

# HUNGARY



0.26% GENUINE AID/GNI

0.27% TOTAL AID/GNI



***[On the current situation in Afghanistan] “We need to send assistance there, not bring trouble here”***

*Prime Minister Viktor Orbán, Kossuth Rádió,  
23 August 2021*

## MAIN CHANGES IN 2020

In 2020, the recent trend of steep increases in Hungarian ODA spending has continued. During the last three years the ODA/GNI ratio has almost tripled, expanding from 0.11% in 2017 to 0.27% in 2020. In real terms, the 2020 ODA budget of USD 411m represents a 36% increase from 2019, the largest among EU member states that year. Since 2010, Hungary's ODA has grown by 260%. This remarkable trend surpasses the target of the country's 2020-2025 development cooperation strategy (and the recommendation of Hungarian CSOs), which was to reach an ODA/GNI ratio of 0.25% by 2025. Multilateral ODA has grown by almost 40%, and bilateral ODA has increased by 25%.

Although this overall increase in ODA, and in particular its bilateral component, is welcomed, many questions remain about how this growing development contribution is spent. Inflated aid is a significant issue, and the biggest component of Hungarian ODA remains scholarships, which account for up to a quarter of the overall ODA and more than half of the bilateral ODA figures.

Hungarian policy/decision-making and implementation structures remain blurry. There is a humanitarian agency within the government, but it is not officially responsible for Hungary's development cooperation portfolio even though no separate agency for development cooperation exists. CSOs are seriously concerned that the current fragmented arrangement, in which separate government institutions (with considerably different outlooks, goals, priorities and budgets) are responsible for humanitarian and development actions, may be significantly undermining development effectiveness. In this context, it is all the more important to put in place action plans that build on the broader national strategy and provide details of concrete interventions designed to achieve Hungary's development objectives.

## TRENDS AND PROJECTIONS FOR 2021 AND BEYOND

Of the EU members that joined after 2004, Hungary, with its recent trend of steadily growing ODA, is close to becoming the second to fulfil its commitment of achieving the 0.33% ODA/GNI ratio.

Quantity aside, Hungary needs to step up its efforts to improve development effectiveness. NGOs expect the government to introduce a new monitoring and evaluation framework, in line with the new national development strategy. Findings and conclusions from independent monitoring and evaluation would provide in-depth information about the effectiveness of Hungarian ODA that is currently lacking.

CSOs acknowledge the trend of more visible government communication on development cooperation, but call for more radical steps to increase both transparency and genuine social dialogue in the future.

## CASE STUDY BOX:



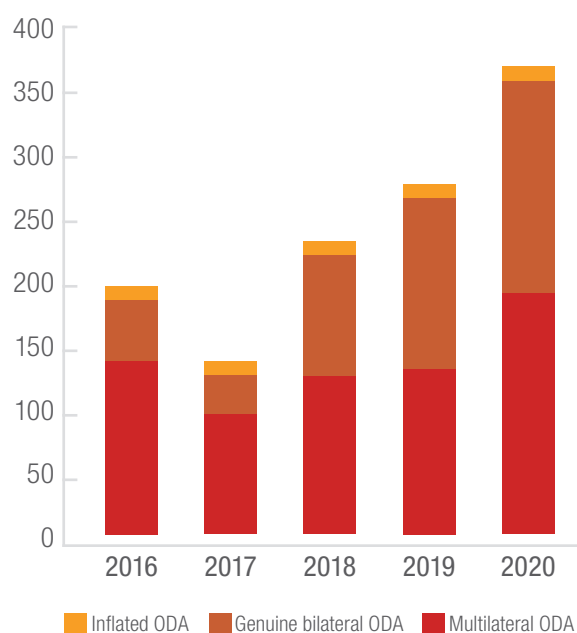
Hungary does not report loans as ODA, and although tied aid credit mechanisms are a popular form of assistance, from 2019 to 2020 they have decreased in nominal value and in their share in ODA. This is a trend that CSOs would like to see continued in future, until all tied forms of assistance are completely eliminated.

## RECOMMENDATIONS TO THE HUNGARIAN GOVERNMENT

- To reach its objectives, and to react to new challenges like the COVID-19 pandemic, the new development cooperation strategy should be translated into concrete action plans.
- Development cooperation deserves funds comparable to those provided for humanitarian assistance, and a separate development cooperation agency should be set up within government.
- The government should urgently put the new monitoring and evaluation system in place, and start communicating its findings.
- As implementers of development and humanitarian actions, and as partners in social dialogue, NGOs should be involved more.
- Transparency around development cooperation should be further enhanced.

## HUNGARY – GENUINE AND INFLATED ODA

(€ million, constant 2019)



## ODA TO LDGS (€ million, constant 2019)

LDC	ODA to LDGS	ODA to LDGS (% GNI)	ODA to LDGS (% total ODA)
2016	35.95	0.03	18.07
2017	24.70	0.02	18.05
2018	56.27	0.05	23.91
2019	52.45	0.04	18.82

## ODA TO DRM (€ million, constant 2019)

DRM	ODA for DRM	DRM (% bilateral)	DRM (% total ODA)
2016	0.01	0.02	0.01
2017	0.02	0.06	0.02
2018	0.02	0.02	0.01
2019	0.03	0.02	0.01

## AID MODALITY (€ million, constant 2019)

Year	Bilateral gross	Grants	Loans	Loans (% of gross bilateral)
2016	54.74	54.74	0.00	0.00
2017	36.24	36.24	0.00	0.00
2018	106.63	106.63	0.00	0.00
2019	141.64	141.64	0.00	0.00

## ODA TO SUPPORT GENDER EQUALITY (€ million, constant 2019)

Gender focus	Bi allocable	Total Screened	Not Screened	None	Significant	Principal	Significant (% of screened)	Principal (% of screened)
2016	43.47	0.00	43.47	0.00	0.00	0.00		
2017	32.19	0.00	32.19	0.00	0.00	0.00		
2018	103.61	2.64	100.97	0.00	2.64	0.00	100.00	0.00
2019	140.50	140.50	0.00	68.84	71.62	0.04	50.98	0.03

## ODA TO SUPPORT CSOs (€ million, constant 2019)

CSO support	Non-CSO	Donor-CSO-Earmarked	International-CSO-Earmarked	Recipient-CSO-Earmarked	Donor-CSO-Core	International-CSO-Core	Recipient-CSO-Core	Total bilateral CSO support, % bilateral	Total bilateral CSO support, % total ODA	Core bilateral CSO support, % bilateral	Core bilateral CSO support, % total ODA
2016	54.63	0.00	0.00	0.00	0.00	0.11	0.00	0.21	0.06	0.21	0.06
2017	36.00	0.00	0.02	0.12	0.00	0.10	0.00	0.68	0.18	0.29	0.08
2018	100.21	2.15	2.52	0.74	0.00	1.00	0.00	6.02	2.73	0.94	0.43
2019	65.41	73.60	0.11	1.37	0.13	1.01	0.00	53.63	27.35	0.81	0.41