertical agreements

Government Decree No. 206/2011 (X.7.) Korm. on the exemption from the prohibition on the restriction of competition of certain groups of research and development agreements

Government Decree No. 86/1999. (VI.11.) Korm. on the exemption from the prohibition on the restriction of competition of certain groups of technology transfer agreements

10.2.1.2 Unfair commercial practices, advertising law

Act XLVII of 2008 on the prohibition of commercial practices that are unfair to consumers ("UCPA")

Act XLVIII of 2008 on essential conditions and certain limitations on business advertising activity ('Advertising Act')

10.2.1.3 Procedural law

Act CXL of 2004 on the general rules of public administrative procedures and services (PAPA)

Act III of 1952 on the code of civil procedure (CCP)

10.2.1.4 Sectoral legislation

Act C of 2003 on electronic communications

Act CLXIV of 2005 on trade (Act on Trade)

Act CLXXXIII of 2005 on railway transport

Act XCVIII of 2006 on the general provisions relating to the reliable and economically feasible supply of medicinal products and medical aids and on the distribution of medicinal products

Act LXXXVI of 2007 on electricity

Act XL of 2008 on natural gas supply

Act XLVI of 2008 on the food supply chain and on the control and supervision of the food supply chain

Act CLXII of 2009 on consumer credit

Act CLXXXV of 2010 on media services and mass media

Act CVIII of 2011 on public procurement

Act CXXVIII of 2012 on inter-branch organisations and on certain issues of the regulation of agricultural markets (Interbranch Organisation Act)

Act XLI of 2012 on passenger transport services

Act CCXXXVII of 2013 on credit institutions and financial enterprises ('CIFE')

10.2.2 Acts of the European Union

10.2.2.1 Competition law

10.2.2.1.1 Treaties

Treaty on the Functioning of the European Union (TFEU) – Part Three, Title VII, Chapter 1:

Rules on competition

10.2.2.1.2 Restrictive agreements, abuse of dominance

Council Regulation (EC) No 1/2003 of 16 December 2002 on the implementation of the rules on competition laid down in Articles 81 and 82 of the Treaty

Commission Regulation (EC) No 773/2004 of 7 April 2004 relating to the conduct of proceedings by the Commission pursuant to Articles 81 and 82 of the EC Treaty

10.2.2.1.3 Block exemption regulations

vertical agreements: Commission Regulation (EU) No 330/2010 of 20 April 2010 on the application of Article 101(3) of the Treaty on the Functioning of the European Union to categories of vertical agreements and concerted practices

vertical agreements in the motor vehicle sector: Commission Regulation (EU) No 461/2010 of 27 May 2010 on the application of Article 101(3) of the Treaty on the Functioning of the European Union to categories of vertical agreements and concerted practices in the motor vehicle sector

agreements in the insurance sector: Commission Regulation (EU) No 267/2010 of 24 March 2010 on the application of Article 101(3) of the Treaty on the Functioning of the European Union to certain categories of agreements, decisions and concerted practices in the insurance sector

technology transfer agreements: Commission Regulation (EU) No 316/2014 of 21 March 2014 on the application of Article 101(3) of the Treaty on the Functioning of the European Union to categories of technology transfer agreements

research and development agreements: Commission Regulation (EC) No 2659/2000 of 29 November 2000 on the application of Article 81(3) of the Treaty to categories of research and development agreements

specialisation agreements: Commission Regulation (EC) No 2658/2000 of 29 November 2000 on the application of Article 81(3) of the Treaty to categories of specialisation agreements

10.2.2.1.4 Merger control

Council Regulation (EC) No 139/2004 of 20 January 2004 on the control of concentrations between undertakings (the EC Merger Regulation)

Commission Regulation (EC) No 802/2004 of 21 April 2004 implementing Council Regulation (EC) No 139/2004 on the control of concentrations between undertakings

10.2.2.2 Unfair commercial practices, advertising law

Directive 2005/29/EC of the European Parliament and of the Council of 11 May 2005 concerning unfair business-to-consumer commercial practices in the internal market and amending Council Directive 84/450/EEC, Directives 97/7/EC, 98/27/EC and 2002/65/EC of the European Parliament and of the Council and Regulation (EC) No 2006/2004 of the European Parliament and of the Council ('Unfair Commercial Practices Directive')

Directive 2006/114/EC of the European Parliament and of the Council of 12 December 2006 concerning misleading and comparative advertising

Regulation (EC) No 2006/2004 of the European Parliament and of the Council of 27 October 2004 on cooperation between national authorities responsible for the enforcement of consumer protection laws (the 'Regulation on consumer protection cooperation')

Commission Decision of 22 December 2006 implementing Regulation (EC) No 2006/2004 of the European Parliament and of the Council on cooperation between national authorities responsible for the enforcement of consumer protection laws as regards mutual assistance

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