

**International Development Cooperation
Strategy and Strategic Concept for
International Humanitarian Aid of Hungary
2014-2020¹**

¹ Accepted by the Hungarian Government on 27 March 2014 by the 1182/2014 (III. 27.) Government Decree.

| | |
|--|--|
| Hungary’s International Development Cooperation Strategy 2014-2020..... | 3 |
| Purpose of the Strategy..... | 3 |
| Current situation of the Hungarian development cooperation..... | 3 |
| Introduction, background of the Strategy..... | 5 |
| Main objectives of Hungarian development cooperation..... | 7 |
| Guiding principles..... | 8 |
| Geographical priorities..... | 9 |
| Main sectors..... | 10 |
| Forms and modalities of development cooperation..... | 11 |
| Development cooperation actors of Hungary..... | 13 |
| Institutional framework..... | 14 |
| Raising awareness..... | 15 |
| Strategic Concept for International Humanitarian Aid..... | 16 |
| Main objectives and guiding principles of Hungarian humanitarian assistance..... | 16 |
| Hungarian humanitarian activities of previous years..... | 17 |
| Partnerships and forms of cooperation..... | 17 |
| Tasks, expanding our horizon..... | 18 |
| Monitoring and evaluation..... | 18 |
| Recommendations..... | Hiba! A könyvjelző nem létezik. |
| Acronyms and abbreviations..... | 20 |
| Appendices..... | 21 |

Hungary's International Development Cooperation Strategy 2014-2020

Purpose of the Strategy

1. International development cooperation (IDC) is an integral part of Hungary's foreign policy and external relations. The purpose of this Strategy is to outline the main goals, principles, and directions of the Hungarian development cooperation policy for the period of 2014-2020. Furthermore, it takes account of the factors upon which the framework and tools of implementation should be established and transformed. The Strategy is in compliance with the objectives and directions of national foreign, security and economic policy documents and corresponds to the internationally agreed development goals and principles, while combining our national interests with our international responsibilities.
2. The IDC Strategy identifies the tasks and measures Hungary must take in order to strengthen our profile as a donor, to increase the visibility and effectiveness of our development assistance, and to meet our international commitments. This will ensure Hungary's credibility and demonstrate our dedication towards addressing global challenges.

Current situation of the Hungarian development cooperation

3. The Strategy is the first policy document since 2001 to outline the main directions of Hungary's development cooperation, taking into account the changing international context, including our accession to the European Union (EU). International development cooperation enjoys the special attention of the general public world-wide and is a priority area of EU external relations, while individual Member States retained a relatively high degree of autonomy under the Lisbon Treaty.
4. Hungary's development assistance has focused mainly on the near region (Western Balkans, Eastern Europe) since the beginning, when we joined the European Union. This is in part due to the modest volume of available resources and the relatively limited professional experience and local knowledge we possess in more remote areas. Nevertheless, some countries in Africa, the Middle East and Asia were also among our development partners. Currently, Hungary provides assistance to a relatively wide range of partner countries (Afghanistan, Sub-Saharan Africa region, Bosnia and Herzegovina, Iraq, Yemen, Cambodia, Kyrgyzstan, Laos, Kosovo, Macedonia, Moldova, Mongolia, Montenegro, Palestinian Authority, Serbia, Ukraine, Vietnam). As a result, our assistance is fragmented, less effective and provides lower visibility for Hungary's IDC policy.
5. Hungary's international development cooperation has been underfunded for years. As a Member State of the EU, Hungary made a political commitment in 2005 to strive to reach the

target of 0.17% ODA/GNI by 2010 and 0.33% by 2015. In 2012, the level of ODA/GNI was 0.10%, showing a slight decrease compared to the 0.11% of 2011².

6. The majority of Hungarian development assistance is allocated through multilateral channels, in the form of core and voluntary contributions to international organizations and funds. The majority of our bilateral projects take the form of technical assistance, aimed at sharing knowledge and experience.

7. Civil society organizations and public administrations play a pivotal role in the implementation of the Hungarian development cooperation, while the private sector's engagement is minimal, mainly due to the lack of liquid funds and information, as well as legal uncertainty. The new approach to aid effectiveness, which views development relevant financial flows (grants, loans, investment, etc.) under a common framework, requires greater involvement of the private sector, as well as enhanced coherence through stimulating economic growth and trade activities.

8. In view of the intensity of Hungarian development cooperation and ODA levels, we are failing to meet our international commitments and compare unfavorably with other donors from our region (V4). Several institutions within the state administration engage in activities that qualify as development cooperation in nature, content and results. However, due to the lack of coherence in the planning and implementation, these activities don't necessarily comply with the internationally accepted principles of aid effectiveness.

9. Hungarian development cooperation corresponds to declarations, principles and guidelines of the UN, OECD DAC and the EU (in particular: UN Millennium Declaration, Rio +20 outcome document, Paris Declaration on Aid Effectiveness, Accra Agenda for Action, Busan Partnership for Effective Development Cooperation, European Consensus on Development, Council conclusions on financing for development), which are reviewed and evaluated from time to time by the appropriate institution or forum of the above mentioned organizations. Adhering to the internationally agreed goals and principles can strengthen our economic position, contribute to our international prestige and to the credibility of our development cooperation policy.

10. An independent organizational unit within the Ministry of Foreign Affairs (MFA)³ is responsible for the planning, coordination and implementation of the Hungarian IDC policy. In addition to the management of bilateral projects, the responsible department of the MFA is only able to deal with the most important issues and monitor the multilateral decision-making processes, given the inadequate staffing capacity. In order to intensify the thematic directions of our activities, to increase the visibility of our focus areas, to efficiently represent our interests through multilateral channels, and to increase the effectiveness of our actions, we have to achieve greater specialization.

11. Our first ten years of experience as a member of the EU and OECD donor community show that public support for Hungary's IDC activities has to be strengthened, and we need to

² Hungary's ODA/GNI ratio in 2013 stayed unchanged at 0.1%

³ Ministry of Foreign Affairs and Trade (MFAT)

raise awareness about the policy's international significance, the role it plays in external relations and about its potential for interest representation. With the gradual increase of financial resources, the institutional capacities for implementation also have to be strengthened, and the specialization of the professional subdivisions needs to be enhanced. Moreover, it is important to strengthen the cooperation with partner countries throughout the planning, implementation, evaluation and monitoring process.

Introduction, background of the Strategy

12. The purpose of the global IDC policy is to reduce global poverty and inequalities, and to promote international security and stability, peace, sustainable development, democracy, human rights and the rule of law. Hungary's development cooperation policy is guided by the Millennium Development Goals (MDGs), adopted by the United Nations in 2000. The MDGs aim to halve the proportion of people living in extreme poverty (whose income is less than \$1.25 a day) between 1990 and 2015, and to significantly improve the quality of life - in terms of education, child and maternal mortality, reproductive health, the spread of AIDS and other diseases, gender equality and the state of the environment.

13. Although there has been significant progress in the achievement of some of the MDGs, results have not been enjoyed equally throughout the world. Interim reports show that the significant reduction of people living in extreme poverty can be attributed mainly to the economic growth in Asia, and particularly China, while progress has been limited in Sub-Saharan Africa. There are also some areas – e.g. maternal and reproductive health, access to basic sanitation - where achieving the 2015 targets are questionable. While building on the MDGs, the post-2015 development agenda has to focus on sustainable development and integrate the economic, social and environmental dimensions of sustainability.

14. The donor community spends approximately 125 billion USD annually on official development assistance (Official Development Assistance - ODA). In 1970 the UN General Assembly adopted a Resolution that called on economically advanced countries to allocate 0.7% of their GNI to ODA. The target has been repeatedly re-endorsed at international conferences, and in 2005 the EU made a political commitment to reach the target by 2015. The ODA/GNI target for the 12 Member States that joined the EU after 2004 was set at 0.33%. Despite efforts made by the donor countries - including Hungary - to reach ODA targets, the recent international financial crisis has led to the decline in global and EU ODA volumes for the second consecutive year. The crisis had long-lasting effects on the EU region, an important member of the donor community.

15. The rapidly changing global landscape and the decline in ODA volumes highlight the need to increase the effectiveness of development aid. This approach is reflected in the numerous high-level international forums and adopted outcome documents, dedicated to aid effectiveness. (Rome, Paris, Accra, Busan). There is an emerging consensus within the donor community that external sources of funding to developing countries (foreign investment, grants, loans, remittances, private philanthropy, etc.) should be measured under a common

framework, and that a new statistical system should be established to assess the effects of development financing.

16. As a member of the donor community and as a Central-European country located in the Carpathian basin, it is in Hungary's interest to contribute to the balanced development of the countries located in our closer and more remote environment. Through development cooperation we can reduce the risk of local and international conflicts, instability, the spread of infectious diseases, the adverse effects of climate change and forced migration. Supporting the economic and social development efforts of partner countries will also lead to an increase in the purchasing power, which will have a positive effect on the donor country's prestige, while providing market access for the business sector.

17. The realization of Hungary's development cooperation strategy will fall under the period when a new set of internationally agreed development goals will determine the global development framework, succeeding the MDGs after 2015. Hungary takes an active, constructive role in shaping the post-2015 development agenda through the UN and international conferences, which corresponds to our efforts to give our development cooperation a clear profile. The mid-term review of Hungary's development cooperation strategy planned for 2017 will offer an opportunity to integrate the new set of internationally agreed development goals into the policy document.

18. The last decades have seen considerable changes in the world economy, the international political system, and the status of developing countries. The prolonged global financial and economic crisis revealed the need for enhanced cooperation in an increasingly interdependent world.

19. In some respect, the last few decades have been one of the most successful periods in human development. Despite a few local wars, most countries, developing countries in particular, have experienced significant economic growth and social development. Robust economic development in some areas of the world resulted in growing consumption, which, together with the increasing global challenges (population growth, urbanization, climate change, migration, environmental pollution, etc.) threatens the sustainability of development and calls for a paradigm shift. In view of the declining aid budgets, improving the effectiveness and efficiency of development assistance is one of the most pressing issues the international community faces. The donor community is also under transformation, as emerging donors (BRICS) are shaping the architecture of international development cooperation through horizontal South-South cooperation and trilateral cooperation with traditional donors.

20. Ongoing discussions on the post-2015 development agenda (in which Hungary plays an active role through relevant UN platforms) indicate that the new development framework succeeding the MDGs will reflect a comprehensive approach, integrating the economic, social and environmental aspects of sustainable development, while keeping poverty eradication in focus. The goals and targets will serve as guidelines for both developed and developing countries. Hungarian IDC has to respond to the changing landscape of development

cooperation, and our constructive engagement in the international dialogue has to be underpinned by concrete action, using our resources and comparative advantages.

Main objectives of Hungarian development cooperation

21. Hungary strives to take an active role in the international donor community's development efforts, in accordance with the country's capacities. The main objective of international development cooperation is to eradicate poverty in developing countries, to foster job creation and productivity, and to promote stability, peace, security and democracy through enhanced institutional, administrative and human capacities. In addition, development cooperation aims to promote the sustainable management of natural resources, reduce social inequalities, manage population dynamics, empower women, promote human rights, respond to the needs of disadvantaged and vulnerable groups, mitigate the negative impacts of rapid population growth, environmental pollution and climate change, and to promote sustainable development. An important benefit of development cooperation is that it can provide market access for certain segments of the Hungarian private and public sector (e.g. education, health), while promoting scientific and technological development.

22. In accordance with the international consensus, Hungary's development cooperation policy is committed to the achievement of the Millennium Development Goals, and we will stay committed to the new set of internationally agreed development goals in the post-2015 period.

23. Hungary's greatest comparative advantage is in the area of sharing the experiences gained during political, economic and social transformation and through international integration processes, and the technical and organizational knowledge and experience accumulated by Hungarian experts. Enhancing human and institutional capacities imperative for the rule of law, the provision of basic services and the utilization of advanced technologies is among the most important conditions for development. Accordingly, the Hungarian development cooperation policy puts special emphasis on training, knowledge-transfer and experience sharing. National scientific workshops, educational and training institutions can play an essential role in IDC, therefore we try to realize the full potential of our GDN (Global Development Network) membership. Hungary joined the organization in 2012, which is a worldwide network of research and policy institutes, focusing on issues related to social and economic development. Through technical assistance, Hungary aims to create an enabling environment in our partner countries for food security, sustainable water management and green growth.

24. Hungary's IDC is based on partnership, thus helping to broaden and diversify our relations with the recipient country. In this regard, development cooperation is driven by the partner country's needs and priorities, and the form of assistance is determined in close cooperation with the beneficiaries, accentuating the involvement of local stakeholders in the implementation process. Hungary strives to broaden the range of development actors through the increased engagement of the private sector, in addition to international organizations, financial institutions, state administrations and civil society organizations.

25. Although the international framework of Hungary's development cooperation is defined by the UN, OECD and the EU, we seek to establish a new global partnership, where aid modalities are determined in close cooperation with the recipients and where there is room for various forms of donor coordination, including cooperation with emerging donors.

Guiding principles

26. Hungary's development cooperation policy adheres to international norms and principles. Key principles include aid effectiveness, which we are continuously striving to improve, mutual accountability and the transparent use of resources. In this respect, Hungary keeps the public informed and publishes detailed annual reports on government expenditure for international development activities. Accordingly, we expect accountability and transparency from our partners in the use of development resources. In order to meet the commitments outlined in the 2011 Busan Partnership document, foreseeing the establishment of a Global Partnership for Effective Development Cooperation, Hungary is taking measures to develop the necessary technical capacities required for the application of the IATI (International Aid Transparency Initiative) standard. We are committed to aligning our development assistance with the needs and objectives of our partner countries, as defined in their national development strategies. Moreover, our development assistance has to follow a result-oriented approach throughout the whole project-cycle.

27. In order to improve effectiveness, we seek to coordinate our development activities with other donor countries and organizations, especially with EU Member States and V4 countries. Hungary seeks to increase the involvement of civil society organizations, NGOs and the private sector in the planning and implementation of development projects.

28. Hungarian development cooperation aims to support sustainable development, while promoting human rights, social justice, democratic values, equal opportunities, gender equality, environmental sustainability, support for vulnerable groups and non-discrimination. Hungary pursues a human rights-based approach to development cooperation. Accordingly, our IDC policy has to reflect our global responsibility and our commitment towards addressing global challenges.

29. In determining the geographical priorities for development cooperation, Hungary takes into account the international conventions, as well as the specific needs of least developed countries, low-income countries, fragile states, and countries in post-conflict situations. Moreover, Hungary takes into account the available resources, experience and special implementing capacities to identify the regions and sectors where we can be most effective.

30. Hungary strives to strengthen policy coherence for development. In this respect, geographical and sectoral priorities are selected in compliance with Hungary's foreign policy and other policy objectives (regional policy, national policy, security policy, foreign economy, climate protection, science, culture,). Meanwhile, we seek to ensure that non-development policies are consistent with international development objectives.

31. The success and effectiveness of Hungarian development cooperation largely depends on public support, which can also have a positive impact on the access to sources of financing and expertise. Raising public awareness is therefore an important task, as it promotes solidarity and sustainable patterns of consumption and production, and contributes to the reduction of global inequalities and the protection of our Planet.

Geographical priorities

32. In determining the geographical priorities of Hungary's IDC policy, we have to consider the realities of global development, our capacities and the available resources. In addition, we have to take into account previous experiences, Hungary's traditional relations and comparative advantages, the relevance of Hungarian assistance in the partner country, inter-institutional relations, our comprehensive understanding of the local conditions, relevant development indicators, and the partner country's commitment to development. Short and long-term geographical priorities can change, as the global development landscape is changing, sudden democratic transitions take place and new development needs arise, which require the joint effort of the international community. Keeping in mind that international development cooperation is built on mutual trust, our goal is to provide long-term, predictable, programmable and effective assistance for our partner countries.

33. ODA eligible countries in the Western Balkans and Eastern Europe will continue to be prioritized in forthcoming years. This is due to the geographical proximity, reconciling development needs and Hungary's added value, the traditional relationships, along with our regional, security and nation policy interests. Our development cooperation in the regions focuses mainly on the consolidation of democratic institutions, strengthening civil society and social cohesion, and sharing the experience of EU accession.

34. In order to remain a credible member of the international donor community, Hungary cannot neglect the development needs of Sub-Saharan Africa, which remains the furthest from meeting the MDGs. Most countries in the region are experiencing robust economic growth, but weak institutional and human capacities hinder the development process, and in many cases, results in growing inequalities within the population. Hungarian development cooperation in Africa should focus on rural development and food security, including the development of infrastructure and capacities necessary for food production, climate protection, sustainable water management, improving the situation of women, education and health.

35. Hungary's global opening policy, our traditional ties and the relevance of the development needs underpin our intention to include less developed Asian countries among our development partners. Our goals in the region are climate change mitigation and adaptation, sustainable water management, food security, strengthening social cohesion, and sharing our experiences on regional integration (European, Central-European).

36. There are a significant number of professionals living in Asia and Africa, who have obtained their diplomas in Hungary with a state scholarship. We rely on the good relationship with these professionals when formulating our development cooperation policy.

37. During the selection and regular revision of our partner countries, we aim to build a concentrated, focused aid structure. In order to avoid the fragmentation of Hungary's development cooperation, which reduces cost effectiveness and visibility, the number of partner countries should preferably not exceed ten. Our priority regions will be Africa and the Middle East, Asia/ Southeast Asia, Eastern Europe and the Western Balkans. Sectoral and thematic priorities will be identified for each region. The list of partner countries may get modified within the time frame of the Strategy, in accordance with the changing income status and the advancement of the EU accession process. Partner countries should be identified in the Action Plan of the Strategy, in line with the national development planning cycle of the recipient, if possible.

38. Programme countries should be identified within the group of partner countries, where we will provide long-term, comprehensive, programme-based development assistance. It is important to determine the proportion of the IDC budget that can be spent on non-priority regions to meet ad hoc development needs. Partner countries will be selected based on policy considerations following broad-based consultations. The list will be reviewed from time to time.

Main sectors

39. The purpose of Hungary's IDC policy is to support developing countries in their own development efforts to achieve sustainable prosperity, human dignity, democratic institutions, civil society development, environmental protection, peace and security.

40. The priority sectors of Hungary's development cooperation are assessed in view of the Millennium Development Goals and areas that are of special importance to developing countries, struggling to achieve sustainable development. Development cooperation must focus on areas where Hungary has a comparative advantage, special expertise, knowledge and technologies available. One of the key objectives of Hungarian IDC is to channel science, technology and innovation into development cooperation in order to ensure the green growth of partner countries, environmental protection and the sustainable management of natural resources.

41. In the interest of focused and effective development cooperation that adheres to international and EU norms, we seek to limit the number of priority sectors in each partner country to three.

42. To this end, Hungary will provide development assistance in the following sectors and areas:

- **Institutional development** (consolidating democratic structures and the rule of law, sharing the experience gained during transition and integration processes; good governance, institutional capacity building of central, local and sectoral administration, strengthening civil society);

- **Green growth, environmental and climate protection** (rural and urban development, food security, sustainable agriculture, sustainable water management, sanitation, climate change adaptation);

- **Human development** (education, health, culture, equal opportunities, protection of minorities and vulnerable groups, social institution development, scientific cooperation).

43. An important form of development assistance is the provision of state scholarships to students from developing countries to attend Hungarian institutions of higher education. Enhancing the synergy between our scholarship policy and the objectives of development cooperation can contribute effectively to the coherence of our relationships with developing countries.

Forms and modalities of development cooperation

44. IDC mobilizes mainly state funds to assist developing countries. Development funding is disbursed through multilateral and bilateral channels, or through donor coordination mechanisms. The share of multilateral ODA is particularly high in Hungary's case, amounting to 75-80 % of total flows. Hungary aims to significantly increase the share of bilateral development cooperation in order to give effect to the priorities of our IDC policy and comparative advantages, and to ensure greater visibility.

45. Development funding disbursed through multilateral channels mainly comprise of core budget contributions and voluntary contributions⁴ to international organizations, financial institutions and funds (UN, EU, World Bank, etc.). Decisions concerning Hungary's memberships in different organizations and voluntary contributions are made in accordance with the principles, objectives, and main geographical and sectoral priorities of our IDC policy. In view of the significant budgetary implications of these decisions, a thorough evaluation of the conditions and expected impacts must be conducted in advance. Decisions should be made within the framework of an inter-ministerial coordination mechanism.

46. Multilateral development cooperation needs to be reviewed in order to determine which organizations can most effectively ensure the achievement of the objectives and sectoral priorities of Hungary's IDC policy.

47. Hungary's international development cooperation is currently underfunded, and we fall short of meeting our EU development financing commitments (0.17 % ODA/GNI by 2010, 0.33 % ODA/GNI by 2015). In the context of the current financial crisis, the increase in ODA levels was due to mandatory contributions (European Development Fund – EDF). Although

⁴ Hungary earmarks voluntary contributions to specific purposes and projects when possible

Hungary is not the only EU member state failing to reach its ODA targets, decreasing the gap to agreed targets and pursuing an increasing trend would significantly extend our horizon for interest representation and would improve global conditions that are essential for Hungary's safety and wellbeing.

48. Recognizing our international commitments and global responsibility, it is necessary to significantly increase the MFA's separate budget line for international development activities and ODA eligible government spending (targets were also set in the National Security Strategy in compliance with NATO commitments). In order to reach our targets, we have to increase ODA/GNI levels annually by a fixed amount, taking into account the 2015 target (0.33%) and the forthcoming changes in the EU's framework and commitments. Required measures include increasing the MFA budget line earmarked for IDC purposes (150 million HUF in 2013), increasing state scholarships to students from developing countries, granting loans, and supporting international initiatives and funds that ensure the participation of Hungarian entities. The allocation of additional resources must be determined based on internationally agreed development goals, Hungary's IDC Strategy, national interests deriving from our relationships with developing countries, and the priorities of Hungary's development cooperation. In addition, decisions regarding allocations must be preceded by comprehensive consultations and need to be re-evaluated from time to time. For the gradual increase of Hungary's total ODA volumes, standard IDC criteria must be applied and the inter-ministerial coordinative role of the MFA must be strengthened.

49. In order to increase available resources for development, we need to consider innovative and alternative financing mechanisms. Further measures shall be taken to ensure that a fixed amount of the Government revenues from carbon gas emission allowances is used for IDC, or to create a new item in the 1% Income Tax Donation Scheme for the purpose of international development. In this respect, our international and EU commitments aimed at reaching the goals of the United Nations Framework Convention on Climate Change (UNFCCC) shall be taken into account.

50. With the improvement of our financial situation and the gradual increase of funds allocated for international development, we need to diversify the forms of our bilateral assistance. In the past decade, Hungary provided project-based development assistance. Although the programme-based approach requires more predictable financing, it ensures deeper, long-term cooperation with the partner country and the chance to build on the success of previous projects. Joint programming and closer donor coordination encouraged by the EU, the trusting relationships with partner countries, and the common interest of predictability underpin the need for long-term, programme-based planning and implementation of our IDC policy.

51. In order to improve the predictability and management of development assistance, it is necessary to establish a three-year planning cycle within the central budgeting system, providing a multi-year forecast of IDC activities and the required resources.

52. Due to the level of available resources, Hungary's international embeddedness, and the size of the network of civil and private sector stakeholders in developing countries, it is currently impossible to implement the IDC policy independently from national entities (civil society organizations, state administration, private sector), relying only on local systems and institutions of the partner countries. In order to enhance their capacities, Hungarian actors from the public, civil, and private sector will continue to play a leading role in the implementation of development projects in the coming years, individually as well as in cooperation.

53. Tied aid credits cannot be specifically considered as IDC tools due to their trade-promoting nature, but they can contribute to the development of partner countries by providing concessional loans. Hungary will continue to provide tied aid credits in compliance with the OECD norms, as they can facilitate the capacity building of Hungarian civil society organizations and private companies. Gaining experience and know-how in developing countries will increase their chances of involvement in internationally financed (EU, World Bank, etc.) development projects.

54. As most of Hungary's IDC contributions are allocated through development programs managed by the European Commission, we have to seek to increase our engagement in the implementation of the EU development policy. Meanwhile, we have to ensure that our bilateral development cooperation and activities within the EU framework complement each other. We have to promote greater participation of Hungarian entities in development cooperation financed from EU external assistance funds, while increasing our engagement in the context of other development tools as well (e.g. DCI, EIDHR).

Development cooperation actors of Hungary

55. Civil society plays a pivotal role in the implementation of the Hungarian development cooperation policy. To support their efforts, regular state funding should be provided based on a qualification system that corresponds to international standards. By facilitating their engagement in development activities, we strive to enhance their capacities and their international prestige.

56. With their extensive international network, their expertise and local knowledge gained during the implementation, civil society organizations are key partners of the policy-makers in the planning, evaluation and awareness raising process of the Hungarian development cooperation. The structured dialogue with civil society is to be maintained and broadened in the future. The regulation of the public procurement system has to be revised, with special emphasis on the criteria for co-financing in international and EU funded projects. Legislation recognizing the non-profit status of civil society organizations engaged in IDC activities has to be created.

57. Currently, the Hungarian private sector plays only a minimal role in the implementation of development assistance. In view of the international trends and the impact of investment,

business, and job creation on development, also keeping in mind national economic interests, it is essential to promote the engagement of the private sector in IDC activities. This cannot be achieved without a significant increase in the available resources. A special financial mechanism has to be established to support the participation of Hungarian businesses in internationally funded development projects with grants, loans, guarantees, etc. Effective coordination and the provision of information and practical guides for Hungarian entities interested in implementing EU and other international development projects is an important task.

58. Due to the geographical and sectoral characteristics of the Hungarian IDC, state administrations can play an important role in the implementation of development projects in certain regions (transitional experience, EU-accession, integration, institutional capacity-building in the Western Balkans and Eastern Europe). One of the main objectives of our IDC policy is to enhance the participation of Hungarian administrations in the Twinning and TAIEX programs of the EU. To improve effectiveness and coherence, the knowledge and capacities of the Hungarian administrative bodies have to be strengthened in the field of IDC.

Institutional framework

59. The institutional framework of the Hungarian development cooperation has been established and consolidated in the past ten years. However, in view of the new challenges and the lessons learned, the decision-making and implementation processes need to be revised. Within the Hungarian government, the Ministry of Foreign Affairs is responsible for the formulation, coordination and implementation of the development cooperation policy. It is clear however, that other line ministries also engage in development cooperation activities, as it is reflected in the annual reports and statistics. In order to ensure policy coherence and effectiveness, coordination within central governmental bodies has to be strengthened and institutionalized, and the MFA's role and competence has to be clearly defined.

60. Hungarian policy makers draw on the expertise and experience of the IDC Civil Advisory Board, which consists of representatives from academic communities, political parties, interest groups and the civil society. In order to enhance transparency, we have to strengthen the role of the Civil Advisory Board and membership should be extended to include representatives of churches, professional organizations, media, etc.

61. The institutional mechanism for implementing the IDC policy should be reviewed in line with the increase in available financial resources. In order to ensure the effective management and implementation of development projects, an independent international development agency should be set up under the auspices of the MFA.

62. Hungary is directly involved in the formulation of the EU development cooperation policy through the relevant EU platforms, and maintains an inter-institutional dialogue with the Visegrad Group and other Member States. The issue of a possible OECD DAC membership is

likely to be on the agenda during the period this Strategy will be in effect. The accession will require the increase of human capacities and financial resources allocated for IDC activities.

63. The legal framework of the Hungarian IDC needs to be transformed to ensure a more predictable budgetary environment, necessary for the provision of programme-based development assistance. The annually changing budgetary allocations significantly hinder the continuity of the implementation, endangering effectiveness and credibility. Taking this into consideration, an Act on development cooperation has to be prepared and adopted, laying down the rules and procedures of the government's IDC activities.

Raising awareness

64. According to international surveys, public awareness and support for development cooperation is lower in Hungary than in other Member States of the EU. To gain political and public support for Hungary's IDC policy and the allocation of public funds for IDC purposes, we have to accentuate information and awareness raising activities. Presenting our efforts and showing results also gives us the chance to increase solidarity and stimulate active interest of citizens in global challenges, tasks ahead of us and international cooperation. In addition, raising awareness can strengthen ties between municipalities, organizations and communities of Hungary and developing countries, that are mutually beneficial.

65. Young people are in the focus of global education. As regular users of social media and other modern communication tools, they are open-minded about global issues. To promote the values of solidarity and caring among the younger generation, it is important to provide comprehensive information, in addition to encouraging participation in volunteer work. School curriculums should put special emphasis on global challenges, international and EU efforts and Hungary's role in development cooperation. The framework for global education has to be established, including teachers' trainings, teaching materials and program financing. Community service or volunteer work in the field of development cooperation could create additional opportunities for raising awareness. Development cooperation projects provide opportunities for talented students in higher education to gain practical experience, enhance their expertise, meet new cultures and improve their language skills. Information activities of churches and civil society organizations are also to be supported.

66. A special area of raising awareness is sharing information with the Hungarian private sector about developing countries, the local development needs, investment opportunities, financing options and tenders. Facilitating private sector engagement in IDC requires effective inter-ministerial coordination. Understanding our national capacities and comparative advantages will foster productive participation in the programming of international and EU financial instruments for development.

67. Civil society and the media can play a key role in raising public and political awareness about development cooperation. Representatives of the media show increasing interest in the

challenges developing countries face and the possible solutions, while civil society organizations can share information about their own development experiences. In order to ensure policy coherence, policy-makers should be informed about the importance of considering development objectives in non-development policies.

Strategic Concept for International Humanitarian Aid

Main objectives and guiding principles of Hungarian humanitarian assistance

68. The Treaty of Lisbon introduced humanitarian aid as a policy in its own right within the external relations of the European Union and its Member States.

69. The main objective of Hungarian humanitarian aid is to save lives, alleviate suffering and maintain human dignity during and in the aftermath of man-made crises and natural disasters. Hungarian humanitarian assistance is based on international humanitarian law, international human rights treaties and international refugee law, as well as the fundamental principles of humanity, neutrality, impartiality and independence. Hungary's humanitarian action is guided by the European Consensus on Humanitarian Aid and the Good Humanitarian Donorship (GHD) principles. These principles are essential preconditions for the humanitarian space that is needed to ensure access to vulnerable populations and for the safety and security of humanitarian workers. Humanitarian response can contribute to the alleviation of suffering, but it is not an alternative to the political solution of the conflict.

70. In compliance with Resolution 46/182 of the United Nations General Assembly, Hungary agrees with the leading role of the United Nations and the Office for the Coordination of Humanitarian Affairs (OCHA) in the coordination and strengthening of humanitarian assistance. Furthermore, Hungary supports humanitarian reform processes, such as the Inter-Agency Standing Committee (IASC) Transformative Agenda, aimed at improving the timeliness and effectiveness of collective response through better leadership, improved coordination structures, and greater accountability. Hungary is committed to the clear distinction between the functions and roles of civil and military stakeholders, and respects the international guidelines on the use of military and civil defense assets in natural disasters and complex emergencies (MCDA Guidelines, Oslo Guidelines).

71. Armed conflicts and the growing number of climate change-related natural disasters pose enormous challenges on the international community, already faced with the economic crisis. These global trends highlight the growing importance of linking relief, rehabilitation and development (LRRD), which can enhance the resilience and preparedness of communities. Hungary ensures the synergy between humanitarian aid and long-term development through cooperation with the National Directorate General for Disaster Management and Hungarian development actors, as well as through capacity building of local authorities in partner countries, in compliance with the Hyogo Framework for Action (HFA), which tasked the

United Nations Office for Disaster Risk Reduction (UNISDR) with supporting the implementation of the HFA.

Hungarian humanitarian activities of previous years

72. Albeit our financial constraints, Hungary tried to be an active member of the international humanitarian community. In addition to the active participation in international forums and decision making bodies of relevant international organizations, Hungary responded regularly to humanitarian appeals. Our contributions helped alleviate human sufferings in different natural disasters, armed conflicts, and in protracted crisis situations. We also demonstrate our commitment by supporting the humanitarian activities of international organizations through assessed and voluntary contributions.

73. In recent years, Hungarian institutions, organizations and civil society have developed significant, internationally recognized humanitarian capacities.

Partnerships and forms of cooperation

74. The Ministry of Foreign Affairs of Hungary is responsible for planning, coordinating and implementing international humanitarian aid activities. The competent department of the MFA is in close cooperation with other departments of the Ministry and civil society organizations. Hungary's humanitarian aid is mainly channeled through multilateral funds within the framework of the European Union, specialized agencies and financial funds of the United Nations involved in humanitarian activities, the International Federation of Red Cross and Red Crescent Societies (IFRC), the International Organization for Migration (IOM), diplomatic missions, Hungarian civil society organizations and the National Directorate General for Disaster Management of the Ministry of Interior (BM ORFK).

75. Hungary provides humanitarian assistance to those in need in different forms. International organizations are subsidized through direct budget support and through operational contributions. In addition to providing financial resources, Hungary contributes to the alleviation of human suffering with well-qualified search and rescue teams and professionals, emergency relief supplies (mobile hospitals, medicine supplies, etc.), and medical and rehabilitating services. Hungary is also proud to give home to regional representations and liaison offices of several specialized agencies of the UN and other major international organizations (UNHCR, IFRC, IOM, FAO, WHO, UN-SPIDER).

76. Decisions concerning humanitarian contributions are made in Hungary based on comprehensive needs assessments of international organizations, and in response to humanitarian appeals. Funds are allocated to those who are in most urgent need of support. Partner organizations are selected in accordance with their field of work, their ability to access those in need, and the effectiveness of previous co-operations. Focus areas of Hungarian

humanitarian activities include the protection of refugees and migrants affected by crisis, food security, water, health and sanitation, supporting vulnerable communities, and building capacities of local institutions, communities and humanitarian organizations.

77. We acknowledge the crucial role Hungarian and international NGOs play in humanitarian assistance. National governments and international organizations draw on the special expertise and local knowledge of NGOs. We will support Hungarian humanitarian organizations in attaining the partnership status of the European Union's Directorate-General for Humanitarian Aid and Civil Protection (DG ECHO).

78. To ensure transparency, Hungary publishes reliable and up-to-date information about its humanitarian aid activities through public database systems operated by the EU and the UN (EDRIS, FTS). Furthermore, the MFA prepares an annual report to the Government.

Tasks, expanding our horizon

79. In view of the changing context of humanitarian assistance, Hungary's institutional framework needs to be reviewed and reformed, and the necessary measures must be identified in an action plan. The recent transformation of the Hungarian disaster management system and the new legislation create favorable conditions for the modernization of the institutional system for humanitarian aid. Moreover, the formulation of a new law on the Hungarian Red Cross has begun in cooperation with the Red Cross and Red Crescent Movement.

80. To ensure the effectiveness and credibility of Hungary's international humanitarian activities, state funding for humanitarian aid must be increased. Government communication presenting international, EU and Hungarian humanitarian activities must be improved to raise public awareness and engage volunteers. An important task is the capacity building of state and non-state actors, and Hungarian companies involved in the production and distribution of emergency equipment.

81. For rapid, effective and innovative humanitarian aid, it is essential to create an enabling regulatory framework, which ensures the fast and flexible delivery of contributions. To mobilize additional resources, Hungary needs to promote aid and volunteering within the society, especially among young people.

82. To increase effectiveness, it is necessary to establish a broad national consensus and new forms of international partnerships, in compliance with the global opening policy. Humanitarian assistance will be an integral part of our external relations and contribute to the prestige of Hungary, but we have to ensure policy coherence and that solidarity becomes part of our public perception.

Monitoring and evaluation

83. The main focus of our monitoring and evaluation activities has been the effectiveness of the implementation of development and humanitarian projects. Project monitoring has been conducted by the Department for International Development Cooperation and Humanitarian Aid, in close cooperation with Hungarian missions. Monitoring confirms that Hungarian IDC performed well relative to the available resources/capacities, the projects could be assessed both financially and professionally. Experience shows however, that there were significant deficiencies regarding the follow-up. To overcome these shortcomings, we wish to put greater emphasis on evaluating project effectiveness and on impact assessment.

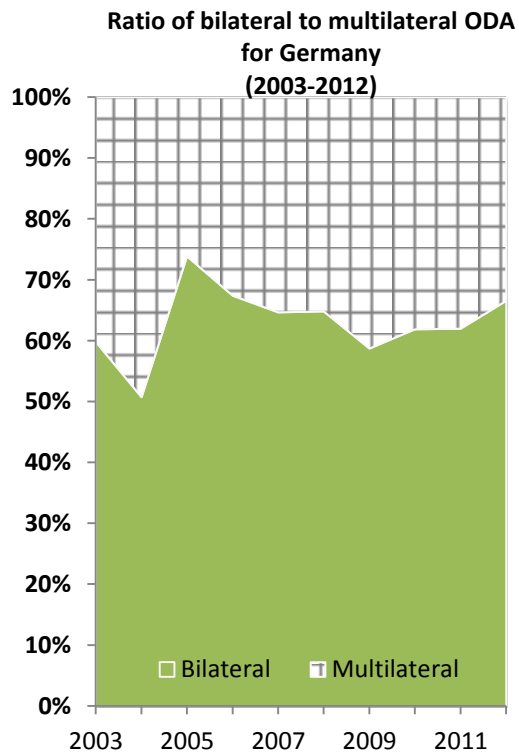
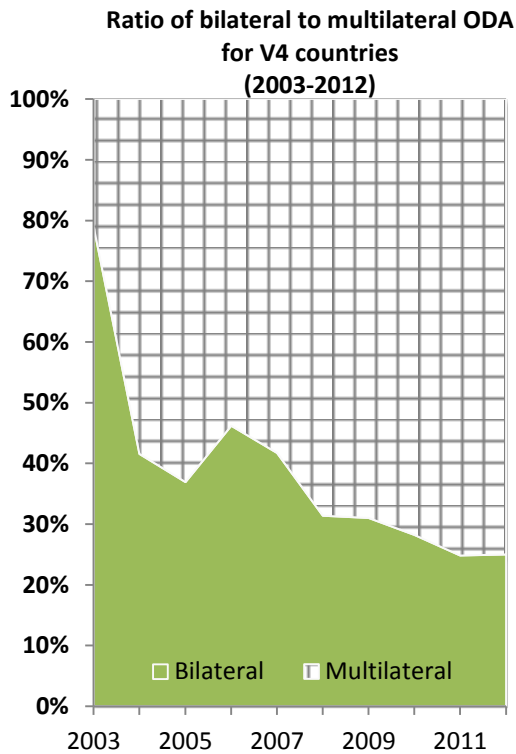
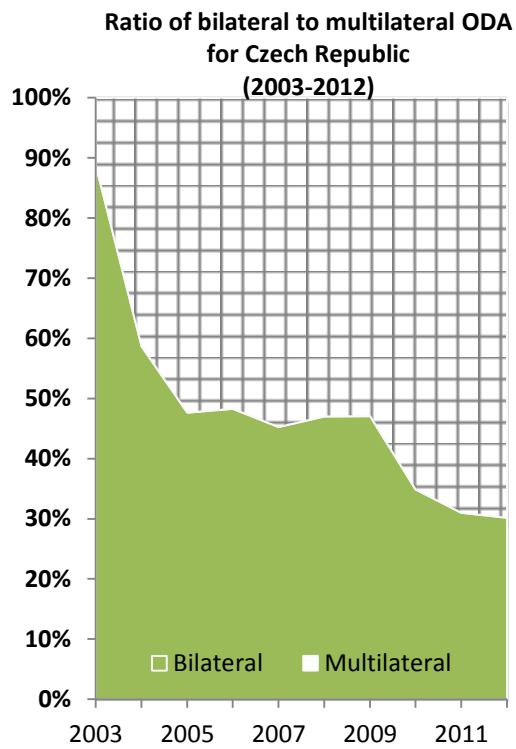
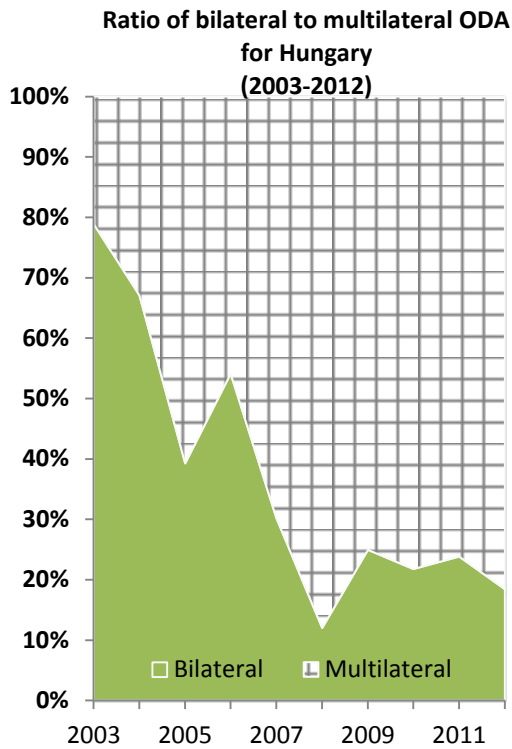
84. In order to achieve the objectives of the strategy effectively and successfully, a comprehensive evaluation system has to be established, criteria for the assessment needs to be redefined, and follow-up mechanisms must be included. This will lead to a better understanding of which areas and sectors Hungarian development cooperation is most effective in and where it can represent an added value. Data analysis carried out during the preparation of the strategy also revealed that a modern database system has to be established. At the end of the first half of the strategic period of 2014-2020, a mid-term review shall be conducted, allowing for the necessary adjustments to be made in light of the changing conditions. The mid-term review, which is planned for 2017, would assess the performance of Hungarian development cooperation in terms of relevance, coherence, coordination, effectiveness and efficiency, results, impact and sustainability.

Acronyms and abbreviations

BM OKF – National Directorate General for Disaster Management of the Ministry of Interior
BRICS – Brazil, Russia, India, China, South-Africa
DAC – Development Assistance Committee
DG ECHO – Directorate-General for Humanitarian Aid and Civil Protection
EDF – European Development Fund
EDRIS – European Disaster Response Information System
EU – European Union
FAO – Food and Agricultural Organization
FTS – Financial Tracking Service
GDN – Global Development Network
GHD – Good Humanitarian Donorship
GNI – Gross National Income
HFA – Hyogo Framework for Action
IASC – Inter-Agency Standing Committee
IATI – International Aid Transparency Initiative
IDC – International development cooperation
IFRC – International Federation of Red Cross and Red Crescent Societies
IOM – International Organization for Migration
ISDR – International Strategy for Disaster
LRRD – Linking relief, rehabilitation and development
MCDA –Military and Civil Defense Assets
MDG – Millennium Development Goals
MFA – Ministry of Foreign Affairs
NATO – North Atlantic Treaty Organization
NGO – Non-governmental organization
OCHA – Office for the Coordination of Humanitarian Affairs
ODA – Official Development Assistance
OECD – Organisation for Economic Co-operation and Development
TAIEX – Technical Assistance Information Exchange
UN – United Nations
UNFCCC - United Nations Framework Convention on Climate Change
UNHCR – United Nations High Commissioner for Refugees
UN-SPIDER – United Nations Platform for Space-based Information for Disaster Management and Emergency Response
USD – United States Dollar
V4 – Visegrad Group (Hungary, Czech Republic, Poland, Slovakia)
WHO – World Health Organization

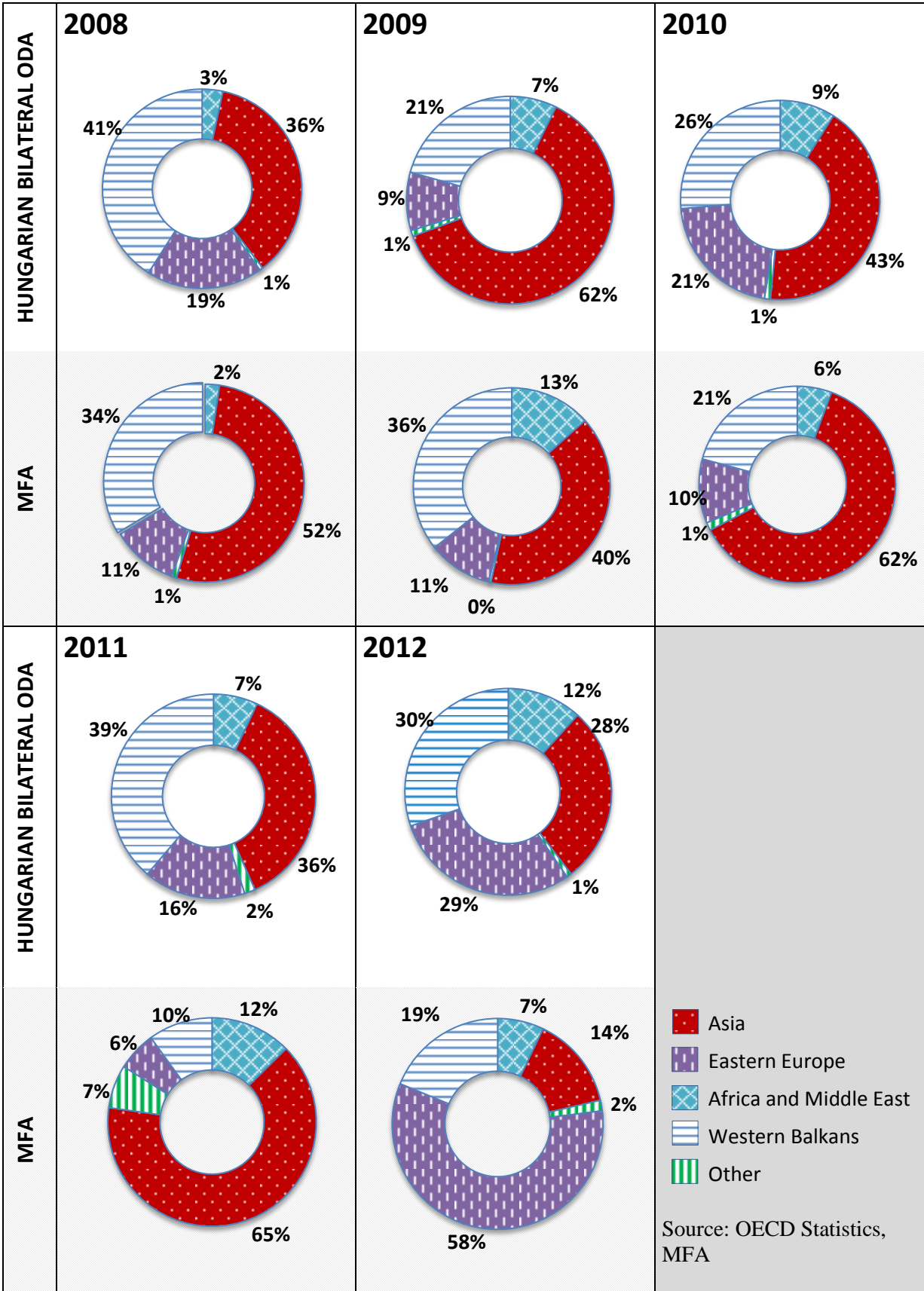
Appendices

STRUCTURE OF ODA (INTERNATIONAL COMPARISON)

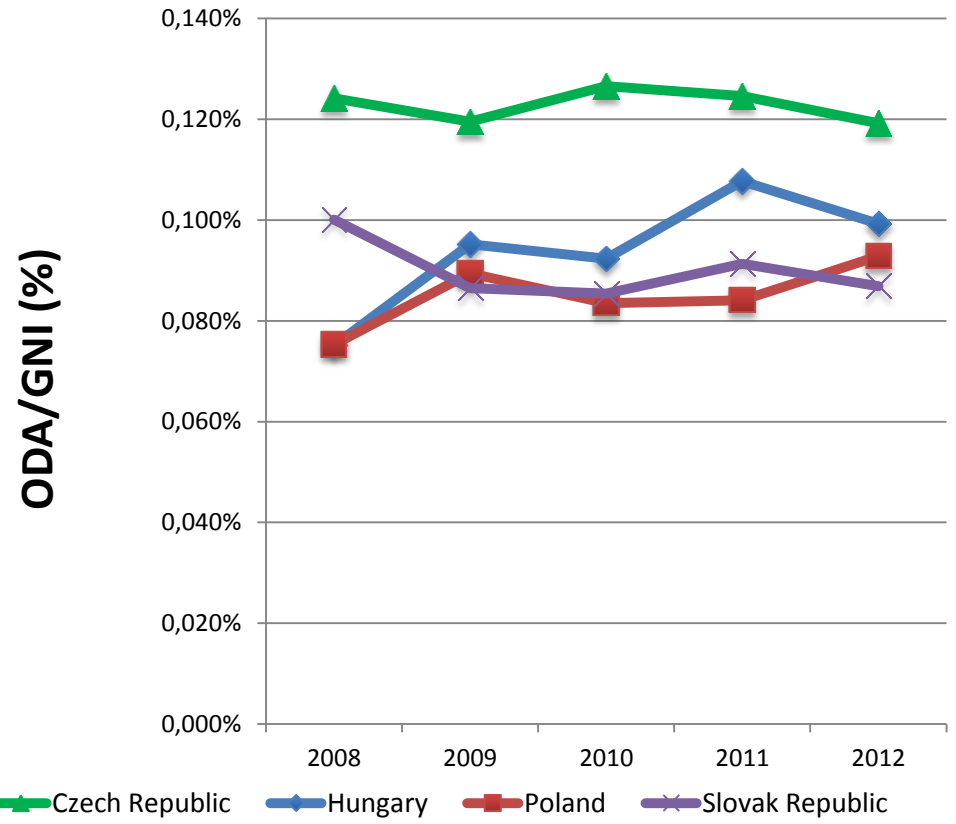
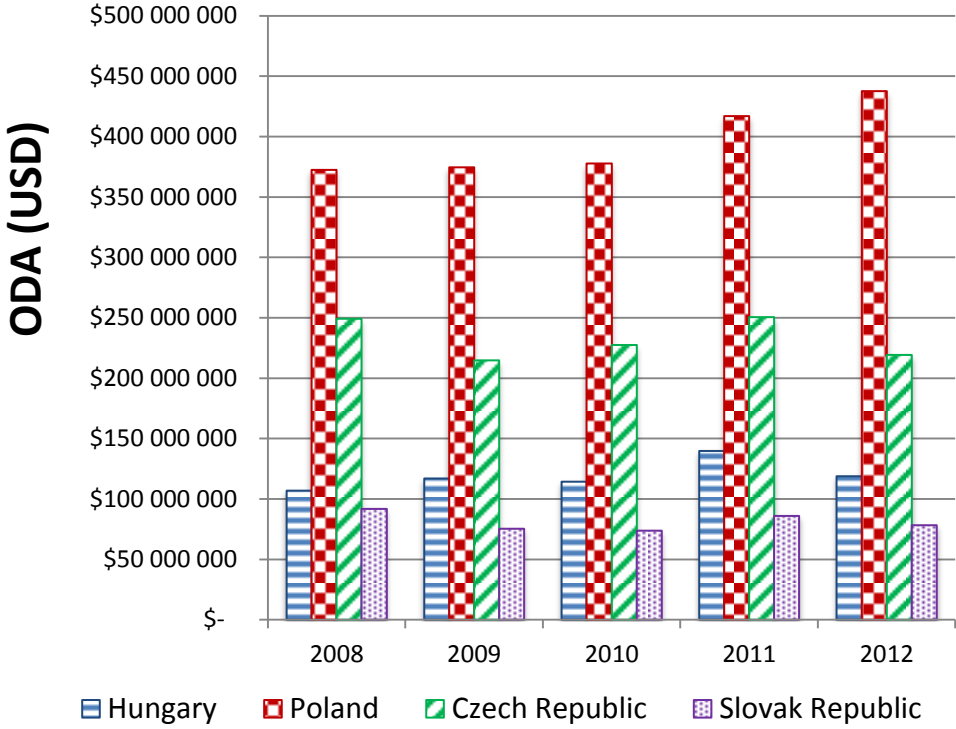


Source: OECD Statistics

GEOGRAPHIC DISTRIBUTION OF NET BILATERAL ODA FOR HUNGARY

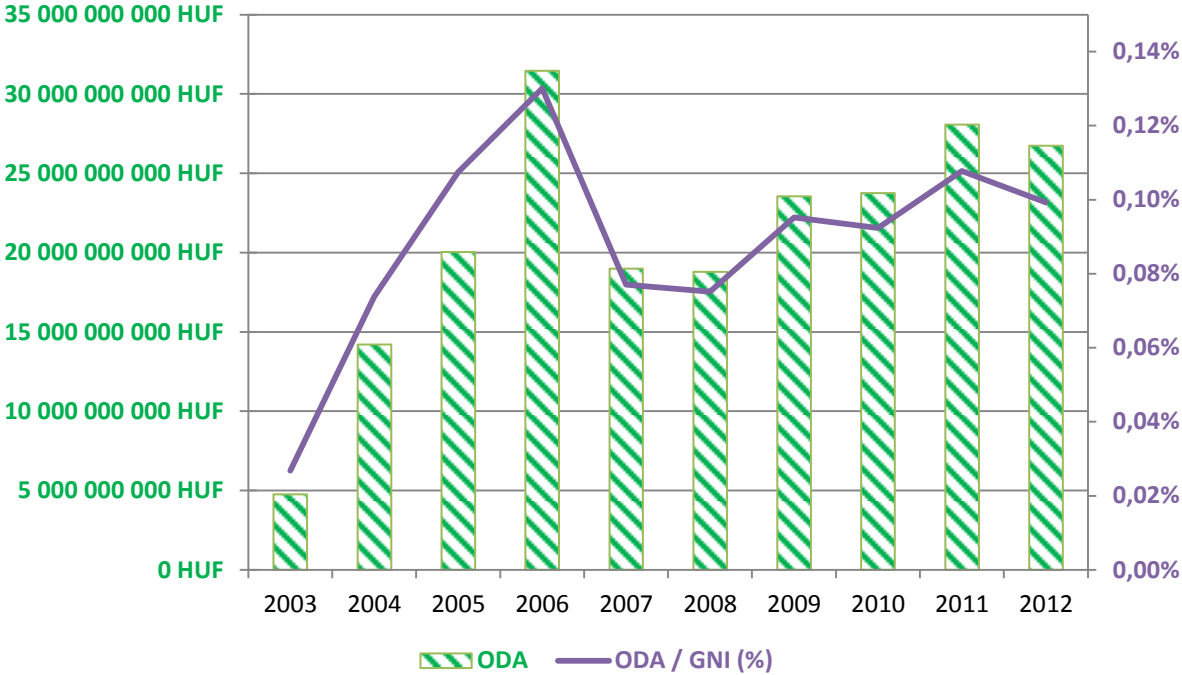


TOTAL NET ODA AND ODA AS PERCENTAGE OF GNI FOR V4 COUNTRIES



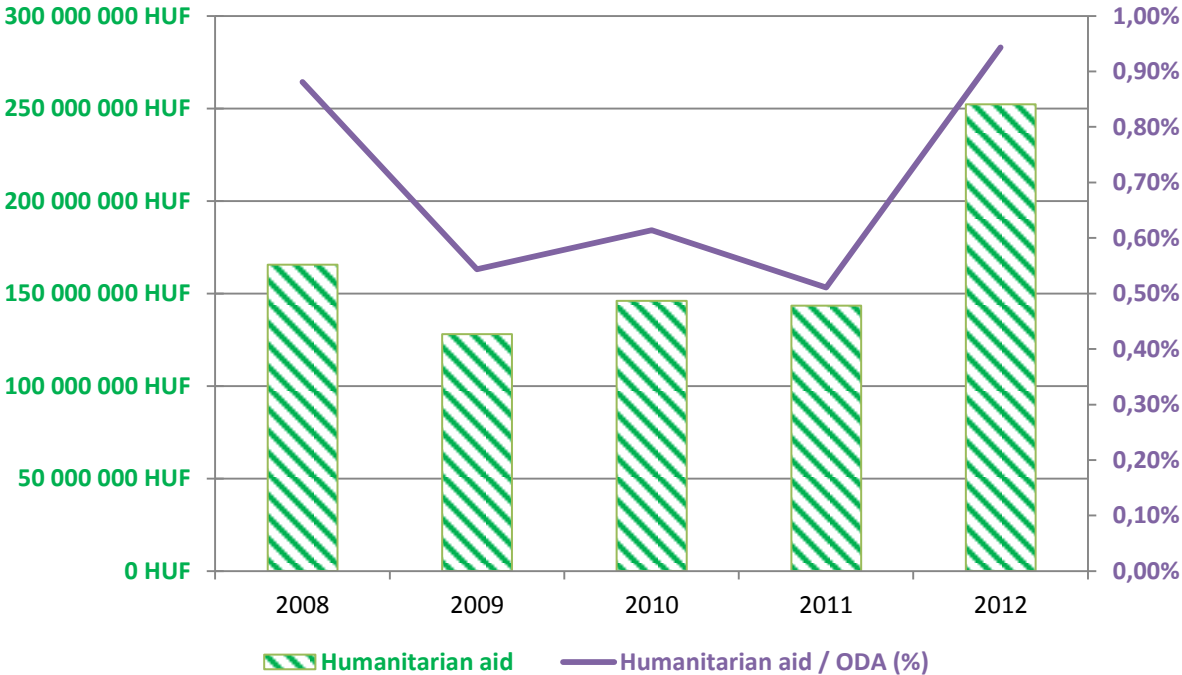
Source: OECD Statistics

TOTAL NET ODA AND ODA AS PERCENTAGE OF GNI FOR HUNGARY



Source: OECD Statistics

TOTAL HUMANITARIAN AID AND HUMANITARIAN AID AS PERCENTAGE OF ODA FOR HUNGARY (2008 - 2012)



Source: MFA