



Investment Brief

NESsT Venture Fund

A philanthropic investment fund for social enterprise development

Investment Brief: Hungary

Zöld Kör – Föld Barátai Magyarország (Green Circle – Friends of the Earth Hungary)

www.zoldkor.net

Location: Hajdúböszörmény, Hungary
Sector: Environment
Stage: First year, NESsT later-stage portfolio



Organizational Information

Date founded: 1991
Annual Budget: US\$ 160,000
Employees: 9 full-time, 2 part-time, 25 volunteers

Mission: Zöld Kör works to establish a living, livable, and sustainable future through environmental and nature conservation activities.

Social challenge: In Hungary, 4.4 million tons of municipal waste are collected annually and disposed of in landfills and incinerators, according to recent United Nations statistics. Discarded paper makes up more than 15% of this waste, but could be recycled to reduce the environmental cost of logging and waste management.

Social Enterprise Overview

Description: Zöld Kör offers free waste collection service to residences and businesses that otherwise throw away or incinerate used paper. The social enterprise includes collection, transport, and sale of paper to recycling facilities, which generates funds to further Zöld Kör's mission of environmental protection.

Social impact goal: Reduce the quantity of recyclable paper entering the waste stream and increase aware-

ness about the importance of recycling in the local community. Zöld Kör's social enterprise also employs two paper collectors.

Financial goal: Decrease Zöld Kör's reliance on government funding, which currently accounts for 75% of the organization's annual budget. Zöld Kör aims to consistently generate at least 10% of total revenues from the social enterprise by 2011. Proceeds from the enterprise will be used for programs to protect open spaces and educate the public about environmental degradation.

NESsT Investment

Overall Financial Support to Date: US\$ 8,000

Financial Support Needed (Year 2): US\$ 10,000

Capacity-Building Support (Year 2): Valued at US\$ 7,500

NESsT is providing the following capacity-building assistance to Zöld Kör:

1. Training in management of expansion of the social enterprise, including planning efficient collection routes and developing new recycling services.
2. Analyzing the organizational structure, culture, and stakeholder relations of the social enterprise, including exploring the possibility of establishing a for-profit

company that best meets the needs of the social enterprise.

3. Tailor the financial records system in order to track and manage the performance of the social enterprise.

NESsT will hold one-on-one meetings with Zöld Kör management at least three times per year to review social enterprise performance and determine how to strengthen it. NESsT will also facilitate consulting services and financial support from members of the NESsT Business Advisory Network (BAN). Zöld Kör leadership will attend portfolio workshops every trimester where they will also have an opportunity to directly interact with NESsT BAN members and other experts.