

## Hungarian International Development Policy

### **Hungary – a New EU Donor Country**

#### ***Background***

International development cooperation is an integral part of Hungary's foreign relations. After the political transformation in 1989-90, while joining the OECD (1996) and the EU (2004), Hungary made efforts to make a fresh start in international development policy, in accordance with the norms of these organisations. Needless to say, it has been a great challenge for Hungary to pursue an efficient IDC policy and to catch up with the most generous donor countries. However, as an aid recipient country itself until quite recently, Hungary has rich experience of receiving and best utilising foreign assistance, which can also be shared with the partner countries. We are convinced that sharing our experiences gained during the political and economic transition with countries in a similar situation will add significant value to the efforts of the international donor community.

#### ***Objectives and preferences***

In 2001 the Government of Hungary approved the concept paper of the Hungarian Development Cooperation Policy, taking into account Hungary's economic and social background, previous experience, and the importance of committing Hungary to the United Nations' Millennium Development Goals (MDGs), which were set out in the UN Millennium Declaration adopted by the UN's General Assembly on 8 September 2000. The 191 member states of the UN undertook to achieve the following goals by 2015 for combating poverty, hunger, disease, illiteracy, environmental degradation and discrimination against women:

- Halve extreme poverty and hunger;
- Achieve universal primary education;
- Empower women and promote equality between women and men;
- Reduce under-five mortality by two-thirds;

- Reduce maternal mortality by three-quarters;
- Reverse the spread of disease, especially HIV/AIDS and malaria;
- Ensure environmental sustainability;
- Create a global partnership for development, with targets for aid, trade and debt relief.

Hungary is striving to form and implement its international development policy in conformity with OECD and EU principles and practices. In accordance with the conclusions of the Council of the European Union on 24 May 2005, Hungary, as one of the new EU Member States, undertook to increase its official development assistance (ODA) to 0.17 % of GNI by 2010.

The main preferences of the Hungarian international development policy are:

- to preserve and support international peace and security, and to create and sustain regional, political and economic stability;
- to reduce poverty, and contribute to sustainable economic and social development;
- to protect human rights and equal opportunities, to strengthen democracy and civil society structures, and to support local community autonomies;
- to support efforts aimed at creating economic and social development (basic necessities, healthcare, primary education);
- to promote good governance;
- to protect and improve environmental resources.

### ***Target sectors of Hungarian development assistance***

Hungary's international development policy is focused on the following areas:

- Sharing of Hungary's experience in political-economic transition (establishment of democratic structures, creating conditions for the transition to a free market economy and good governance, providing assistance to small and medium-sized enterprises).

- Knowledge transfer, knowledge-based assistance (methodological procedures, know-how, software, transfer of organisational and planning methods, etc.).
- Education, vocational training.
- Health services (planning, equipping and running hospitals and polyclinics, birth control, combating epidemics, etc.).
- Agriculture, food industry (hygiene, forestation, farm development, biotechnology, training, planning).
- Environmental protection.
- Water management, water resources development.
- Infrastructure development.

A significant proportion of Hungary's aid comes in the form of debt relief.

Humanitarian aid to people in need in the wake of natural or man-made disasters is an important part of Hungary's international activity. In line with our policy humanitarian assistance provided by Hungary not only addresses the acute humanitarian situation, giving the victims of conflicts and disasters speedy assistance, but also focuses on rehabilitation and reconstruction. In order to alleviate human suffering humanitarian aid usually consists of support in the sectors of health, water and sanitation, as well as the restoration of livelihoods. Hungary generally funds humanitarian assistance programmes that are implemented by UN humanitarian agencies, the International Red Cross, and Hungarian non-governmental organizations.

The Ministry of Foreign Affairs plays a major role in coordinating Hungary's international humanitarian assistance activity. Among other aid programmes, Hungary has contributed to relief and reconstruction efforts after the tsunami in Indonesia, Sri Lanka and Thailand, or after the catastrophic floods in Bulgaria, Romania and Serbia, and following the devastating earthquake in Pakistan, in the aftermath of the crisis in Afghanistan, Iraq, Lebanon and the Gaza Strip, and has responded to the drought and famine in Kenya, just to mention a few examples.

## ***Partner countries***

In order to improve the effectiveness of cooperation, Hungary is concentrating its international development activity on larger cooperation entities. Special emphasis is placed on the neighbouring countries, because of Hungary's vital interest in the stability of the Central and South-East European region. Hungary seeks opportunities for cooperation and harmonisation with other donors and financing organisations.

- Strategic partner countries: Serbia, Montenegro, Bosnia and Herzegovina, Vietnam;
- Other partner countries: Macedonia, Moldova, Mongolia, Kyrgyzstan, Ukraine; Palestine Authority;
- Least developed countries (LDCs): Ethiopia, Yemen, Cambodia, Laos;
- International commitments: Afghanistan, Iraq.

## ***Institutional framework, financing***

The Ministry of Foreign Affairs (MFA) of the Republic of Hungary is responsible for planning and coordinating Hungarian international development cooperation activities ([titkarsag.nfe@kum.hu](mailto:titkarsag.nfe@kum.hu)). An Inter-Departmental Development Policy Committee, chaired by the Minister of Foreign Affairs, steers the Hungarian development policy, determining its geographical and sectoral priorities. This committee is assisted by a Civil Advisory Board, which consists of representatives of the MFA, political parties, trade unions, employers' associations, academic communities, NGOs and individual experts. HUN-IDA, a non-profit company, is the implementing agency of Hungarian IDC programmes, while Hungarian missions abroad, NGOs, the private sector and various organs of public administration participate in carrying out development projects in the partner countries.

Hungary's development assistance programmes are financed mainly from the central state budget. The MFA administers approximately 20% of Hungary's total contribution to international development, and

the remaining part of Hungarian official development assistance is provided by other government departments. Between 2003 and 2005 Hungary's ODA rose from 0.03 % to slightly over 0.1 % of GNI.

### *Projects*

- construction of schools in Afghanistan;
- support for breeding economically important freshwater fish species in the Mekong Delta of Vietnam;
- capacity building of municipalities in Bosnia and Herzegovina;
- training of civil servants from Serbia, Montenegro and Ukraine;
- technical assistance for agricultural production in Moldova;
- provision of internet access in Macedonia;
- groundwater management and irrigation in Ethiopia,
- national park management in Mongolia;
- strengthening women's associations in Kyrgyzstan;
- provision of medical equipment in Yemen and Iraq;
- rehabilitation programme for handicapped children in the Palestinian Territories;
- reconstruction of an orphanage in Cambodia;
- academic training of young professionals from Laos;
- hundreds of other development projects.