



# HUNGARY

**“ A year of mixed outcomes. ”**

HAND

## Main trends

Compared to 2022, Hungarian ODA fell in real terms and amounted to USD 304 million, which, continuing the earlier approach, excluded IDRC. This means a 0.15% ODA/GNI ratio, dropping to almost half of earlier years' values. This could be explained by the general economic slowdown that affected the aid budget, and changes in the HUF/USD exchange rate, reported by government sources. Despite the worrying tendency, the government is still optimistic about fulfilling its target of 0.25% ODA/GNI in the current development cooperation strategy by 2025.

A major milestone, the official DAC Peer Review for Hungary was published in 2023, making numerous recommendations in line with CSO views, which will hopefully shape government plans for institutional adjustments. Legal frameworks have improved by adopting a new act for the Hungary Helps Agency, including directions based on earlier CSO recommendations. Furthermore, the agency is undergoing the pillar assessment process, which, when completed, could mean easier access for CSOs to EU funds and tender opportunities as well.

In 2024, the government started working on the new post-2025 development strategy, for which CSOs submitted recommendations, building on the findings of the DAC Peer Review. CSOs stressed the need for a consultative process involving all stakeholders leading up to the adoption of the new policy document. The strategy goals should aim at shifting the focus from Hungarian political and economic interests to local needs and providing policy coherence, especially in light of the Hungarian presidency of the Council of the EU.

## Government's relationship with civil society

While government officials are generally open to initiatives proposed by both donor and partner country based CSOs, high turnover of staff and extra tasks due to the Hungarian Presidency of the EU in 2024 make it difficult to sustain appropriate

Reported ODA: EUR 242.2 million

**0.15%** GNI (↓ from 0.26% in 2022)

Non-inflated ODA: EUR 242.2 million

**0.15%** GNI (...)

Total inflated ODA: EUR 0

**0%** of total



cooperation. Furthermore, recent legislative changes have not been subject to meaningful public consultation. So a timely, predictable and inclusive social dialogue is yet to be created.

On a positive note, the MFA and Trade has been keen on participating in CSO events, especially those connected to the EU presidency; however, CSOs were not consulted on development-related official presidency priorities and are rarely involved in official presidency programmes. In terms of financial support, in early 2024, the Hungary Helps Agency launched an open tender, targeting specifically CSOs, the first such call since 2015. Nevertheless, a more transparent allocation of funds, long-term financial planning and the provision of operational grants to CSOs are still needed to improve civic space, in line with DAC recommendations and the findings of HAND's own thematic AidWatch report issued early 2024.

## The Hungarian government should:

- **Draft a clear roadmap for increasing ODA, which will be reflected in the targets of the new post-2025 development cooperation strategy.**
- **Set up and efficiently implement an action plan for institutional and policy renewal in line with the recommendations of the 2023 DAC Peer Review and the principle of development effectiveness and policy coherence.**
- **Outline a plan for enhancing the capacities of CSOs and creating opportunities for their involvement in national and EU level programme implementation and policy dialogue.**
- **Set up a multi-stakeholder consultation body as soon as possible.**