



HUNGARY

INTERNATIONAL DEVELOPMENT COOPERATION PROFILE

**POLICIES, GEOGRAPHICAL OBJECTIVES,
THEMATIC PRIORITIES AND BEST PRACTICES
2021 EDITION**

Compiled by the Department for International Development
of the Ministry of Foreign Affairs and Trade of Hungary



MINISTRY OF
FOREIGN AFFAIRS AND TRADE
OF HUNGARY



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HIGHLIGHTS

In 2020, Hungary successfully increased its development assistance to over 416 million dollars, in part as a response to the newly emerged global challenges posed by the COVID-19 pandemic.

In terms of the Official Development Assistance/Gross National Income ratio (ODA/GNI), in 2020 Hungary increased its development cooperation to 0.27%.

With this approximately 33.41% increase in total aid between 2019 to 2020, Hungary managed to surpass the objective set out in the Government's International Development Cooperation Strategy (IDC2025), which was to attain at least a 0.25% ODA/GNI ratio by 2025.

This increase in development cooperation was attained through the implementation of more than 550 projects in 110 developing countries.

Since the outbreak of the COVID-19 pandemic, until June 2020, Hungary dedicated 68.58 million dollars of assistance to 37 countries in order to combat the negative effects of the virus and to support the health and wellbeing of developing countries.

HUNGARY: BUILDING GLOBAL PARTNERSHIPS AND PROVIDING ASSISTANCE LOCALLY

DEAR READER,

As a testament to our commitment to sustainable development on a global scale, building on the successes of preceding years, in 2020 Hungary continued to increase its development cooperation and remained devoted to enhancing the impact of its aid programs. In view of the objectives laid out in the Government's International Development Cooperation Strategy ([IDC2025](#)) and given the emergence of new global challenges requiring urgent responses, Hungary dedicated a record 416 million dollars to development cooperation in 2020, marking a substantial, 33.41% annual increase in nominal terms. With this achievement, compared to 2010, Hungary pioneered a successful 264% growth in its total development cooperation.



István Joó, Deputy State Secretary for Export Development, Ministry of Foreign Affairs and Trade of Hungary

This significant accomplishment is – in line with the principles of IDC2025 – attributable to a strategic policy of engaging in targeted, mutually beneficial economic development programs, thereby seeking to enhance existing economic ties with developing countries. In addition, Hungary's programs have been demand-driven, focusing on local needs and providing assistance on the ground where it is needed most, thus maximizing the impact of our contributions. Even so, Hungary maintained its commitment to multilateral efforts aimed at leaving no one behind: approximately 47% of Hungary's development cooperation was realized through international organizations and other multilateral channels, thus evincing our commitment to global partnerships.

Hungary dedicated a record 416 million dollars to development cooperation in 2020, marking a substantial, 33.41% annual increase in nominal terms.

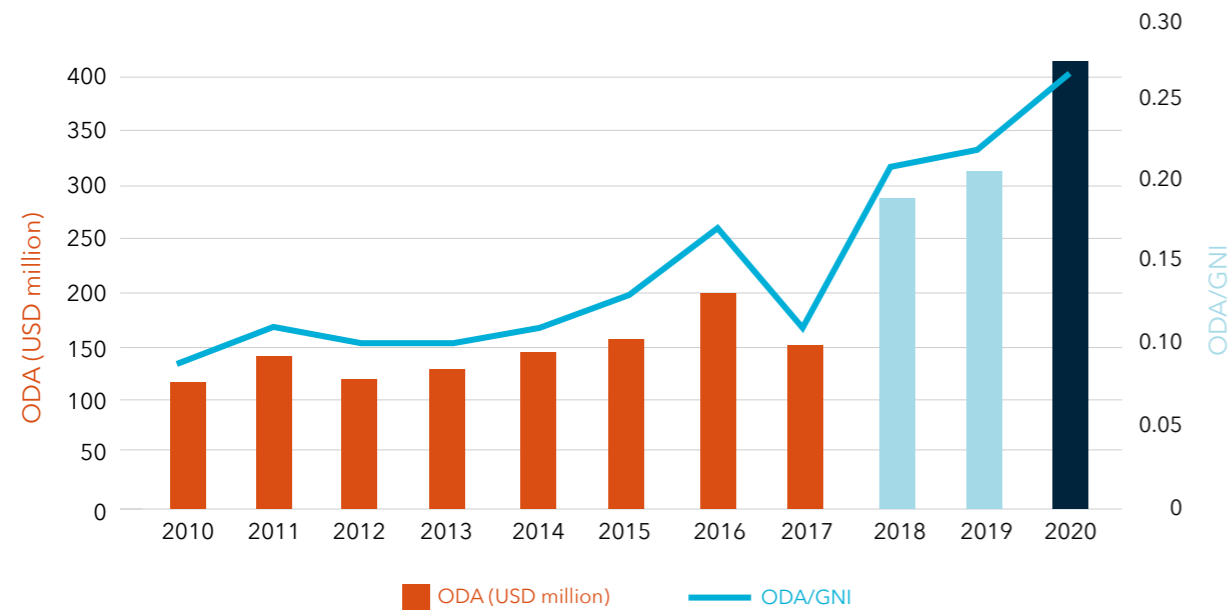
In 2020, however, a new global challenge emerged in the form of the COVID-19 pandemic. Having swiftly recognized the global nature of this threat, in a show of solidarity, until June 2021 Hungary dedicated 68.58 million dollars of assistance to 37 countries in order to combat the negative effects of the virus.

This brochure aims to highlight Hungary's continued commitment to international development cooperation, shedding light on our most important achievements, projects and institutional developments. Besides providing insight into some of Hungary's most successful initiatives, such as our multi-sectoral economic development programs in the Republic of Uganda and the Stipendium Hungaricum Scholarship Program, the present brochure provides an informative illustration of our commitment to development based on the premise of promoting local, regional and global partnerships. Given the success of our efforts thus far, we intend to continue our valuable work with a view to leaving no one behind.

HUNGARY'S DEVELOPMENT ASSISTANCE IN NUMBERS

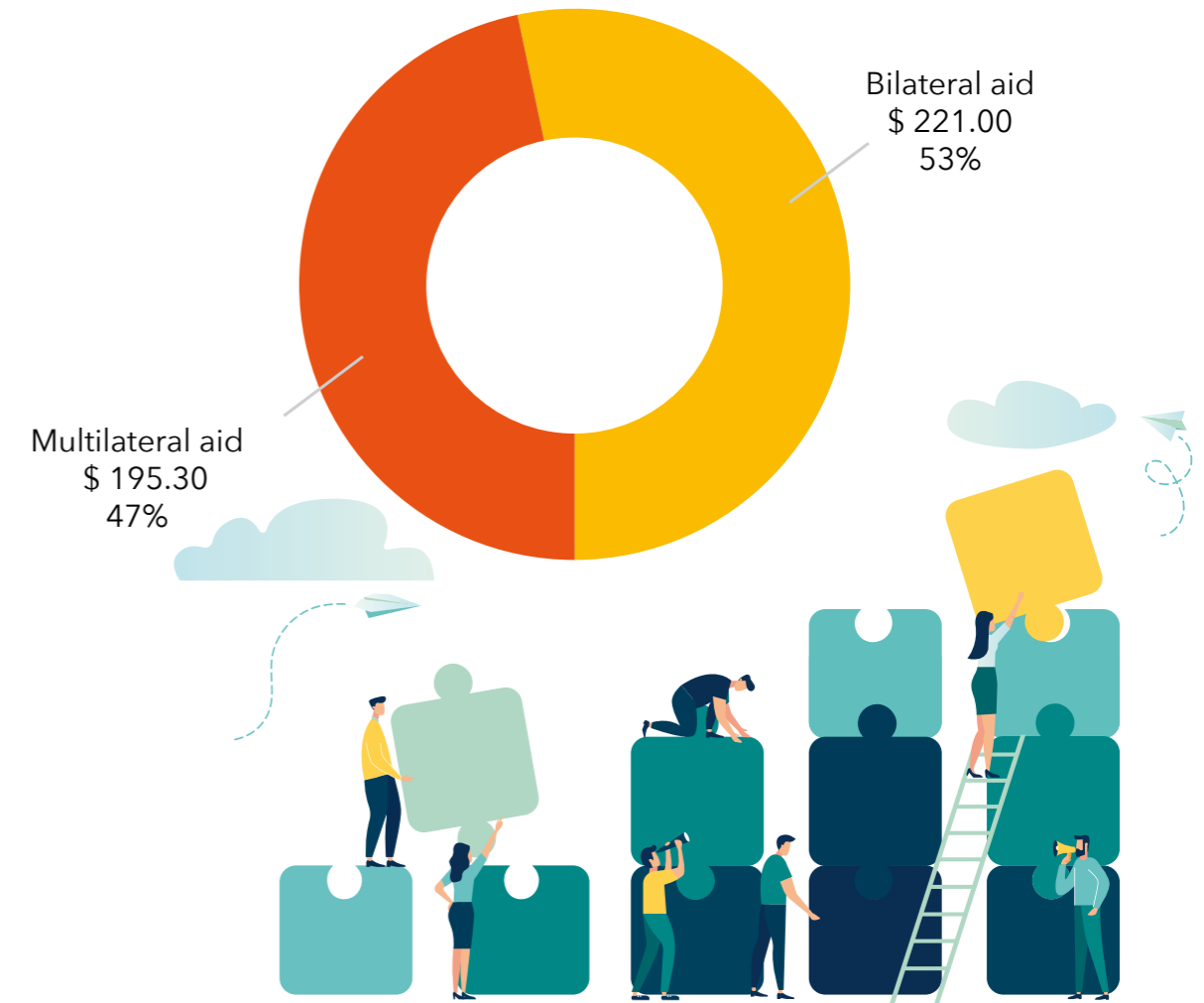
Over the course of the past decade, Hungary has significantly increased its Official Development Assistance (ODA), both in absolute terms and in terms of the ODA/GNI ratio, as illustrated below.

Hungary's development cooperation (2010-2020)

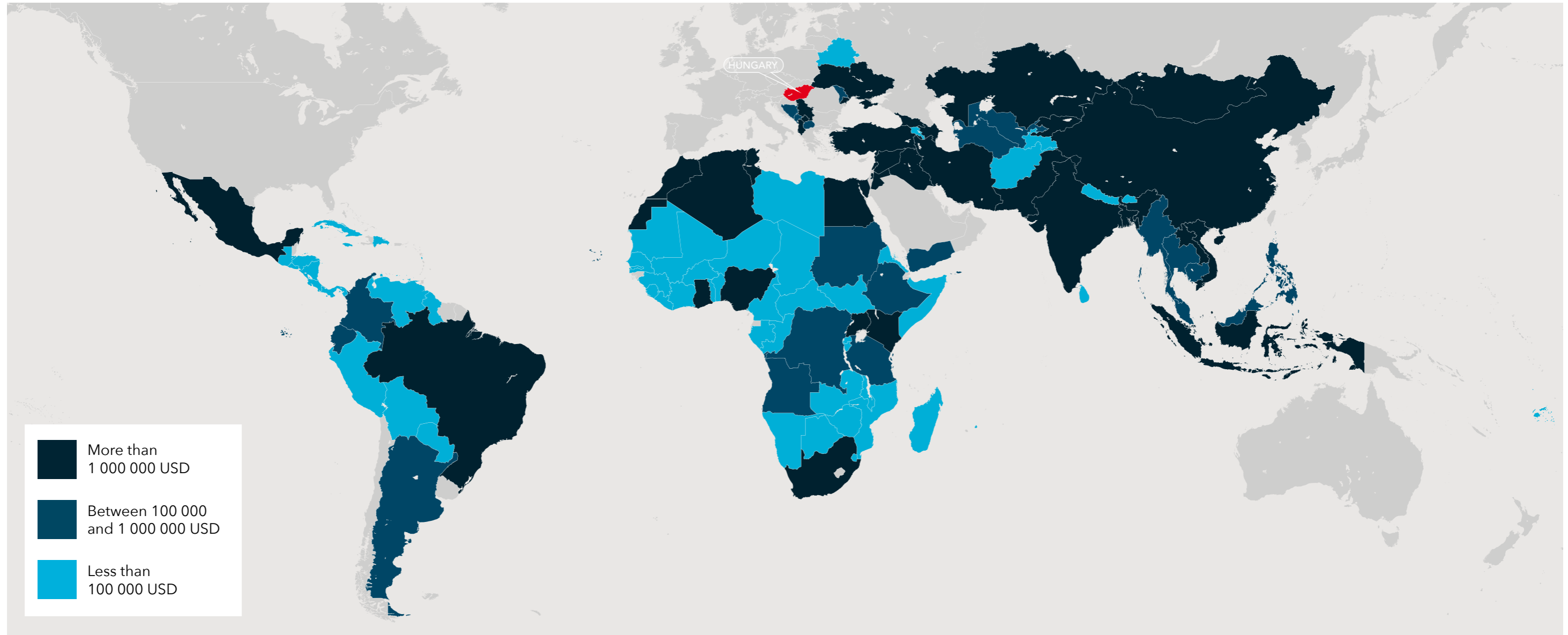


Moreover, Hungary has significantly expanded its bilateral development cooperation programs: over half of Hungary's ODA is realized through such means.

Hungary's development assistance in numbers (USD million)



COMMITTED FUNDS IN 2020: LOCAL PROGRAMS, GLOBAL REACH



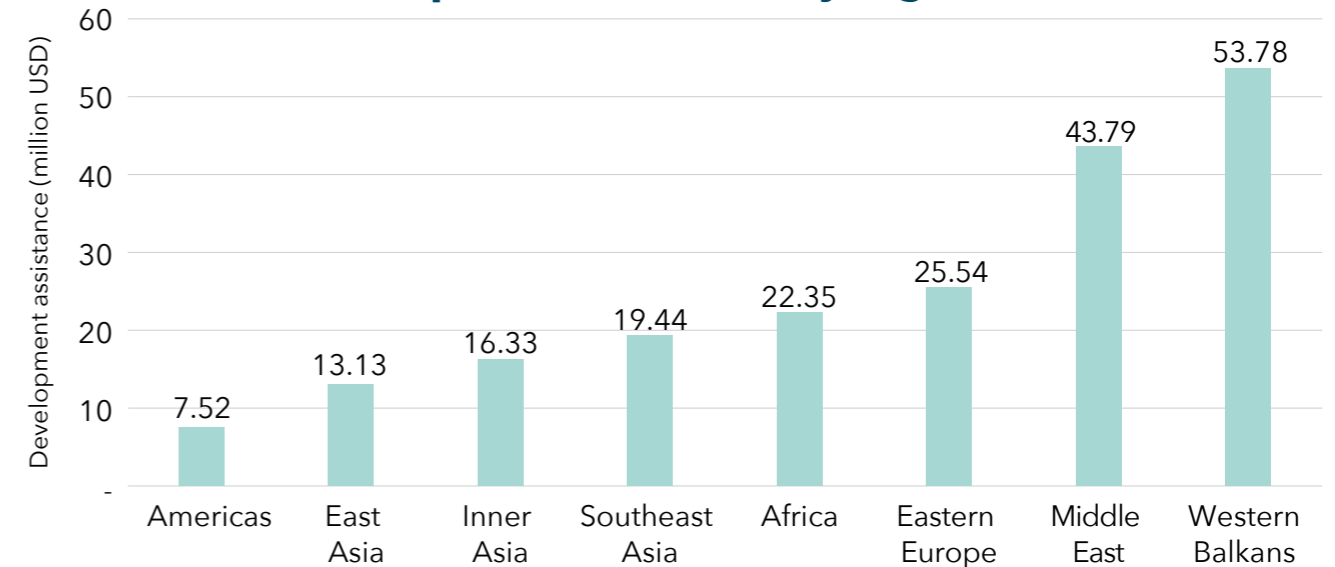
GEOGRAPHICAL BREAKDOWN

In light of traditional foreign policy priorities and the objectives established in IDC2025, in 2020 Hungary dedicated the largest share of its development assistance to the Western Balkans, followed by the Middle East and Africa. The bulk of these programs centered on promoting economic integration and the implementation of projects targeting capacity- and institution-building, as well as infrastructural development. Many of these programs were implemented with the collaboration of private sector actors with a view to encouraging private sector investments and trade, as well as to bridge the funding gap needed for the post-COVID recovery and to fulfil the Sustainable Development Goals (SDGs). The top recipients of Hungary's development assistance in 2020 were Serbia, Ukraine, the Syrian Arab Republic, Jordan, Mongolia and the Lao People's Democratic Republic.



Péter Szijjártó, minister of foreign affairs and trade of Hungary, at the inauguration ceremony of a Hungarian-made water purification system donated to Kyrgyzstan. The project is an example of our commitment to public-private partnerships in development. Source: Ministry of Foreign Affairs and Trade of Hungary

Hungary's international development cooperation in 2020 by regions



Noteworthy trends

- In 2020, Hungary provided development assistance to a record 110 countries.
- OECD Development Assistance Committee (DAC) members, despite the COVID-19 pandemic, Hungary achieved the second largest annual increase in nominal terms in its development assistance with a 33.41% growth rate.
- Whilst in 2019 Hungary allocated 31 million dollars to development cooperation projects in the Middle East, this amount rose to nearly 43.8 million dollars in 2020.

Top recipients of Hungary's development assistance in 2020: Serbia, Ukraine, the Syrian Arab Republic, Jordan, Mongolia and the Lao People's Democratic Republic.

ALLOCATION OF RESOURCES BY SECTOR

Hungary continues to view international development cooperation as an important tool for promoting peace, social and economic development and fostering new partnerships. Our international development policy also relies on international solidarity and effective assistance on the ground, while giving high priority to the local needs of the beneficiaries. Accordingly, Hungary supports the economic convergence of the developing world and the fight against global poverty - for the sake of international peace, security and balanced growth.

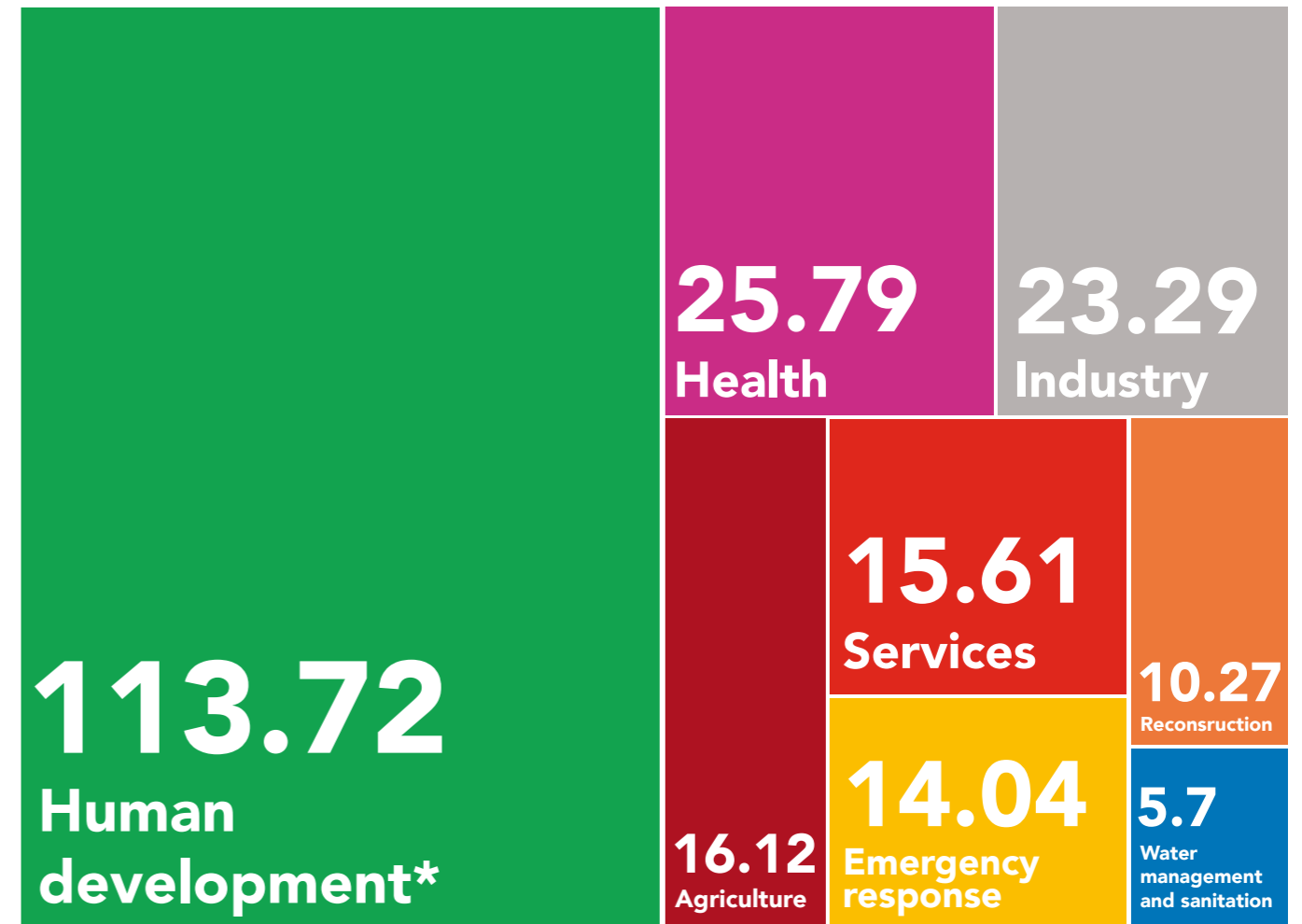
In this respect, Hungary continued to finance projects and programs that have as their primary aim spurring job creation and improving living conditions on the basis of local needs, especially in those fields and sectors wherein Hungary has a comparative advantage. In line with the priorities identified in IDC2025, Hungary continued to focus on promoting development in the following key sectors:

- human development and education,
- health care,
- industry,
- agriculture,
- services,
- emergency response,
- reconstruction,
- water management and sanitation.



Emergency medical assistance provided by Hungary to Iraq in order to tackle the COVID-19 pandemic. Source: Hungarian Interchurch Aid

Aid allocated in 2020 to sectors prioritised in IDC2025 (USD million)



*Including social infrastructure, capacity building and education.

COMMITMENT TO THE SDGs

Hungary's IDC2025 is predicated on the principle of leaving no one behind and, in this context, emphasizes the need to base international development cooperation on the SDGs.

In accordance with our own comparative advantages, Hungary prioritized development cooperation projects pertaining to the following SDGs:



SDG 2: Zero Hunger - To end hunger, achieve food security and improved nutrition and promote sustainable agriculture.



SDG 3: Good Health and Well-Being - To ensure healthy lives and promote well-being for all at all ages.



SDG 4: Quality Education - To ensure inclusive and quality education for all and promote lifelong learning.



SDG 6: Clean Water and Sanitation - To ensure access to safe water sources and sanitation for all.

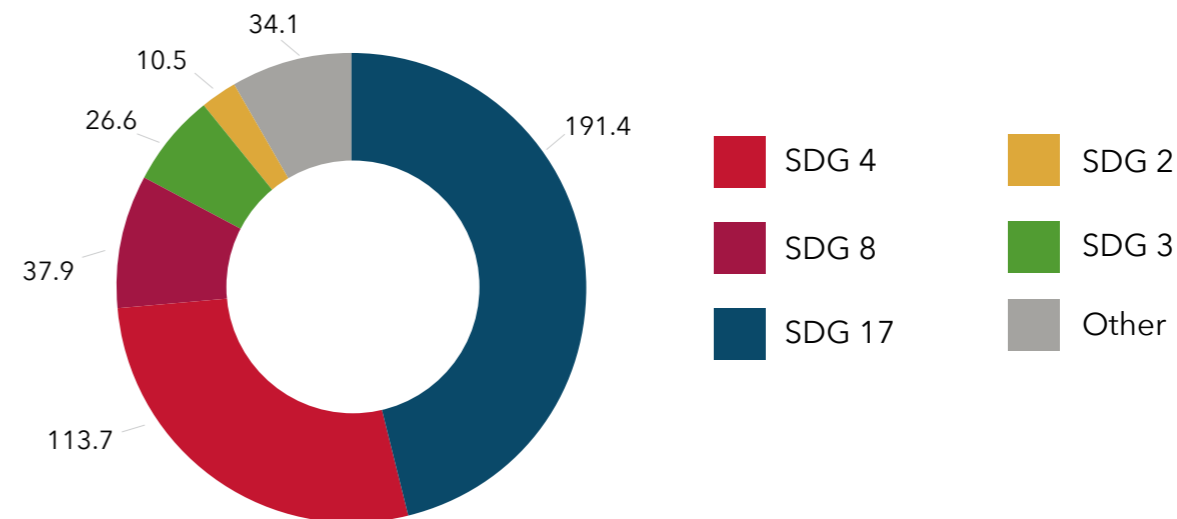


SDG 8: Decent Work and Economic Growth - To promote inclusive and sustainable economic growth, employment and decent work for all.

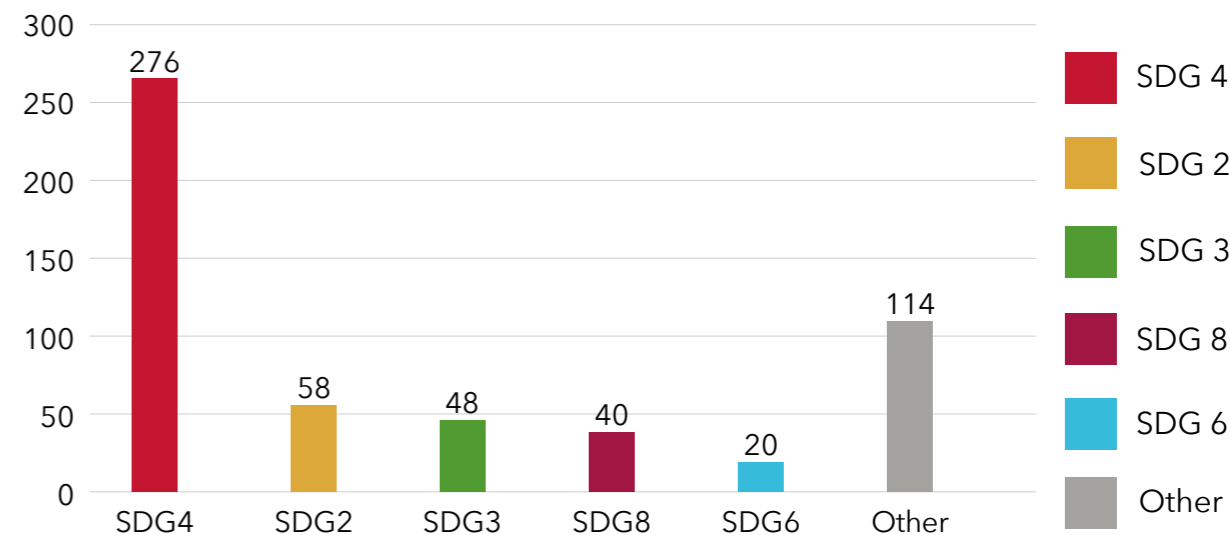


SDG 17: Partnerships - To revitalize the global partnership for sustainable development.

Hungary's contribution to the SDGs in 2020 (million USD)



Hungary's contribution to the SDGs in 2020: number of projects

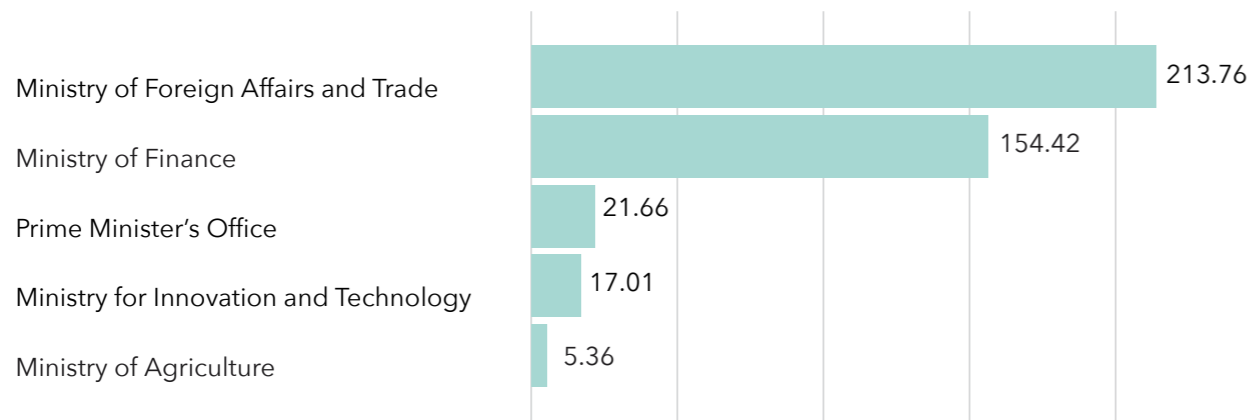


KEY DONOR INSTITUTIONS

The Ministry of Foreign Affairs and Trade of Hungary is responsible for the planning, coordination and implementation of Hungary's international development cooperation. Other line ministries and public sector actors likewise engage in development cooperation within their respective spheres of competence

and budgetary capacities. Consequently, with a view to maximizing Policy Coherence for Development, the Ministry of Foreign Affairs and Trade of Hungary oversees a Resident Coordinator System and an Inter-Ministerial Committee for International Development Cooperation (IDC Committee), within the

Institutional breakdown of development assistance in 2020 (million USD)



Hungary donated masks and PPEs to Bosnia and Herzegovina to combat the coronavirus pandemic
Source: Ministry of Foreign Affairs and Trade of Hungary

framework of which the various implementing and financing actors are able to coordinate their efforts.

Within the framework of the **Resident Coordinator System**, coordinators appointed by each Ministry serve as liaison officers regarding the international development-related activities of the respective Ministry, thus facilitating information sharing and the establishment of multisectoral programs. The main objectives of the Resident Coordinator System are to (1) contribute to the fulfilment of Hungary's obligations related to international development cooperation - including the implementation of the Agenda 2030 -, (2) to ensure a more efficient performance of operational inter-ministerial tasks and (3) to increase the efficiency of project implementation by exploiting potential synergies.

The **IDC Committee** seeks to foster coordination between relevant domestic actors and reviews, evaluates and reports on the Government's development activities. These insights form part of the annual international development report compiled by the Ministry of Foreign Affairs and Trade of Hungary.

PROGRAMS IN FOCUS

ADDRESSING THE COVID-19 PANDEMIC

In order to address the detrimental social, economic and health impacts of the COVID-19 pandemic, Hungary immediately mobilized its development cooperation efforts and, until June 2021, dedicated 68.58 million dollars of assistance to 37 countries. This assistance was materialized through numerous bilateral development aid programs and in-kind contributions coordinated by the Ministry of Foreign Affairs and Trade of Hungary. Much of the assistance involved the provision of highly-needed equipment and technology to health care institutions, thereby contributing to local efforts aiming to contain and address COVID-19.



Péter Szijjártó, minister of foreign affairs and trade of Hungary, and Dmytro Kuleba, minister of foreign affairs of Ukraine, at the inauguration of a Hungarian medical donation of ventilators to Ukraine
Source: Ministry of Foreign Affairs and Trade of Hungary



Donated medical equipment en route to Lebanon
Source: Ministry of Foreign Affairs and Trade of Hungary



COVID-19 vaccine donation to Cabo Verde
Source: Ministry of Foreign Affairs and Trade of Hungary



Hungary provided PPE supplies to Bosnia and Herzegovina to support the country against COVID-19
Source: Ministry of Foreign Affairs and Trade of Hungary

STRENGTHENING TIES AND PROMOTING INTEGRATION IN THE WESTERN BALKANS

Hungary is committed to its partnership with the countries of the Western Balkans. Given our geographical proximity and strong economic, cultural and diplomatic ties, Hungary has been highly dedicated to the development and integration of this region, having committed over 53.78 million dollars of development assistance to the Western Balkans in 2020 alone. Much of this aid was realized through bilateral economic development programs.



Renovated school in Bosnia and Herzegovina, implemented within the framework of a V4+Japan development cooperation program
Source: Ministry of Foreign Affairs and Trade of Hungary



Renovated school in Bosnia and Herzegovina, implemented within the framework of a V4+Japan development cooperation program
Source: Sarajevo.co.ba



Renovated sports ground in Albania, made possible due to Hungarian development assistance
Source: Ministry of Foreign Affairs and Trade of Hungary

Hungary is dedicated to the development and integration of the Western Balkans, having committed over 53.78 million dollars of development assistance to the region in 2020 alone.

SUPPORTING ECONOMIC DEVELOPMENT FOR BETTER LIVELIHOODS IN AFRICA

Building on previous successes, Hungary continued to prioritize the implementation of targeted development programs in Africa. In essence, these programs served three aims:

1. improving local infrastructural capacities,
2. promoting private sector development and
3. addressing local needs and the root causes of migration.



Expanding local data collection and management procedures in Uganda
Source: ANY Security Printing Company Plc.

The Ministry of Foreign Affairs and Trade of Hungary continued the implementation of its largest-to-date, 16-million-euro untied development program in the Republic of Uganda, focusing on the fields of cyber security, water management, health care, e-governance and smart tourism. The program - fully conforming to local needs - is part of Hungary's overall efforts to contribute to the development of least developed countries. With the first phase of the program having been completed in early 2020, further projects were launched in late 2020 and early 2021. In addition to providing three rural schools and the Rwamwanja Refugee Settlement with clean drinking water, enhancing the cyber resilience of Uganda,



Hungarian-made water oasis in the Rwamwanja Refugee Settlement in Uganda
Source: VTK Innosystem Ltd.

digitalizing public administrative systems and establishing smart tourism systems, the program likewise paves the way for the development of the Mulago Hospital Complex in Kampala, including the establishment of a mobile health care center in collaboration with the World Health Organization (WHO) for the benefit of local residents in need and UN staff.

In recognition of the important role that the private sector plays in driving development, the Ministry of Foreign Affairs and Trade of Hungary financed a series of projects in



Inauguration of a joint healthcare development project with Slovenia in Kenya
Source: Ministry of Foreign Affairs and Trade of Hungary



Fresh Ugandan graduates and their trainers on the cyber security training programs
Source: Carinex Ltd.



Inauguration of a joint healthcare development project with Slovenia in Kenya
Source: Ministry of Foreign Affairs and Trade of Hungary

Sub-Saharan Africa seeking to spur public-private partnerships and promote investment into the region. For instance, in partnership with the Republic of Slovenia, a health care development program was implemented in Kenya, whereby three hospitals were equipped with state-of-the-art medical equipment. Similarly, a high-tech digital X-ray laboratory was established in Ethiopia via blended finance.



Reconstructed irrigation tunnel in Nahla Valley, Iraq
Source: Hungarian Interchurch Aid

THE MIDDLE EAST: NURTURING DEVELOPMENT FOR PEACE AND STABILITY

In 2020, Hungary oversaw a notable increase in the amount of its assistance to the Middle East, a clear indication of our commitment to development and reconstruction efforts in the region. Our efforts have involved, inter alia, the provision of support through a series of programs contributing to the region's water management, education and health sectors,

as well as the protection of vulnerable populations. Overall, Hungary contributed 43.8 million dollars of assistance to developing countries in the Middle East. The majority of the programs sought to benefit local populations and conditions so as to contribute to regional peace and development. Aside from providing aid to refugee-hosting countries in the region, significant funds were allocated to projects seeking to promote stability and prosperity in war-torn developing partners. One such

example involves a reconstruction and rehabilitation project in Iraq, within the framework of which schools, homes and water infrastructure systems were renovated and expanded, thus providing efficient, needs-based assistance to internally displaced persons and returnees. In addition, in close cooperation with the Republic of Poland, Hungary began the implementation of a joint, Polish-Hungarian health care development project in the Hashemite Kingdom of Jordan, providing much-needed assistance to refugees located in the country.



In collaboration with Hungarian private sector actors, Hungary is providing medical equipment to 13 health care institutions in Jordan within the framework of a joint development program with Poland
Source: Vital Management Ltd.



Hungarian-made water purification system in Northern Iraq
Source: Hungarian Water Technology Corporation and the Hungarian Interchurch Aid

STIPENDIUM HUNGARICUM SCHOLARSHIP PROGRAMME

The Stipendium Hungaricum (SH) Scholarship Programme, initiated in 2013 by the Hungarian Government, provides the brightest international students with the opportunity to pursue their studies in one of the highest ranked Hungarian higher education institutions. In 2020, the number of SH scholarship holders surpassed 10 000, while the number of participating countries reached 77. Over 87% of the SH scholarships are offered to students coming from ODA recipient countries.



Graduate students of the Stipendium Hungaricum Programme in Hungary
Source: Ministry of Foreign Affairs and Trade of Hungary



Fish farm in Namhoum, Lao People's Democratic Republic
Source: Ministry of Foreign Affairs and Trade of Hungary

HUNGARIAN TIED AID PROGRAMS

The Tied Aid Program of Hungary is a unique combination of development aid and export promotion enabling the implementation of vital, though financially non-viable, social infrastructure projects through the involvement of Hungarian expertise.

In 2020, the second tied aid program with Laos has been completed, contributing to the realisation of a complex food chain safety system. Hungary has also signed a new framework agreement with Kenya facilitating the implementation of health care, agriculture and water management projects.

PARTNERSHIPS FOR DEVELOPMENT

As part of our efforts to play a more significant role on the international level in the context of the Agenda 2030, Hungary has endeavored to reach out to and involve other donor countries in the implementation of development cooperation initiatives to scale up investments and enhance the beneficial impacts of the programs. Hungary is currently engaged in numerous partnership-based development projects in Europe, Africa and the Middle East. For instance, the Visegrad Four (V4; Poland, Czech Republic, Slovak Republic, Hungary) has successfully completed development projects in Bosnia and Herzegovina (with Japan) and Jordan, while further initiatives are underway in Morocco (together with Germany), Kenya and Libya (together with Italy). During its current Presidency of the V4, Hungary will continue to promote the Group's development cooperation efforts.



Hungary and Israel signing an agreement to cooperate in international development
Source: Ministry of Foreign Affairs and Trade of Hungary



Hungary and Egypt signing a memorandum of understanding on development cooperation
Source: Ministry of Foreign Affairs and Trade of Hungary



*Hungary provided ventilators, PPE supplies and other medical equipment to Ukraine to support the country against COVID-19
Source: Hungarian Interchurch Aid*

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