

A Brief Summary of Hungary's International Development Co-operation Activities

I. Introduction

Hungary, while acceding to the OECD and the European Union, assumed the responsibility to work out and implement an international development cooperation policy conforming to OECD and EU principles and practices. It agreed to fulfil the commitments and the targets set in the UN Millennium Declaration and the Millennium Development Goals.

The Hungarian international development policy is consistent with our foreign policy and the moral goals set out in the Government programme.

It is a great challenge to a small country with limited resources like Hungary to pursue an efficient IDC policy and catch up with developed donors. Nevertheless, we have already attained certain achievements. By now the institutional, legal and financial frameworks of our IDC policy have been laid down. The implementation of development projects financed from the IDC allocation of the national budget, co-ordination of the activities by line ministries so far carrying out separate IDC projects, and the involvement of the private and civil sector into IDC have started and made certain progress.

In order to use our limited resources in the most efficient way, we have set clear targets and preferences when deciding on our partner countries and IDC sectors. To be able to fully utilise our comparative advantages and to ensure maximum added value to the EU common IDC, we mainly focus on Western Balkan and CIS countries and would like to share our experiences gained in the course of political and economic transition and EU accession. Hungary, as an aid recipient country up to the recent past, has also rich experiences of receiving and best utilising aid, which can be conveyed to our partner countries as well. We are confident that a well-targeted knowledge-transfer project of modest financial value can have a significant development impact.

It is also important for us to co-operate closely with the new EU Member States of Central Europe sharing many similarities to ensure complementarities and cohesion in our IDC policies.

II. Priority regions and countries

It is necessary to accord special priority to neighbouring countries, since we have a vital interest in the stability and development of the region.

The geographical span of Hungary's international development policy, however, is wider than that, as it also reflects the main objectives of the European Community in this area such as sustainable development, poverty reduction in partner countries, their integration into the world economy and promoting democracy, the rule of law and good governance.

ODA partners therefore have also been chosen from the LDC group, whereas some Far-Eastern countries were included on the list due to the traditions of our bilateral relations and previous personal contacts, and the experiences accumulated in the course of the cooperation of the past decades.

Based on the above consideration, there are four groups of countries targeted by the Hungarian development activities:

Strategic partners:

Serbia, Montenegro, Bosnia and Herzegovina, Vietnam

Other partner countries:

Macedonia, Moldova, Mongolia, Kyrgyzstan, Ukraine, Palestinian Authority

Least developed countries (LDCs):

Ethiopia, Yemen, Cambodia, Laos

International commitments:

Afghanistan, Iraq.

III. Sectoral priorities

Obviously, we concentrate our development assistance activities primarily on those sectors and areas where Hungary has comparative advantages.

Without observing an order of importance, the following fields of activities are given greater emphasis:

1. Sharing Hungarian experiences associated with the political-economic transition (establishment and operation of democratic structures, creating conditions for the transition to a free-market economy, privatisation, providing assistance to small- and medium-sized enterprises, the application of the criteria of good governance).
2. Knowledge transfer, knowledge-based assistance (methodological procedures, know-how, software, transfer of organizational and planning methods, etc.)
3. Promoting education (university and postgraduate), training of experts and technicians, developing curriculum, organizing distance learning.
4. Developing health services (planning, equipping, and running of hospitals and polyclinics, birth control, combating epidemics, etc.)
5. Agriculture (dissemination of state-of-the-art plant and animal breeding methods, seed improvement, plant hygiene - plant protection, freshwater fish breeding, forestation programmes, farm development plans, biotechnology, agro-meteorology, training of specialists and engineers in farming-related areas), food industry (planning of slaughterhouses.)
6. Contributing to water management and water resources development, planning and providing technical advice (reservoirs and barrages, water purification plants, planning of dikes, inland drainage, exploration and assessment of water stocks, etc.)
7. Developing general infrastructure.
8. Helping general and transport engineering activity, cartography.
9. Providing technical advice on environmental protection.

IV. Financial background

Hungary's development assistance programmes are mainly financed from the central budget.

In accordance with international practice, it is the responsibility of the Finance Minister to make a proposal to the National Assembly on the development assistance budget, in the annual Budget Bill.

For 2004 HUF 1.100 million (around USD 6 million) was earmarked for the MFA budget whereas resources were also earmarked for the activities of the ministries and institutions taking part in the implementation of bilateral and multilateral international development cooperation. All in all HUF 13.500 million (close to USD 70 million) was spent on ODA in Hungary that year which corresponded almost to 0,07 % of the Gross National Income (GNI).

In 2005 this latter amount – largely due to the EU ODA Budget contributions, and also due to more reported programs and projects of the line ministries – grew to HUF 21.873 million (around USD 100 million) which corresponds approximately to 0,1 % of the Gross National Income (GNI).

Hungary was part of the 2005 May 24 Conclusions of the Council of the European Union to reach a new collective EU target of 0,56 % ODA/GNI by 2010 in such a way that old Member States undertake to reach a minimum of 0,51 % ODA/GNI while new Member States will strive to increase their ODA to reach - within their respective budget allocation processes - 0,17 % ODA/GNI level by 2010.

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