



Research on Long-term Housing of Ukrainian Refugees in Europe
commissioned by Habitat for Humanity International

Housing of Ukrainian Refugees in Europe Options for Long-Term Solutions

Country case study

Hungary

commissioned by Habitat for Humanity International

Authors:

Adrienn Kiss (independent expert)

József Hegedüs (MRI, Budapest)

Eszter Somogyi (MRI, Budapest)

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Introduction

After a short post-COVID recovery year, on February 24, 2022, Russia invaded Ukraine, devastating cities, destroying critical infrastructure and forcing millions of people to leave their homes. According to data provided by host governments to UNHCR, between February 24 and December 6, 2022, more than 7.8 million individuals who had fled Ukraine were registered across Europe. Due to the imposition of martial law, men between 18 and 60 are not allowed to leave Ukraine. Thus, 90% of those in need of international protection are women and children. By the beginning of December, more than 4.8 million people had registered for Temporary Protection or other legal status provided by the host countries' protection regimes in Europe. The war is still ongoing at the beginning of January 2023, and refugees' prospects of returning and starting reconstruction are increasingly delayed, and the aspirations of refugees are becoming more precarious.

This country case study is one output of a more extensive research effort commissioned by Habitat for Humanity International that was designed to examine immediate and longer-term accommodation/housing policy responses in five countries and, based on the findings, to define longer-term housing solutions that may lead to the better integration of refugees. The five countries include four neighbouring Ukraine (Hungary, Poland, Romania and Slovakia) and Germany, which was used as a benchmark for the other four countries in terms of general housing policy and refugee-related policy responses. Nevertheless, the German system was also analysed through a critical lens by comparing it to a well-functioning (ideal-type) affordable and human-rights-based housing system. The five country case studies are based on secondary data analysis, numerous interviews, document analyses, and fact collection. Their principal findings, on the one hand, are summarized in Country Fiches (one for each); on the other hand, a Comparative Report has been produced to help draw conclusions about the responses to the diverse housing needs of people fleeing the conflict of civil society, the private sector, local authorities, and humanitarian actors in the five EU countries. The Comparative Report also provides more general recommendations for Habitat for Humanity International advocacy activities regarding national and EU-level policy interventions.

The Hungarian case study is structured as follows. Chapter 1 analyses the main features of the Hungarian housing system and housing policy, comparing these with the situation in the other four countries. Chapter 2 summarises the results of the interviews and the fact-collection process. In doing so, it first shows the main regulatory background to the country's refugee policy and, secondly, the size and profile of refugee groups arriving from Ukraine. Then, it enumerates the forms of accommodation and housing provided for refugees, followed by a shorter description of other services. Chapter 3 concludes by specifying the main gaps (by comparing existing models for refugee housing solutions to an ideal approach). Finally, in Chapter 4, recommendations are made for developing more inclusive and longer-term housing solutions that take into account the specificities of the country's housing system and housing policy.

1. General description of the country's affordable and social housing solutions

1.1. Common features of housing systems in the examined new Member States

Hungary, Poland, Romania, and Slovakia, countries with post-socialist housing regimes, have gone through very similar processes, which can be summarized in the following way:

1. After the regime change, public rental housing was taken over by municipalities. The privatisation of housing at a fraction of the market price radically reduced the stock of social rental housing. In addition, rents typically do not cover costs, so municipalities must cover the shortfall from their own revenue. As a result, they are left with smaller, poorer-quality housing, which, coupled with a lack of funds for renovation, has led to a decline in the sector.
2. A significant proportion of low-income (urban) families have been pushed out of the social rented sector and can find solutions only in the private rented sector or settlements further from urban centres. Much of the private rental market is informal. Liberal legal regulation has created significant risks for owners and tenants in the system. The supply side is dominated by casual landlords, as property is increasingly becoming a desirable form of investment among upper-income families.
3. As a consequence of utility and energy price liberalization, housing costs have risen rapidly in all countries. To reduce the burden, housing subsidies have been introduced. However, subsidies have not successfully compensated for the increase in burdens due to issues with income measurement and scarce budgetary resources.
4. Condominiums and multi-story buildings (including prefabricated housing estates from the socialist era) in all countries are faced with serious problems, partly because of the quality of the housing stock (energy efficiency) and partly because of the weak financial capacity of the new owners of privatised housing.
5. The main eras of housing policy in the former socialist countries are very similar. The first was dominated by housing privatisation in the 1990s, the dismantling of socialist-era institutions (including the settlement of 'old loans' and the completion of stalled construction projects), and the building of new state and market institutions. The second main period started around the 2000s, with increasing housing construction and the expansion of mortgage lending, for which countries provided varying degrees of public support. The main priority of housing policy was to subsidize the owner-occupied sector (VAT tax credit, credit subsidies, personal income tax credit), but there were also attempts to support public housing programmes (social housing, youth rental housing, etc.). Schemes have often been short-term, based on political incentives, and shut down due to budgetary constraints. After the 2008 GFC, there was a downturn, followed by an upturn after 3-7 years, again with the priority being to support the owner-occupied sector.

These processes have taken place in specific circumstances in different countries at different times due to macroeconomic, political, and institutional factors.

1.2. Economic growth and population trends

Hungary was the least economically successful of the four New Member States between 2001 and 2020, with the lowest GDP growth (65%), and lost its leading position. In terms of GDP per capita, it is on a par with Poland, but Poland's population has barely changed, and Hungary's has fallen by 6%. The data in the table shows that Romania has grown faster, but this is because the GDP per capita indicator is sensitive to population change, and Romania's population has declined substantially over the period. One-fifth of the Hungarian economy operates as a shadow economy. Thus, the country is also in a poor position in this respect; only Romania has a larger grey economy (See **Hiba! A hivatkozási forrás nem található.**).

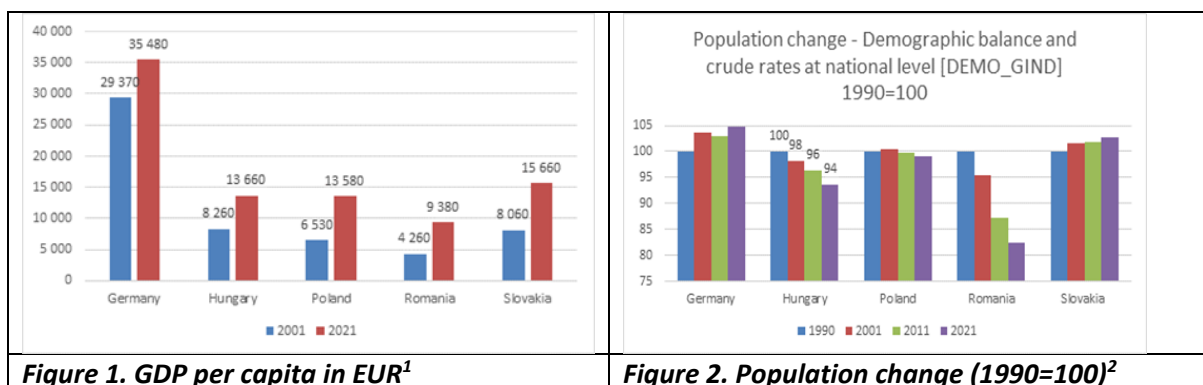


Table 1. Share of shadow economy 1991, 2000, 2010 and 2015³

	1991	2000	2010	2015
Germany	13.3	12.9	10.9	7.8
Hungary	31.9	25.1	22.8	20.5
Poland	33.1	26.2	20.9	16.7
Romania	36.0	34.4	26.8	22.9
Slovakia	17.2	17.6	12.8	11.2

¹ Source: Hypostat 2021 https://hypo.org/app/uploads/sites/3/2021/11/HYPOSTAT-2021_vdef.pdf

² Source: EUROSTAT (https://ec.europa.eu/eurostat/web/products-datasets/-/DEMO_GIND)

³ Source: Medina, Leandro, and Mr. Friedrich Schneider. Shadow economies around the world: what did we learn over the last 20 years? International Monetary Fund, 2018. IMF Working Papers 2018,

1.3. Migration, inequalities

Hungary's population declined by 664 thousand between 1990 and 2020, with a net migration surplus of 330 thousand between 2007 and 2012, and emigration accelerated after 2012.

Table 2. Migration data⁴

	Annual net migration per 1,000 inhabitants 2010-2015	Annual net migration per 1,000 inhabitants 2015-2020 (forecast)	Net migration per 1,000 inhabitants five-year period (2007-2012)	Net migration between 2000 and 2021	The net emigration rate of the population aged 15-64 in 2019 ⁵
Germany	4.8	6.6	15.14	5 984 941	n.a.
Hungary	n.a.	n.a.	3.02	330 273	4.2%
Poland	-1.7	-0.8	-1.94	-175 046	7.8%
Romania	-3	-3.8	-21.8	-2 205 003	18%
Slovakia	0.4	0.3	2.1	4 524	4.1%

Table 3. Gini coefficient (scale from 0 to 100) ⁶

	2012	2013	2014	2015	2016	2017	2018	2019	2020
Germany	28.3	29.7	30.7	30.1	29.5	29.1	31.1	29.7	30.5
Hungary	27.2	28.3	28.6	28.2	28.2	28.1	28.7	28	28
Poland	30.9	30.7	30.8	30.6	29.8	29.2	27.8	28.5	27.2
Romania	34	34.6	35	37.4	34.7	33.1	35.1	34.8	33.8
Slovakia	25.3	24.2	26.1	23.7	24.3	23.2	20.9	22.8	20.9

According to the Gini index that measures social inequality, Romania is ranked highest among the countries under study, with greater inequalities than Germany. On the other hand, Slovakia and Poland's inequality indicators improved between 2012 and 2020, while Hungary's remained essentially unchanged.

⁴ Source: https://en.wikipedia.org/wiki/List_of_countries_by_net_migration_rate; Eurostat Population change - Demographic balance and crude rates at national level [DEMO_GIND]

⁵ Source: Hárs Ágnes (2020) Elvándorlás, visszavándorlás, bevándorlás: jelenségek és munkaerő-piaci hatások (Emigration, return migration, immigration: phenomena and labour market effects) (In.: Társadalmi Riport 2020, szerk.: Kolosi Tamás, Szelényi Iván, Tóth István György, Budapest) p 115-145)

⁶ Eurostat Gini coefficient of equivalised disposable income - EU-SILC survey [ILC_DI12\$DEFAULTVIEW]

1.4. Housing privatization, tenure structure

In Hungary, housing privatization started in the 1980s, and by 2005 municipalities had sold about 80% of the stock to owner-occupiers, but a low-key privatisation process is still ongoing (see Figure 3).

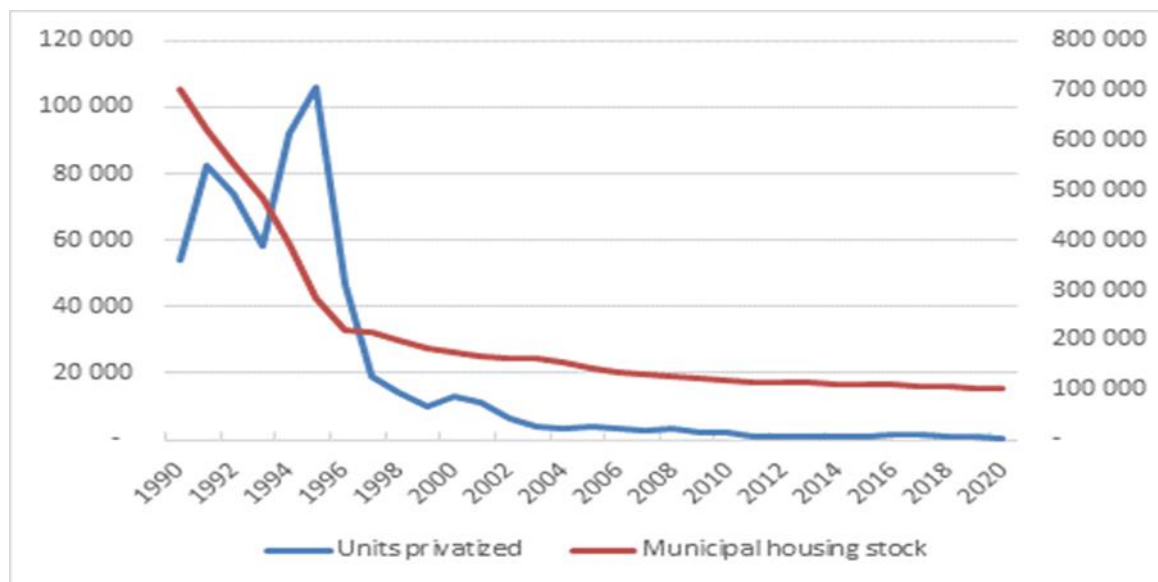


Figure 3. Housing privatization and municipal housing stock (1990-2020) (Source: CSO)

In terms of the share of community-rented housing, Hungary, Slovakia, and Romania have about the same amount (2-3%), and this proportion did not change between 2012 and 2020 (see Table 4). In the case of Hungary, the decrease in the number of owner-occupied dwellings with a mortgage is interesting and can be attributed to the financial crisis of 2008 and its management. The share of people living in credit-constrained dwellings has fallen from 20.9% to 15.5%, reflecting changes in housing finance conditions. The share of the privately rented sector is difficult to estimate accurately for reasons that are well known, but measurements suggest that the four New Member States are in a similar situation. In Budapest, the private rental sector is significant; we estimate that it has increased from 10% to 16% in recent years (2016-2020).

The study does not cover the Czech Republic, which is an outlier, because restitution affected a relatively large number of apartments, and the protection of private tenants could only be ensured through strong rent regulation, which also decreased landlords' interest representation. However, strict rent control was only lifted in 2012, and the issue of free rent negotiation was addressed. Thus, according to data from 2011 the homeownership rate had increased to 56%, coop housing⁷ to 9%, public rentals to 8%, and private rental housing to 14% of all housing stock, the largest share among the New Member States⁸.

⁷ Coop housing in the Czech Republic is more similar to owner-occupation than housing (rental) coop arrangements.

⁸ Lux, M. and Sunega, P.: Czech Republic: Growth and Professionalisation in: Hegedüs, J., M. Lux and V. Horváth (eds), *Private Rental Housing in Transition Countries – an alternative to owner occupation?* Palgrave 197-188

Table 4. Tenure structure of the five examined countries in 2012 and 2020 (%)⁹

	Owner with mortgage	Own outright	Rent (private)	Rent (subsidized)	Total	Owner with mortgage	Own outright	Rent (private)	Rent (subsidized)	Total
	2012					2020				
Germany	28.0	25.2	38.7	8.1	100	31.4	19	43.3	6.3	100
Hungary	20.9	68.9	3.1	7.1	100	15.5	75.8	4.3	4.4	100
Poland	9.6	72.8	4	13.6	100	13.1	72.5	3.3	11.1	100
Romania	0.9	95.4	0.8	2.9	100	1.1	95	1.3	2.6	100
Slovakia	9.6	80.8	7.8	1.8	100	23.3	69	6.1	1.6	100

There are differences in tenure structure according to the settlement type. For example, in Budapest, the share of private rentals is estimated at 16%, but this is probably a conservative estimate.

Table 5. Tenure structure in Hungary and Budapest 1990-2020 (Source: CSO and authors' own estimate)¹⁰

	1990		2011		2020 (estimated)	European ideal tenure structure ¹¹
	Hungary	Budapest	Hungary	Budapest	Budapest	
Owner occupied	73%	44%	89%	84%	79%	40%
Public housing	22%	53%	3%	6%	5%	30%
Private rental	5%	3%	7%	10%	16%	30%
Total	100%	100%	100%	100%	100%	100%
N	3 643 429	759 376	4 003 148	806 271	850 000	

1.5. Housing stock, quality

The Hungarian housing stock is relatively good compared to that of the other New Member States. In terms of the number of dwellings per 1,000 inhabitants, Hungary occupies a good position (similar to Romania), but this indicator is strongly influenced by population decline, which has been significant in both countries, especially Romania. The number of vacant dwellings is average, according to EU statistics. In terms of overcrowding, Hungary is in the best position (19% of the population living in overcrowded housing, compared to 30% in Slovakia, 37% in Poland, and 45% in Romania). It is also well placed in terms of the number of rooms per person, approaching that of Germany.

⁹ Source: Distribution of population by tenure status, EU-SILC survey [ILC_LVHO02__custom_3360359]

¹⁰ Source: Calculations by CSO and MRI (See Housing strategy for Budapest, 2020)

¹¹ The calculation was based on the data of Amsterdam, Berlin, Glasgow, Helsinki, Malmö, Paris and Vienna (BFVT, 2016)

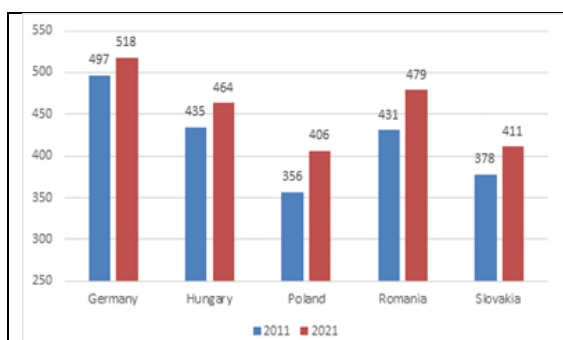


Figure 4. Number of housing units per 1,000 inhabitants 2011 and 2021¹²

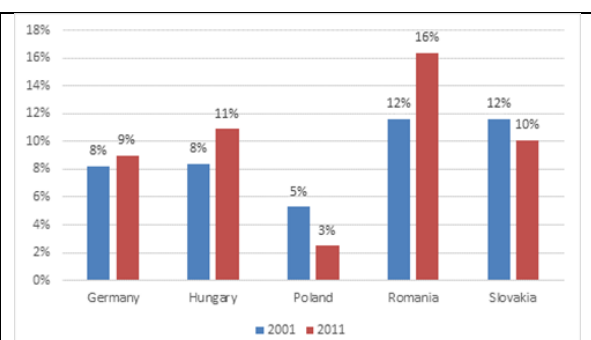


Figure 5. Share of vacant homes in 2001 and 2011¹³

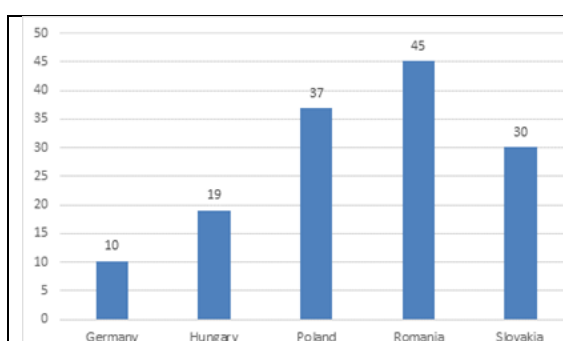


Figure 6. Overcrowding rate, 2020¹⁴

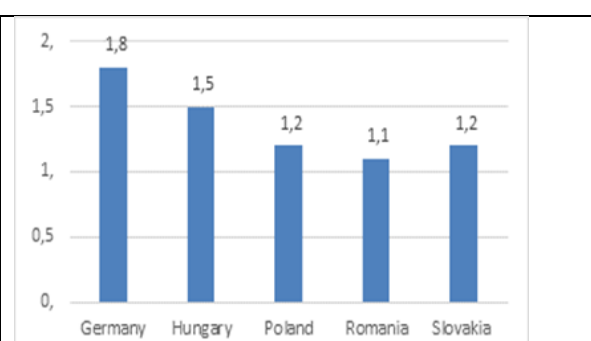


Figure 7. Average number of rooms per person¹⁵

The average dwelling size is also an important indicator of housing stock. In this respect, Hungary is in the best position among the New Member States, with a value of 30 square metres per capita.

Table 6. Average floor area per capita in m² (2008)¹⁶

Germany	39.4
Hungary	30.2
Poland	24.7
Romania	21.2
Slovakia	24.5

According to a Eurobond study (2016), the most detailed analysis of housing quality in Europe, Hungary has average scores for inadequate housing quality, doing relatively better than other New Member States and, in two dimensions, even better than Germany.

¹² Source: Housing Statistics of Europe 2014, Eurostat Population change - Demographic balance and crude rates at national level [DEMO_GIND]

¹³ Source: Eurostat Census Hub, Census 2011. T, Housing Statistics of Europe 2014,

¹⁴ Source: Overcrowding rate by age, sex and poverty status - total population - EU-SILC survey [ILC_LVHO05A_custom_3397213]

¹⁵ Source: EU-SILC survey [ILC_LVHO03_custom_1513490]

¹⁶ Source: <https://entranze.enerdata.net/>

Table 7. Indicators of inadequate housing, 2015¹⁷

	Dwelling stock	Space problem	Rot problem	Damp problem	Toilet problem	Bath problem	Garden problem	Rent problem	Utility problem	Heating problem
Germany	40 545 300	12%	4%	6%	1%	2%	17%	10%	12%	6%
Hungary	2 762 444	10%	14%	12%	4%	5%	11%	11%	21%	14%
Poland	13 853 000	18%	12%	14%	6%	7%	15%	18%	23%	24%
Romania	6 384 000	10%	9%	12%	22%	22%	12%	6%	18%	17%
Slovakia	1 994 900	8%	5%	7%	3%	2%	10%	9%	11%	10%

1.6. Housing investment, housing finance, and affordability

The effectiveness of a country's housing policy is determined by the cost of housing/investment, and affordability. Hungary's housing trends are more divergent than those of other countries. Before 2000, a short-lived boom led to regulatory failure and typically poor-quality housing being built in poor locations. In the 2000s, there was slow growth (much less than one would predict based on the credit boom), then a rapid decline and slow catch-up followed. These trends suggest a failure of economic and housing policy. The ad hoc nature of subsidies and the number of prestige investments (stadiums, for example) that used up construction capacity are plausible explanations.

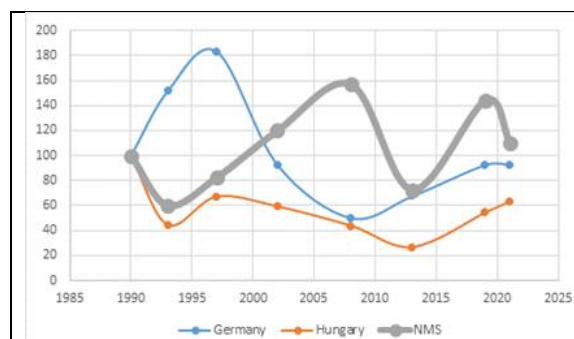


Figure 8. New housing completions (1990=100) 1990, 2021¹⁸

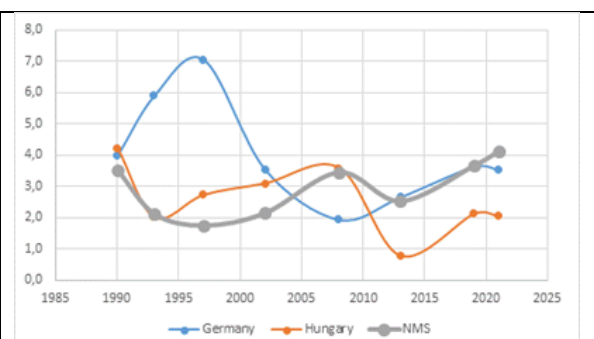


Figure 9. New housing completions per 1000 people 1990, 2021¹⁹

In market economies, housing finance is the key to affordable housing. The key to a well-functioning system is a balance between a strong middle class and predictable, financially accessible sources of finance. In transition countries, a key question has been how quickly a market-based housing finance system can be established. In essentially all countries, the mortgage banking system was established in the 1990s, and housing mortgage lending started to grow in the early 2000s. However, there were

¹⁷ Source: Eurofound (2016), Inadequate housing in Europe: Costs and consequences, Publications Office of the European Union, Luxembourg

¹⁸ Source: Source: EU Housing Statistics, UNECE, National Statistical Institutes, RICS European Housing review 2005 (for Germany before 2005), Hypostat 2021

¹⁹ Source: Source: EU Housing Statistics, UNECE, National Statistical Institutes, RICS European Housing review 2005 (for Germany before 2005), Hypostat 2021

differences between countries in three respects: whether they tried to help get lending going with subsidies, whether they lent in national currencies, and how quickly lending took off.

The first finding is that Germany demonstrated a high degree of stability in terms of the ratio of housing credit to GDP (not high by European standards but perfectly acceptable in terms of the tenure composition of the housing stock).

It is clear that housing loans in the New Member States rapidly increased between 2000 and 2008. The largest increase occurred in Hungary, which between 2000 and 2004 provided significant support for credit management (subsidies on loan-related interest, PIT tax relief, and cash subsidies for construction), but Poland and Slovakia followed closely behind (albeit without using subsidies), with Romania lagging in this respect. The post-crisis developments are noteworthy: Hungary's loan-to-GDP ratio decreased to 10% (catching up with the slowly growing figures for Romania), Poland maintained a level of 20%, while Slovakia moved ahead, reaching 40%.

In Hungary and Poland, the role of FX mortgages was significant; in Poland, this was regulated throughout the boom. In Hungary, FX lending started after 2004 due to the ad hoc support system, but grew rapidly. In Romania, FX lending also occurred, but as the overall volume of loans was small, it did not cause many macroeconomic problems.

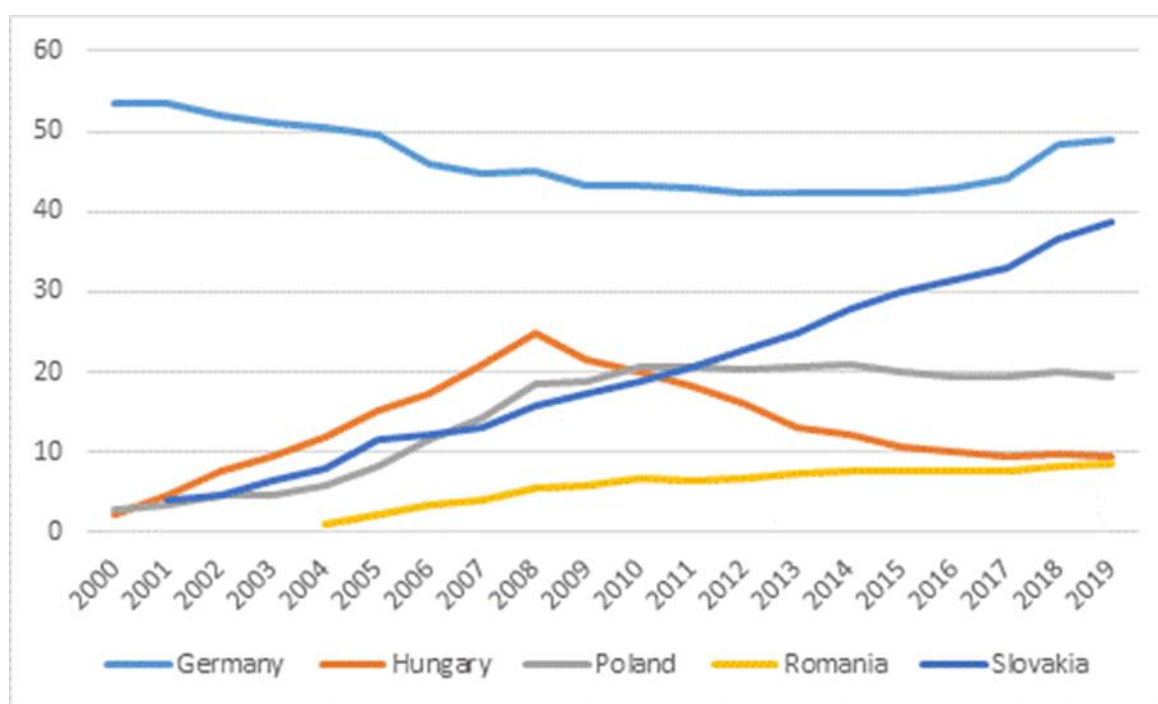


Figure 10. Total Outstanding Residential Loans to GDP Ratio²⁰

Another important indicator of housing is house prices and rents relative to family income. These indicators are revealing, but they should be treated with caution because average prices and average

²⁰ Source: Hypostat 2021 https://hypo.org/app/uploads/sites/3/2021/11/HYPOSTAT-2021_vdef.pdf

incomes do not reflect the actual situation of marginalised groups, even when measured in terms of income, education, location of housing, etc. Statistics on house prices and rents should also be treated with caution, as they often indicate the asking price rather than the transaction price. Several sources have been used to illuminate the problem of affordability.

According to data from Deloitte, house prices in Germany are more than double those in the New Member States, and differences in rents are much smaller. The rent/housing value ratio is highest in Poland and most favourable in Germany, most likely due to Germany's soft rent controls. The data show that the highest pressure on the rental housing market occurs in Poland, and that Hungary and Slovakia are at the same level in this respect.

Table 8. Average prices and rents in capital cities 2020²¹

	Average transaction price of new dwelling (EUR/sqm)	Average monthly rent (EUR/sqm)	Rent-to-price ratio ²²
Germany	4100	10.1	3.0%
Hungary	1657	9.8	7.1%
Poland	1581	15.1	11.5%
Romania	1332	n.a.	n.a
Slovakia	1941	10.7	6.6%

Hungary recorded the highest increase in nominal house prices, with other countries following a broadly similar trend.

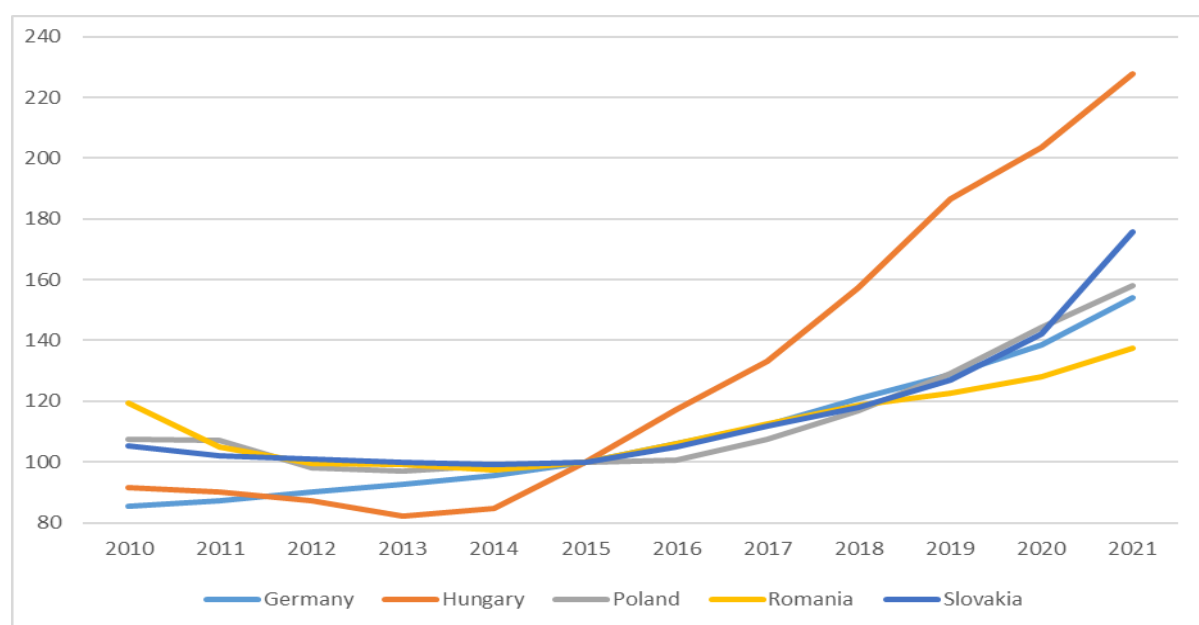


Figure 11. Nominal House Price Indices (2015=100)²³

²¹ Source: Property Index Overview of European Residential Markets 10th edition, July 2021

²² Source: Property Index Overview of European Residential Markets 10th edition, July 2021

²³ Source: Hypostat 2021 https://hypo.org/app/uploads/sites/3/2021/11/HYPOSTAT-2021_vdef.pdf

The ratio of rent to income shows the affordability of short-term housing. The trends are consistent with the data in the table above: Berlin has the most affordable rents, and Warsaw has the highest demand pressure in the housing market for both one- and three-bedroom apartments. Again, Bucharest is in the most favourable position, but the differences are not so striking. Similar conclusions can be drawn from the relationship between house prices and incomes. Again, Berlin and Bucharest are most affordable when comparing price and income, but the difference is even more significant if access to credit is considered.

Table 9. Rent-to-income ratio and price-to-income ratios in capital cities²⁴

	Rent-to-income (3 rooms)	Rent-to-income (1 room)	Price-to-income
Berlin	59.4	32.9	11.5
Budapest	83.3	47.1	16.2
Warsaw	122.5	63.4	19.4
Bucharest	78.2	47.5	13.0
Bratislava	92.4	54.5	23.1

Deloitte's analysis highlights another interesting fact, essentially confirming what was said earlier. The difference in house prices between municipalities seems to be most significant in Hungary and Slovakia. The table also highlights that Berlin does not have the highest house prices, despite being the country's capital.

Table 10. Price differences among cities, 2021²⁵

	Price of new dwelling (EUR/m ²)		Annual changes		Ratio of highest to lowest (Lowest=100)	Country	Price of new dwelling	
	Lowest	Highest	Lowest	Highest			Lowest	Highest
Germany	6 200	8 700	1.6 %	4.8%	140	Germany	Berlin	Munich
Hungary	1 281	2 207	1.2%	4.8%	172	Hungary	Debrecen	Budapest
Poland	1 426	2 233	4.9%	5.6%	157	Poland	Lodz	Warsaw
Romania	1 270	1 800	2.4%	6.5%	142	Romania	Timisoara	Cluj
Slovakia	1 720	2 805	2.2%	13.0%	163	Slovakia	Kosice	Bratislava

²⁴ The rent-to-income ratio is the quotient of the rent for a typical rental flat in the capital and the national monthly net average income. The price-to-income ratio is the ratio of the average house prices outside the city centre to the national yearly average wage. Calculations based on 75 square metre homes. Source: Housing Market Report Hungarian National Bank 2022 Q3, 2022 Q1

²⁵ Source: Property Index Overview of European Residential Markets 10th edition, July 2021. <https://www2.deloitte.com/content/dam/Deloitte/at/Documents/real-estate/at-property-index-2021.pdf>

1.7. Housing policy and housing programs

After 2013, the Hungarian economy stabilised, thanks to EU support and the use of economic reserves such as private pension funds, delayed investment into centralised public services (e.g., water, waste management), and the introduction of punitive, special taxes on foreign-owned companies that bore a significant share of the burden of the crisis. By 2015, unemployment had fallen, incomes had risen, housing investment had recovered from its trough, house prices had risen, and lending had resumed at low interest rates. Again, however, the whole process was influenced by strong housing policies.

After 2010, the Hungarian government followed an anti-migration policy, highlighting the importance of demographic processes. In the CEE EU Member States, including Hungary, the population has long been stagnating or – more often – decreasing, the fertility rate is lower than the EU average, and net migration is negative. However, Hungarian housing and family policy measures did not lead to measurable change. A significant part of welfare spending is devoted to family policy, encouraging childbearing, and contributing to the cost of raising children. In addition, the government has tried to encourage families to have more children through housing subsidies.

New programs launched after 2015.

Family Housing Allowance (Hungarian acronym: CSOK)

The Family Home Allowance (FHA) program – a de facto extension of the “social policy allowance” discontinued in 2009 – was launched in July 2015 for an indefinite period. CSOK was very generous, especially when requested for three or more children (offering up to HUF 10 million, or ca. EUR 25,149 in the form of a non-repayable grant), but was associated with very restrictive, pro-middle class conditionality. Boosting housing construction was a prominent goal of the FHA (as was the VAT reduction scheme); it strengthened pro-ownership housing policy, an integral part of the government’s family policy. This subsidy injection also helped re-launch mortgage lending, despite stricter post-crisis lending regulations and low interest rates (in line with the broader European trends). However, the FHA did not produce significant results in demographic terms.

Value Added Tax reduction

VAT on construction was also cut from 27 to 5 per cent in January 2016 (up to HUF 5 million per dwelling), but only for a limited period of three years. The maximum size of a unit eligible for the VAT allowance is 150 sqm for an apartment or 300 sqm. for a detached house. The reduction in VAT was due to be introduced for a transitional period until the end of 2019, in line with EU legislation. However, after a brief pause, the government reintroduced the regulation, citing the COVID epidemic.

Childbirth incentive loan program

On July 1, 2019, the government introduced a childbirth incentive loan, which is a free loan of up to HUF 10 million (around 25,149 EUR), for which the state provides an interest subsidy and a childbirth grant for the second and third child. The loan may be converted into a non-repayable subsidy if three children are born during the term. It is available to couples in which the wife is over 18 but under 41.

To qualify for the allowance, if one of the applicants has a child, at least one of the partners must be married for the first time. In addition, at least one of the parties must have paid social security contributions without interruption for at least three years, including time spent in higher education and with a child until the age of three. Eligibility criteria also include

Hungarian residence, freedom from public debt, and a clean criminal record, and neither applicant must be registered as being in default associated with any credit card debt in the Central Credit Information System (CIR). Couples who divorce, move abroad, or remain childless after five years will be required to pay back all of the government interest subsidies in one lump sum, and the loan will be transformed into a standard personal loan. The subsidized interest rate is calculated using the following formula: average yield of the five-year government bond auction rate * 130% + 2%. Interest rate if the loan is transformed into a standard loan: average yield of the five-year government bond auction rate * 130% + 5%.

The Childbirth Incentive program will expire on 31 December 2022; although the PM announced the continuation of this ‘baby credit’, no such legislation has been passed.

Village Family Housing Allowance (Falusi CSOK)

Since July 2019, as part of the Hungarian Village Programme of the government, the ‘Village CSOK’ has been available for the development of poor and depopulated settlements. The programme involves 2,486 settlements. According to the terms, families can receive a maximum of HUF 600,000 for one child, HUF 2.6 million for two children, and HUF 10 million for three children when they purchase and improve a home, provided they meet the conditions.

Around 85 percent of Hungary’s roughly 3,150 settlements are small, rural communities, although they only accommodate around one-third of the national population. This includes 118 settlements, 1,684 small settlements (“villages”), and 1,124 micro settlements (“micro villages”) (HCSO 2015). The regulation applies to small settlements with a population of under 5,000 in prolonged population decline for which the new FHA tranche is available – namely, 2,486 disadvantaged small rural settlements. At least half of the subsidy must be used for renovation, but HUF 5 million is also available for modernising or extending an existing house. Families that agree to have two, three, or more children will also obtain access to state interest-subsidized loans. In the case of combined purchase and upgrading or enlargement projects, families with two children can apply for loans of up to HUF 10 million, while families with three children for HUF 15 million. Finally, half of these sums are available for upgrading existing properties (HUF 5 million and HUF 7.5 million, respectively).

The programme expires at the end of 2022. However, it is unclear whether it will continue. Promises have been made that CSOK will continue next year, but it is not clear whether this will also apply to the village CSOK scheme.

NHP Green Home Programme (NHP ZOP) – Energy efficiency loans:

Under the NHP ZOP scheme, the central bank will provide refinancing loans at 0% interest for a maximum maturity of 25 years to credit institutions. The institutions may then ‘on-lend’ this to consumers at a limited cost for the purchase or construction of energy-efficient new residential property at a maximum annual interest rate of 2.5%. The maximum loan amount is 70 million HUF. As a result, the National Bank of Hungary has provided a 300 billion financial envelope for this purpose.

1.8. Evaluation of the programs

Between 2015 and 2021, the number of housing starts increased from a historic low of 7,536 in 2015 to 28,208 in 2021, a significant increase but less than during the dynamic years of the early 2000s or

in the countries of the region. In the seven years between 2000 and 2006, almost twice as many dwellings were built as in the seven years between 2015 and 2021 (33,600 compared to 17,000). As mentioned (see Figure 13), Hungary's housing construction activity in these seven years amounted to 1.7 dwellings per 1,000 inhabitants compared to Poland's five and even Romania's 2.9, thus Hungary was a relative underperformer.

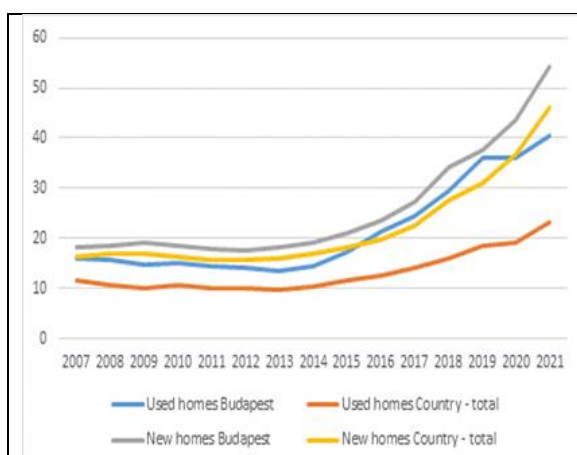


Figure 12. Used and new house prices in Budapest and the whole country (million HUF) (Source: CSO)

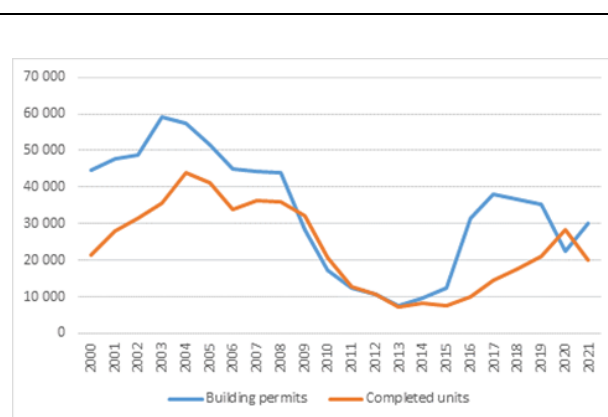


Figure 13. Number of construction permits issued and completed dwellings 2000-2021 (Source: CSO)

Between 2015 and 2021, house prices doubled, with real house price growth of 70%. This is also very high compared to the comparative figures (See Figure 12). Between 2000 and 2006, real house price growth was 50%. This means that in the early 2000s, there was less house price inflation and more housing investment.

There are at least two reasons for this surge in house price growth: an increase in loans (including subsidised loans) and subsidies and a shift in the housing portfolios of upper and upper-middle-income households. In the seven years between 2016 and 2022, a total of 8,639 billion forints was injected into the housing market, much more money than in the period 2000-2007, and supply could not respond flexibly to the increase in demand. Prices for new housing have risen much faster than for second-hand houses, with new housing prices 55% higher in 2016 and 98% higher in 2021. (Source: CSO) The MNB's reports consistently and correctly indicate that house price growth is above the level justified by the economic and demographic fundamentals.

Table 11. Financial sources contributing to the housing market in billion HUF²⁶

	CSOK	Villigae CSOK	Non-subsidized	Subsidized loan	Childbirth incentive loan	Total loan plus subsidy
2016	66	0	401	77	0	543
2017	87	0	556	47	0	690
2018	84	0	791	32	0	907
2019	80	22	792	188	330	1 413
2020	60	61	781	323	433	1 659
2021	70	58	1 039	393	385	1 945
2022	54	34	673	444	277	1 483
Total	502	176	5033	1503	1425	8639

The government has confirmed the continuation of the baby loan and the village CSOK schemes until the end of 2022, but the question is whether there will be funds for this. Demand for both programmes was much higher than the government had planned. If these programmes are eliminated and lending interest rates continue to rise, there will be substantially less demand in the market, leading to lower prices or no new housing.

The social impact of the programmes is also questionable. The structure of the CSOK has inherently favoured those with three children who move into a new home, which has tended to favour the upper-middle class. Loan conditions that encouraged childbearing also excluded lower-income groups. As confirmed by a study²⁷ about half of the childbirth incentivize loan have an additive effect. For those with a relatively low income and the lower-educated, lower-saving segment of borrowers, the schemes represented meaningful help for accessing credit. In contrast, wealthier borrowers were more likely to use the schemes to leverage their own resources or take out other loans.

1.9. Innovative programs in Hungary

There have been many innovative programmes in Hungary in the past decades, implemented by enterprising municipalities and non-profit organisations with their government or EU funding. However, in Hungary, the housing policy and subsidy system favours owner-occupied housing (essentially in line with other countries in the region). The result is that typically poorer groups of the population lose out on a significant share of subsidies and economic mobility is reduced, and the burden on young people moving to more economically developed areas is increased (high housing costs are a significant driver of work-related migration).

For this reason, we highlight the relevance of rental housing schemes which, after due legal and institutional preparation, could help provide more affordable housing to those who need it.

²⁶ For the childbirth incentivize loan, we assumed that 70% of the loan is used for housing. Data from 2020 is extrapolated based on the first eight months. Source: MNB, CSO, and MRI's estimate for 2022.

²⁷ Fellner, Zita, Anna Marosi, and Beáta Szabó. "A babaváró kölcsön hitelpiaci és reálgazdasági hatásai." (Credit market and real economic effects of the childbirth incentive loan.) *Közgazdasági Szemle* 68.2 (2021): 150-177.

Municipal social housing agencies

The concept of municipal social housing agencies dates back more than ten years, examples of which are currently run by two municipalities in the classic form, whereby privately rented housing is rented out to households in need, with the municipality taking over the risk of rent payments, maintenance, and the regular payment of utility bills, and in some cases providing rent subsidies to those in need. District I in Budapest and the municipality of Szombathely operate such schemes. Typically, they operate with a small caseload and can only scale up with significant public support. The Municipality of Budapest and District VIII are also working on establishing similar schemes. What is new is that the housing portfolio would be not only made up of apartments rented from the private sector, but also of apartments owned by the municipality or the social housing agency. This increases the financial sustainability of projects.

Several non-profit companies are active as housing agents; among them, the longest established (and most visible) is the 'From Street to Flat NGO', which works with its own apartments and apartments acquired on the market (often offered at below-market prices), with about 20-30 apartments, without any kind of central subsidy. Similar non-profit companies operate these types of housing schemes (for example, they are not uncommon in the housing-first programme). The problem is that no funds are available to scale up the programme.

MR Public Housing Fund non-profit Ltd. (MR Községi Lakásalap Közhasznú Nonprofit Kft. (MRKL)

The most successful bailout programme associated with the foreign currency crisis was the National Asset Relief (NET) scheme. The state, through NET, bought the homes of defaulting borrowers who were then allowed to stay on as tenants for a low rent. Under the NET scheme, some 36,000 homes were taken into public ownership. The total cost of the programme is difficult to estimate but has been suggested to be approximately 150 billion forints or 4.2 million forints per household. The programme ended in 2020, with tenants being offered the chance to buy back their homes on favourable terms.

In 2021, the remaining housing units in the National Asset Management Programme were transferred by government decision to the MR Community Housing Fund Non-Profit Ltd (MRKL), a social housing company set up by the Hungarian Maltese Charity Service and the Hungarian Reformed Charity Service. The social housing company received the housing units tenants did not wish to buy (3,600 units), plus around 2,000 vacant properties. MRKL started operating in January 2022 with a two-year budget of HUF 6 billion provided by the government. The start-up is being finalized, but stock is being used for immediate purposes. Seventy apartments have been allocated to accommodate Ukrainian refugees.

FETE – 'Catching up localities' program (Felzárkózó települések program)

In February 2019, the government launched a comprehensive programme to help 300 of the most disadvantaged settlements to catch up. The programme, known by the Hungarian acronym FETE, focuses on children and their families and is primarily designed to help children escape their parents' fate and live a different life. The FETE programme has a housing component, which will involve purchasing and renovating 1,600 homes and constructing 400 homes to create a stock of 2,000 rental homes between 2022 and 2026. It is envisaged that 10-20% of this housing will be built outside the 300-unit settlement area in areas with more robust economic and population retention capacity.

2. Fieldwork - fact collection

2.1. Main legal regulations on migrants and refugees

As a result of a series of restrictive pieces of legislation introduced by the Hungarian government following the so-called “refugee crisis” in 2015, the right to asylum has almost been completely abolished in Hungary.²⁸ A “state of crisis due to mass immigration” was declared in two counties in the southern part of Hungary in September 2015, which was then extended to the whole territory of the country by 2016, and, due to it being permanently prolonged every six months, it is still in place at the end of 2022.²⁹ By creating a constant emergency situation irrespective of the number of third-country nationals entering the country in an unauthorized manner, the government was able to introduce specific rules that target irregular migrants and asylum-seekers, restricting and denying them their human rights.³⁰ Consequently, the principle of *non-refoulement*, which is the core element of the global refugee protection regime according to the 1951 Convention relating to the Status of Refugees (hereinafter: Geneva Convention or Refugee Convention), is regularly violated by large-scale unlawful pushback operations carried out by police forces mainly at the Hungarian-Serbian border.³¹ As a result of denying irregular migrants access to the territory and safety and stripping potential asylum-seekers of their right to be admitted to asylum procedures or seek legal redress against such treatment, applying for international protection is nearly impossible in Hungary.³² Therefore, asylum applications must be submitted at the Hungarian embassy in Kyiv, Ukraine, or Belgrade, Serbia.³³

The European Court of Human Rights has delivered two judgments related to breaches of the prohibition of collective expulsion of aliens (Article 4 of Protocol No. 4. of the European Convention on Human Rights) by the Hungarian State.³⁴ However, these illegal practices continue to take place on an

²⁸ Nagy, B.: Magyarország bírái előtt. Menekültügyek az Emberi Jogok Európai Bíróságán, az Európai Unió Bíróságán és más fórumokon. Állam- és Jogtudomány, LX., 2019/4. [Hungary in front of its judges. Asylum cases at the European Court of Human Rights, the Court of Justice of the European Union and other fora]. Last accessed: 2 November 2022.

http://www.nagyboldizsar.hu/uploads/2/6/7/7/26778773/magyarorszag_birai_elott_nyomatott_vegleges.pdf

²⁹ 41/2016. (III. 9.) Korm. rendelet a tömeges bevándorlás okozta válsághelyzet Magyarország egész területére történő elrendeléséről, valamint a válsághelyzet elrendelésével, fennállásával és megszüntetésével összefüggő szabályokról. [41/2016. (III. 9.) [Government decree on the ordering of the crisis situation caused by mass immigration throughout Hungary, as well as on the rules related to the ordering, existence and termination of the crisis situation.] Last accessed: 27 December 2022. <https://net.jogtar.hu/jogszabaly?docid=a1600041.kor>

³⁰ Kovács, K. - Nagy, B.: In the Hands of a Populist Authoritarian. The Agony of the Hungarian Asylum System and the Possible Ways of Recovery. Published in: V. Stoyanova & S. Smet (Eds.), Migrants' Rights, Populism and Legal Resilience in Europe (pp. 211-235). Cambridge: Cambridge University Press, 2022. <https://www.cambridge.org/core/books/migrants-rights-populism-and-legal-resilience-in-europe/COE1A7A7C0DD59D933E320D1A6465184>

³¹ Convention and Protocol relating to the Status of Refugees. UNHCR, 1951. Last accessed: 2 November 2022. <https://www.unhcr.org/3b66c2aa10>

³² *Ibid.*

³³ A menedékkérelmek benyújtásának új szabályai. [New rules related to submitting an asylum application.] Hungarian Helsinki Committee, 22 June 2020. https://helsinki.hu/wp-content/uploads/Sz%C3%A1nd%C3%A9knyilatkozat-t%C3%A1j%C3%A9koztat%C3%B3_20200622.pdf

³⁴ Case of Shahzad v. Hungary, Application no. 12625/17, Judgment of the European Court of Human Rights, Strasbourg, 8 July 2021. <https://hudoc.echr.coe.int/eng?i=001-210853>; Case of H.K. v. Hungary, Application no.

everyday basis.³⁵ Hungarian Prime Minister Viktor Orbán announced that 250,000 instances of “illegal border crossings” had been obstructed by the Hungarian border authorities between 1 January and mid-November 2022, while a new Hungarian-Serbian-Austrian cooperation agreement on the fight against irregular migration was signed in Belgrade.³⁶

Therefore, the Hungarian government had to act promptly following Russia’s full-fledged military invasion to handle the rapidly escalating inflow of people fleeing Ukraine. By issuing a governmental decree on 24 February 2022, Hungary became the first EU Member State to trigger temporary protection, allowing Ukrainian citizens and third-country nationals legally residing in Ukraine to enter its territory.³⁷ However, following the declaration of a new type of “state of crisis due to the war”, the Hungarian government introduced a massive number of pieces of new legislation.³⁸ The enormous quantity of government decrees has not been (fully) harmonized either with domestic or EU, or international legal norms, including those applicable to refugee protection.³⁹ Consequently, a full-fledged legal analysis exceeds the limit of this country case study.

People with Ukrainian-Hungarian dual citizenship are not entitled to register for temporary protection.⁴⁰ However, they may be eligible for several forms of social support, similar to the beneficiaries of temporary protection.

18531/17, Judgment of the European Court of Human Rights, Strasbourg, 22 September 2022. Last accessed: 2 November 2022. <https://hudoc.echr.coe.int/eng/?i=001-219214>

³⁵ The number of cases when irregular border crossings are apprehended and people “escorted back” are published by the Hungarian Police on a weekly basis. <https://www.police.hu/hu/hirek-es-informaciok/hatarinfo/illegalis-migracio-alakulasa>

³⁶ Orbán Viktor: Az EU eddig csak a magyar határvédelmi költségek egy százalékát térítette meg. [Viktor Orbán: So far, the EU has reimbursed only one percent of the cost of Hungarian border protection.] Híradó, 16 November 2022. <https://hirado.hu/kulfold/kulpolitika/cikk/2022/11/16/orban-viktor-az-eu-eddig-csak-a-magyar-hatarvedelmi-koltsegek-egy-szazalekat-teritette-meg>

³⁷ A Kormány 56/2022. (II. 24.) Korm. rendelete a veszélyhelyzet megszűnésével összefüggő átmeneti szabályokról és a járványügyi készültségről szóló 2020. évi LVIII. törvény menekültügyi eljárás átmeneti szabályainak eltérő alkalmazásáról. Magyar Közlöny, 35. szám, 2022. Február 24. [Government 56/2022. (II. 24.) Government Decree LVIII of 2020 on transitional rules related to the end of the state of emergency and on epidemic preparedness. Act on the different application of the transitional rules of the asylum procedure. Hungarian Gazette, Issue 35, 24 February 2022.] Last accessed: 26 October 2022. <https://magyarkozlony.hu/dokumentumok/c7310f25f86bb99e0d577ba024ad40f8f5544664/megtekintes>

³⁸ This publicly accessible digital law database indicates the hyperlinked title of all pieces of legislation related to the newly introduced “state of crisis due to the war” that were introduced in 2022, most of them not related to the protection of refugees. <https://net.jogtar.hu/veszelyhelyzet>

³⁹ Tóth, J. - Bernát, A.: Menekültválság 2022-ben. Az Ukrajna elleni orosz agresszió menekültjeinek magyarországi fogad(tat)ása. In: Kolosi, T. – Szelényi, I. - Tóth, I. Gy. (szerk.): Társadalmi Riport 2022., TÁRKI. [Tóth, J. - Bernát, A.: Refugee crisis in 2022. Reception of refugees fleeing the Russian aggression against Ukraine. In: Kolosi, T. – Szelényi, I. - Tóth, I. Gy. (eds.): Social Report 2022., TÁRKI.] https://tarki.hu/sites/default/files/2022-12/347_368TRIP2022_TothBernat.pdf

⁴⁰ Tájékoztató az Ukrajnából menekülő ukrán-magyar kettős állampolgároknak. [Information for Ukrainian-Hungarian dual citizens fleeing Ukraine.] Hungarian Helsinki Committee, 7 June 2022. <https://helsinki.hu/tajekoztato-az-ukrajnabol-menekulo-ukran-magyar-kettos-allampolgaroknak/>

Categories of people arriving from Ukraine who are eligible for temporary protection in Hungary:⁴¹

- Ukrainian citizens living in Ukraine prior to 24 February 2022, as well as their family members
- Beneficiaries of international protection and stateless persons who were granted international protection status in Ukraine prior to 24 February 2022, as well as their family members
- Third-country nationals legally residing in Ukraine before 24 February 2022⁴²

Other categories of people from Ukraine who are not entitled to register for temporary protection but are eligible for social support from the state:

- Ukrainian-Hungarian dual citizens and their family members⁴³

Ukrainian citizens, their family members, recognized refugees, stateless persons, and their family members (if they lived in Ukraine before 24 February 2022) may have the following rights:

Applicants for temporary protection status⁴⁴

- Accommodation and meals
- Access to healthcare services
- Access to the labour market (no need for a work permit)
- Access to education for children (pre-schools, schools, day-care and free meals for six months)
- Free translation of personal documents (for instance, birth, marriage, and school-related certificates and diplomas)
- Free of charge and discounted public transportation

a) Beneficiaries of temporary protection (*menedékes*)⁴⁵

- ID card and temporary residence permit
- Accommodation and provision of food
- Access to welfare assistance
- Access to healthcare services
- Access to the labour market
- Access to education for children (pre-schools, schools, day-care and free meals for six months)
- Free translation of personal documents
- Free of charge and discounted public transportation
- Free participation in Hungarian language classes (maximum 520 lessons)
- Family reunification

⁴¹ Information on temporary protection - Hungary, European Union Agency for Asylum (EUAA), 2022. Last accessed: 31 October 2022. https://euaa.europa.eu/sites/default/files/2022-06/Booklet_Hungary_EN.pdf

⁴² Written response from the Migration Expert of the European Migration Network Hungarian National Contact Point within the Department for European Home Affairs Cooperation of the Ministry of Interior, 19 September 2022.

⁴³ Tájékoztató az Ukrajnából menekülő ukrán-magyar kettős állampolgároknak. [Information for Ukrainian-Hungarian dual citizens fleeing Ukraine.] Hungarian Helsinki Committee, 7 June 2022. <https://helsinki.hu/tajekoztato-az-ukrajnabol-menekulo-ukran-magyar-kettos-allampolgaroknak/>

⁴⁴ Information for Ukrainian citizens fleeing Ukraine, for refugees recognised in Ukraine and for stateless persons and their family members. Hungarian Helsinki Committee, 7 June 2022. <https://helsinki.hu/en/information-ukraine-stateless-recognized-refugees/>

⁴⁵ *Ibid.*

b) Dual Ukrainian-Hungarian citizens are eligible for the following:⁴⁶

- Accommodation and provision of food
- Access to welfare assistance
- Access to healthcare services
- Access to the labour market
- Access to education for children (pre-schools, schools, day-care and free meals for six months)
- Free translation of personal documents

2.2. Needs assessment

2.2.1. Size of groups from Ukraine and previously arrived groups and war refugees

Between 24 February and 20 December 2022, there were 1,929,514 border crossings directly from Ukraine to the territory of Hungary.⁴⁷ Another 1.8 million border crossings were documented from Romania (24 February – 26 December 2022).⁴⁸ These numbers include all Ukrainian citizens and third-country nationals previously residing in Ukraine entering Hungary across the Hungarian-Ukrainian and Hungarian-Romanian borders.⁴⁹ The majority of them have already transited through Hungary and are engaged in (or have completed) secondary movement towards other countries (mainly to Western Europe but even to other continents). The current Ukrainian refugee situation is characterized by dynamic, short-term pendular movement, meaning that people go back and forth between Ukraine and their first (or second) host countries, in many cases, multiple times. The authorities do not document data on the return migration of Ukrainian refugees from Hungary to Ukraine.⁵⁰

As of 1 December 2022, 32,564 people fleeing Russia's war on Ukraine had applied for temporary protection in Hungary, and 28,379 had received this status.⁵¹ In comparison, only 40 asylum applications were lodged in the country, of which only ten refugee and 17 subsidiary protection statuses were granted in the same period.⁵²

However, these statistics do not indicate the number of people fleeing Russia's war on Ukraine currently living or planning to stay for the long term in Hungary. Not everyone has applied for temporary protection who has come to Hungary, and not person is in the country who has registered with the Hungarian authorities.⁵³ Hungarian-speaking people with dual Hungarian-Ukrainian

⁴⁶ Tájékoztató az Ukrajnából menekülő ukrán-magyar kettős állampolgároknak. [Information for Ukrainian-Hungarian dual citizens fleeing Ukraine.] Hungarian Helsinki Committee, 7 June 2022. <https://helsinki.hu/tajekoztato-az-ukrajnabol-menekulo-ukran-magyar-kettos-allampolgaroknak/>

⁴⁷ Operational Data Portal – Ukraine Refugee Situation. UNHCR, last updated: 15 November 2022. <https://data.unhcr.org/en/situations/ukraine/location/10783>

⁴⁸ Operational Data Portal – Ukraine Refugee Situation. Hungary Daily Factsheet, Population Figures. UNHCR, last updated: 26 December 2022. <https://data.unhcr.org/en/dataviz/229?sv=54&geo=10783>

⁴⁹ Ukraine Refugee Situation, Data Explanatory Note, Operational Data Portal. UNHCR, 15 June 2022. https://data.unhcr.org/en/documents/details/91338#_ga=2.28939452.1213889861.1665246717-368207589.1606840725

⁵⁰ Operational Data Portal – Ukraine Refugee Situation. UNHCR, last accessed: 27 December 2022. <https://data.unhcr.org/en/situations/ukraine>

⁵¹ UNHCR Hungary Factsheet (December 2022), 14 December 2022. <https://data.unhcr.org/en/documents/details/97567>

⁵² *Ibid.*

⁵³ UNHCR Inter-Agency Refugee Coordination Forum meeting, Budapest, Hungary, 2 September 2022.

citizenship might be under the radar of the authorities as they are not eligible for temporary protection, and no information is available about their right to social support. Applicants for temporary protection might move to other countries before they receive their Hungarian documents.

Due to the lack of a centralized registration database, there is a significant data gap related to the key characteristics of people fleeing Russia's military aggression against Ukraine.⁵⁴ There is no reliable information on people's whereabouts as they are dispersed across the country.⁵⁵ However, Budapest and the counties of Pest and Szabolcs, as well as Western Hungary (around the cities of Győr and Komárom), seem to be most densely populated by people fleeing Ukraine.⁵⁶

Pre-war Ukrainian immigrants in Hungary

According to a study from 2011 conducted by the Hungarian Academy of Sciences, the majority of foreign workers arrived in Hungary from Romania, Ukraine, and Serbia.⁵⁷ Due to ethnic, linguistic, and cultural ties, the number of people coming from the Carpathian Basin increased more dynamically than those of source countries beyond the region. As of 1 January 2008, 10% of the 174,697 foreign nationals living in Hungary originated from Ukraine. By 2011, Ukrainian citizens constituted the second-largest migrant population in the country.⁵⁸ Between 2011 and 2019, the number of Ukrainians residing in Hungary doubled.⁵⁹

Table 12. Number of Ukrainian citizens residing in Hungary (2012-2022)⁶⁰

Year	Number of Ukrainian citizens	Number of Ukrainian asylum-seekers
2012	11,894	2
2013	10,849	7
2014	8,317	37
2015	6,906	28
2016	6,749	23
2017	5,774	7
2018	10,503	-
2019	24,197	1
2020	30,316	-
2021	27,380	-
2022	30,707	No data available

⁵⁴ In-person interview conducted with UNHCR Inter-Agency Refugee Coordination Forum staff, Budapest, Hungary, 23 September 2022.

⁵⁵ *Ibid.*

⁵⁶ *Ibid.*

⁵⁷ Kincses, Á. PhD (ed.): Ukrán állampolgárok Magyarországon. Magyar Tudományos Akadémia. [Ukrainian citizens in Hungary. Hungarian Academy of Sciences.] 2011 <http://real.mtak.hu/16001/1/Ukr%C3%A1n%20%C3%A1llampolg%C3%A1rok%20Magyarorsz%C3%A1gon.pdf>

⁵⁸ *Ibid.*

⁵⁹ Dövényi, Z. - Kovács, Z. - Kincses, Á. - Bálint, L. - Egedy, T.: Migration. In: National Atlas of Hungary – Society. CSFK Geographical Institute, September 2012.

⁶⁰ Source: Hungarian Central Statistical Office. Foreign citizens residing in Hungary, according to the country of citizenship and gender, 1 January (Table 22.1.1.23.). Hungarian Central Statistical Office. Last accessed: 9 October 2022. https://www.ksh.hu/stadat_files/nep/hu/nep0023.html

Migrants from neighbouring countries mainly chose to settle down in Budapest and Pest county, while Ukrainian, Romanian and Serbian citizens also favoured remaining closer to the areas bordering their native countries⁶¹. As a result, 62% of Ukrainian taxpayers were living in Budapest and Pest county, where more economic and employment opportunities were available. Between 1993 and 2008, approximately 30,000 Ukrainians moved to Hungary, and 10,299 became Hungarian citizens, the majority being ethnic Hungarians.⁶²

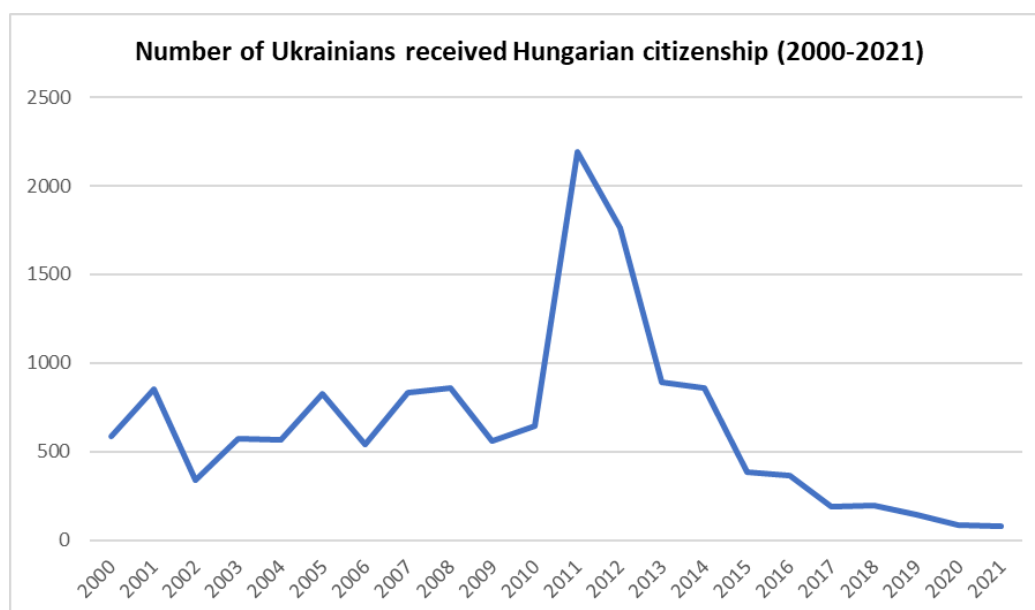


Figure 14. Number of Ukrainians who received Hungarian citizenship between 2000 and 2021⁶³

The proportion of the working-age population of Ukrainians was larger than that of the host population, and Ukrainian citizens between 20 and 29 years of age were overrepresented due to the number of migrants with residence permits granted for the purpose of studying. In addition, 790 Ukrainian children had already been born in Hungary; most were living in Szabolcs-Szatmár-Bereg county and Budapest.⁶⁴

⁶¹ Kincses, Á. PhD (ed.): Ukrán állampolgárok Magyarországon. Magyar Tudományos Akadémia. [Ukrainian citizens in Hungary. Hungarian Academy of Sciences.] 2011

⁶² *Ibid.*

⁶³ Source: Hungarian Central Statistical Office. A Magyarországon állampolgárságot kapott személyek az előző állampolgárság országa szerint (22.1.1.33.). Központi Statisztikai Hivatal. [Persons granted citizenship in Hungary according to the country of previous citizenship. Hungarian Central Statistical Office.] Last accessed: 27 December 2022. https://www.ksh.hu/stadat_files/nep/hu/nep0033.html

⁶⁴ Kincses, Á. PhD (ed.): Ukrán állampolgárok Magyarországon. Magyar Tudományos Akadémia. [Ukrainian citizens in Hungary. Hungarian Academy of Sciences.] 2011

Most Ukrainian immigrants originated from the following three regions:

- Areas close to the Ukrainian-Hungarian border zone: Berehovo, Mukachevo, Vynohradiv, Uzhhorod (mostly Hungarian-speaking populations)
- Zakarpattia
- Central Ukraine: larger cities such as Kyiv, Donetsk, Lviv, Kharkiv, Ivano-Frankivsk, Odessa, and Mariupol⁶⁵

According to a study from 2011, 77% of Ukrainian immigrants were living in Budapest and Pest, Szabolcs-Szatmár-Bereg, and Hajdú-Bihar counties and the following cities: Nyíregyháza, Kiskőrös, Debrecen, and Miskolc. Budapest and its agglomeration and the border zone were the areas most densely populated by Ukrainians; Central Hungary, a region with plenty of employment opportunities, attracted the largest share of the working-age population. Ukrainians residing in the border area, where it was more challenging to find a job, were primarily elderly people or students. Twenty percent of Ukrainians arrived in Hungary to continue their education (higher education in most cases), and the largest number of students were residing either in the central part of the country or the areas neighbouring their native home.⁶⁶

On average, people arriving from the urbanized areas of Central Ukraine had the highest level of education. In general, Ukrainian immigrants had a higher level of education (secondary and tertiary school) than the Hungarian host population over 18 years of age. As a result, higher-status professionals such as doctors, lawyers, and engineers were overrepresented among those Hungarian speakers who moved to Hungary from Zakarpattia.⁶⁷

In terms of employment status, 25% of the Ukrainian migrant population were working as physical, industrial and construction workers, unskilled laborers, or machine operators. On the other hand, 23% were office workers, lawyers, or service providers, and the proportion of people with intellectual work was highest in border areas. More than half of the Ukrainian migrant population had a job and regular salary. The proportion of elderly people was higher among those who came from Zakarpattia and decided to stay close to the border area. Approximately 25% of the people who arrived from Ukraine were unemployed or retired.⁶⁸

2.2.2. Profiles of different types of refugees fleeing from the war in Ukraine

A multi-sectoral needs assessment (MSNA) was carried out by the United Nations High Commissioner for Refugees (UNHCR) and the International Organization for Migration (IOM) between 12 and 25 September 2022 as part of their stocktaking and planning process related to the 2023 Refugee Response Plan in Hungary.⁶⁹ Five hundred and twelve households were interviewed; 83% of the respondents were Ukrainians; 15% Hungarian-Ukrainian citizens; and 2% third-country nationals. In addition, 285 households were living in government-designated collective sites, including workers' hostels and private rentals, with host families, courtesy flats, and hostels (representing 227

⁶⁵ *Ibid.*

⁶⁶ *Ibid.*

⁶⁷ *Ibid.*

⁶⁸ *Ibid.*

⁶⁹ Hungary: Multi-Sectoral Needs Assessment (November 2022), UNHCR - IOM, 23 November 2022. <https://data.unhcr.org/en/documents/details/97062> and Hungary Multi-Sector Needs Assessment, Preliminary results, Regional Refugee Response for the Ukraine Situation. UNHCR - IOM, October 2022.

households). Although the results of the small sample cannot be considered statistically representative, MSNA data provide meaningful insight into the circumstances and needs of those displaced by Russia's war on Ukraine.

Due to martial law being declared on 24 February 2022, men are obliged to stay in Ukraine. As a result, women are overrepresented in the displaced population, as reflected in the MSNA data (85% of the respondents were women).⁷⁰ This is in line with the findings of the UNHCR report published in mid-July 2022 based on interviews with 430 refugees in six neighbouring countries of Ukraine.⁷¹ According to MSNA's results, 80% of all family members who fled Ukraine are women and children.⁷² Other categories of vulnerable refugees are people living with physical or mental disabilities (13%), elderly people (7% of family members are above 60 years of age), and pregnant or lactating women (10%). The average size of a refugee household is 3.5 persons.

The five principal places of origin of people fleeing Ukraine are Zakarpattia (40%), Kharkiv (10%), Donetsk (9%), Dnipropetrovsk Oblasts (9%), and Kyiv (7%).⁷³

MSNA data indicate that respondents with a higher level of education tend to reside in Budapest, with 34% having a master's degree compared to 18% living outside the capital. Eleven percent of those living in Budapest acquired at most a bachelor's degree, and 8% of those in the countryside. Twenty-four percent of people surveyed in Budapest had only completed secondary school education and 31% of respondents at other locations. Five percent of the surveyed population in Budapest had not completed primary education, slightly less than the 9% living outside of the capital.⁷⁴

At the time of the data collection for the MSNA, three out of every ten interview respondents were employed in Hungary. However, the results indicate that those refugees who reside in government-designated collective sites are less likely to find jobs (27%) compared to those living in private rentals or courtesy accommodation (32%, workers' hostels excluded).⁷⁵

Table 13. Current occupation⁷⁶

Type of work	Hosted at government-designated collective site*	Not hosted in collective site	Average
Formal work in Hungary	64%	67%	66%
Informal work	20%	15%	17%
Formal work outside of Hungary	3%	9%	7%
Freelancer	5%	4%	5%
Retired	7%	2%	4%
Student	5%	3%	4%

* Workers' hostels are not included.

⁷⁰ Hungary: Multi-Sectoral Needs Assessment (November 2022), UNHCR - IOM, 23 November 2022.

⁷¹ Lives on Hold: Profiles and Intentions of Refugees from Ukraine #1. UNHCR Regional Bureau for Europe, 12 July 2022. <https://data.unhcr.org/en/documents/details/94176>

⁷² Hungary: Multi-Sectoral Needs Assessment (November 2022), UNHCR - IOM, 23 November 2022.

⁷³ Ibid.

⁷⁴ Ibid.

⁷⁵ Hungary Multi-Sector Needs Assessment, Preliminary results, Regional Refugee Response for the Ukraine Situation. UNHCR, October 2022.

⁷⁶ Source: Multi-Sector Needs Assessment, Preliminary results, UNHCR - IOM, October 2022. Key preliminary findings. Coping and resilience - Current occupation. Hungary Multi-Sector Needs Assessment, Preliminary results, Regional Refugee Response for the Ukraine Situation. UNHCR, October 2022.

The majority of the respondents (70%) were unemployed at the time of the interview, mainly due to childcare-related duties (42%), being on maternity leave (13%), a lack of availability of employment options (25%), and a lack of Hungarian language skills (21%).⁷⁷

Table 14. Reasons for unemployment⁷⁸

	Collective site*	Other location	Average
Taking care of children	46%	38%	42%
No work available	29%	21%	25%
Lack of Hungarian language skills	13%	27%	21%
Maternity leave	15%	12%	13%
Illness	8%	13%	11%
Lack of education training	10%	10%	10%
Other reason for unemployment	8%	8%	8%
Lack of information	10%	6%	8%
Lack of transport	10%	3%	6%
Incapable of work	2%	3%	4%
Student	5%	3%	4%

* Workers' hostels are not included.

MSNA findings show that almost all respondents had already applied for temporary protection (96% and 93% in the case of their family members) or were thinking about doing this (3%). This implies that most people currently residing in Hungary plan to remain at least for the short term, and 6% intend to move to another place inside Hungary.⁷⁹ Another 6% responded that they aim to leave Hungary (3% want to return to Ukraine, and 3% plan to move to a third country). In a UNHCR report published in July 2022, only 48% of the people who were surveyed expressed their intention to remain in Hungary, 28% wanted to return to Ukraine, and 19% planned to continue their journey to another country.⁸⁰ According to aggregated data from another UNHCR report produced in September 2022 (based on surveys of 4,800 people across 43 European and non-European countries between August and September 2022), 79% of all respondents did not intend to move back to Ukraine or were uncertain about their next steps.⁸¹

MSNA survey was able to collect the responses of only 225 Ukrainian refugees related to their income for the last 30 days prior to when the interviews took place (fewer than half of the people included in the survey).⁸² The average monthly income per individual was 58,599 HUF (147 EUR)⁸³ [45,421 HUF

⁷⁷ Ibid.

⁷⁸ Source: Multi-Sector Needs Assessment, UNHCR - IOM, October 20. *Ibid*

⁷⁹ Hungary Multi-Sector Needs Assessment, Preliminary results, Regional Refugee Response for the Ukraine Situation. UNHCR, October 2022.

⁸⁰ Lives on Hold: Profiles and Intentions of Refugees from Ukraine #1. UNHCR Regional Bureau for Europe, 12 July 2022. <https://data.unhcr.org/en/documents/details/94176>

⁸¹ Lives on Hold: Intentions and Perspectives of Refugees from Ukraine #2. UNHCR, September 2022. <https://data.unhcr.org/en/documents/details/95767>

⁸² Key preliminary findings. Coping and resilience - Income and expenditure. Hungary Multi-Sector Needs Assessment, Preliminary results, Regional Refugee Response for the Ukraine Situation. UNHCR, October 2022.

⁸³ An exchange rate of 397.63 HUF/EUR was used in this study, which is the average exchange rate for the period from March 1, 2022 until to November 30, 2022 based on using the data from the European Central Bank.. https://www.ecb.europa.eu/stats/policy_and_exchange_rates/euro_reference_exchange_rates/html/eurofxref-graph-huf.en.html

(114 EUR) for persons accommodated at the government-designated collective sites and an average of 70,174 HUF (176 EUR) for those individuals residing in other locations].⁸⁴ On the other hand, the average monthly income of refugee households was 213,634 HUF (537 EUR), with less income for refugee households at collective sites [average monthly 178,794 HUF (450 EUR) per household] and 240,248 HUF (604 EUR) for those living in other locations (average monthly income per household).⁸⁵

Table 15. Type of income⁸⁶

	Collective site*	Other location	Average
Salaried work	51%	65%	60%
Daily labour	22%	13%	16%
Social benefits from the Hungarian government	13%	9%	10%
Humanitarian assistance/donations	6%	4%	5%
Remittances	2%	5%	4%
Social benefits from the Ukrainian government	3%	2%	2%
Support from family or friends	2%	2%	2%
Other	0%	1%	1%
Own business	1%	0%	0%

* Workers' hostels not included.

Refugee households spent an average of 108,319 HUF (272 EUR) on food [87,265 HUF (219 EUR) at the collective sites and 123,426 HUF (310 EUR) at other locations], 23,884 HUF (60 EUR) on rent [2,915 HUF (7 EUR) and 38,931 HUF (98 EUR), respectively] and 15,091 HUF (38 EUR) on non-food items [15,559 HUF (39 EUR) and 14,755 HUF (37 EUR)].⁸⁷

MSNA results indicated that refugee respondents struggled to meet their basic needs. More than one-fifth of the households (22%) included in the survey had substantial difficulty obtaining food.⁸⁸ People used different strategies to cope with their difficult socioeconomic situation. For example, 85% of the respondents purchased less preferred or less expensive food, and 27% decreased the size of portions. One-fifth of the surveyed population received food items through humanitarian relief efforts or 'borrowed' food; 16% of them reduced the number of meals they ate, and 15% ate smaller quantities (adults ate less in order to provide more food to their children).⁸⁹

⁸⁴ *Ibid.*

⁸⁵ Key preliminary findings. Coping and resilience - Income and expenditure. Hungary Multi-Sector Needs Assessment, Preliminary results, Regional Refugee Response for the Ukraine Situation. UNHCR, October 2022.

⁸⁶ Source: Multi-Sector Needs Assessment, Preliminary findings, UNHCR - IOM, October 2022. Key preliminary findings. Coping and resilience - Income and expenditure. Hungary Multi-Sector Needs Assessment, Preliminary results, Regional Refugee Response for the Ukraine Situation. UNHCR, October 2022.

⁸⁷ *Ibid.*

⁸⁸ Key preliminary findings. Coping and resilience - Meeting basic needs. Hungary Multi-Sector Needs Assessment, Preliminary results, Regional Refugee Response for the Ukraine Situation. UNHCR, October 2022.

⁸⁹ *Ibid.*

The top three priority needs of the respondents were cash or vouchers (56%), winter clothes (34%), and accommodation (29%).⁹⁰ In addition, 69% of the people who were surveyed received a monthly subsistence allowance from the state.

According to the interview with staff of UNHCR's Inter-Agency Refugee Coordination Forum, the greatest challenge in terms of accommodation is the lack of affordable social housing.⁹¹ Ukrainian refugees do not have access to genuine long-term housing options in Hungary that would allow them to establish themselves for more than six months. MSNA results show that 67% of the people interviewed in Budapest were residing in private accommodation, and 75% of respondents in the countryside were living at government-designated collection sites.⁹² Twenty-six percent of respondents were paying for their accommodation, with 15% of them covering all related costs.⁹³ Ten percent of the respondents were sharing rental costs with the host family, or their rental costs were subsidized.⁹⁴

Table 16. Types of accommodation in Budapest and the countryside⁹⁵

	Budapest	Outside of Budapest
Private accommodation	61%	7%
Collective site	31%	74%
Hotel/hostel	6%	18%
Other	3%	1%

Approximately one-third of the respondents had some sort of issue with their accommodation (33%). Safety concerns were mentioned by 8% of those at government-designated collective sites and 3% of those at private accommodations. Concerning collective sites, the main problems were a lack of insulation, winterization measures and cooking facilities, and a lack of a sense of privacy. Official sites received 4,000 HUF/day in housing support to cover all costs (including food, electricity, etc.), which was increased to 7,000 HUF/day from 15 October 2022.⁹⁶ In the case of private accommodation, the main concerns were the accommodation not being adequate for winter, insufficient space, lack of privacy, and issues with heating/cooling options.⁹⁷

⁹⁰ Hungary Multi-Sector Needs Assessment, Preliminary results, Regional Refugee Response for the Ukraine Situation. UNHCR, October 2022.

⁹¹ *Ibid.*

⁹² Hungary Multi-Sector Needs Assessment, Preliminary results, Regional Refugee Response for the Ukraine Situation. UNHCR, October 2022.

⁹³ *Ibid.*

⁹⁴ *Ibid.*

⁹⁵ Source: Multi-Sector Needs Assessment, Preliminary findings, UNHCR - IOM, October 2022. Key preliminary findings. Priority needs - Accommodation. Hungary Multi-Sector Needs Assessment, Preliminary results, Regional Refugee Response for the Ukraine Situation. UNHCR, October 2022.

⁹⁶ In-person interview with the staff of the UNHCR Inter-Agency Refugee Coordination Forum, Budapest, Hungary, 23 September 2022.; UNHCR Inter-Agency Refugee Coordination Forum meeting, Budapest, Hungary, 7 October 2022.

⁹⁷ Key preliminary findings. Priority needs - Accommodation. Hungary Multi-Sector Needs Assessment, Preliminary results, Regional Refugee Response for the Ukraine Situation. UNHCR, October 2022.

Table 17. Accommodation-related issues⁹⁸

	Government-designated collective sites	Private accommodation
Unable to cook	36%	7%
Not adequate for winter	28%	37%
Insufficient privacy	23%	27%
Unable to bathe	22%	3%
Lack of transportation	19%	3%
Unable to keep warm or cool	19%	23%
Lack of space	14%	13%
Not clean	9%	-
Do not feel safe	8%	3%
No waste disposal	2%	-

According to the MSNA findings, more than half of the respondents (55%) had access to long-term accommodation (at least for six months) at both types of interview locations. In addition, three out of ten refugees had a place to stay for the medium term, and 10% had accommodation for one month or even less.⁹⁹ However, across all types of settings and locations, 13% of the respondents felt under pressure to leave their current accommodation, mainly due to the soaring energy prices and inadequacy of dwellings in relation to the coming winter.¹⁰⁰

Table 18. Reason for pressure to leave current accommodation¹⁰¹

	Accommodation provided free of charge.	Accommodation rented or subsidized
Landlord request	51%	32%
Increasing expenses	3%	53%
Inadequate for winter	19%	-
Other	27%	16%

Transcarpathian Roma refugees fleeing Ukraine

The Roma Women's Fund Chiricli, a Ukraine-based NGO, estimates that the number of Roma living in Ukraine was between 200,000 and 400,000 prior to Russia's full-scale invasion of Ukraine, and approximately 100,000 of them fled to the territory of the EU between 24 February and 20 June 2022.¹⁰² Culturally and linguistically diverse Roma communities live in different regions of Ukraine, mainly in Zakarpattia (Transcarpathia), Odesa, Kharkiv, Cherkasy, Donetsk, Dnipropetrovsk and

⁹⁸ Source: Multi-Sector Needs Assessment, Preliminary findings, UNHCR - IOM, October 2022.

⁹⁹ *Ibid.*

¹⁰⁰ *Ibid.*

¹⁰¹ Source: Multi-Sector Needs Assessment, Preliminary findings, UNHCR - IOM, October 2022

¹⁰² Since February 2022 about 100,000 Roma have fled to the EU due to the war in Ukraine. Blogpost, Roma Women Fund Chiricli, 20 June 2022. <http://www.chirikli.com.ua/index.php/en/library/item/275-since-february-2022-about-100-000-romafleeing-from-the-war-in-ukraine-to-the-eu>

Zaporizhzhia Oblasts.¹⁰³ Zakarpattia and Odesa Oblasts have the greatest number of Roma settlements (camps), meaning 120 and 20 settlements, respectively.¹⁰⁴ The most populous Romani settlements are in Mukachevo (7,000 inhabitants) and Berehovo (6,000), located in Zakarpattia.¹⁰⁵ In Berehovo, Roma people are physically segregated from other residents by a wall that was erected by the local government.¹⁰⁶ Additionally, some Roma communities live in temporary *ad hoc* settlements associated with seasonal labour migration, with many having no access to water and other basic infrastructure.¹⁰⁷ Transcarpathian Roma living in temporary settlements generally only speak Hungarian.¹⁰⁸ As a result, they experience discrimination for being a Hungarian-speaking community and for being Roma.¹⁰⁹ A human rights report from OHCHR in 2018 documented multiple violent incidents committed by the Ukrainian police force against the Roma community in Cherkasy and Lviv Oblasts, including physical abuse, the destruction of private belongings, and treating Roma in a humiliating manner.¹¹⁰ In 2022, OHCHR reported that the Roma community's socioeconomic situation had worsened significantly due to the lack of employment opportunities, access to healthcare services, and housing due to Russia's full-scale invasion of Ukraine.¹¹¹

A report produced by young Roma student researchers affiliated with the Romaversitas Foundation investigated the situation of Transcarpathian Romani families fleeing from Ukraine to Hungary.¹¹² They conducted 161 semi-structured interviews with mainly Hungarian-speaking Roma families hosted by different types of mass shelters across the country and at distribution points run by humanitarian aid organizations between 15 July and 15 September 2022.¹¹³ Their research results indicate that Roma people, who had already been severely marginalized and segregated in Zakarpattia, have been subjected to derogatory attitudes and discriminatory treatment since their arrival in Hungary. Several blatant examples are mentioned in their research report. For instance, tents operated by the

¹⁰³ A Guide to Establishing Liaison with Roma Refugees from Ukraine in European Countries. Roma Women Fund Chiricli - Deaconess Foundation, 2022. http://www.chirikli.com.ua/images/roma01/Instructions_for_interaction_with_Roma_from_Ukraine_ENG.pdf

¹⁰⁴ *Ibid.*

¹⁰⁵ The Situation of Transcarpathian Romani Families Fleeing from Ukraine to Hungary. Romaversitas Foundation, 2022. <https://romaversitas.hu/inclusion-of-roma-refugee-children-from-ukraine/>

¹⁰⁶ *Ibid.*, Photo story: Settlement on the outskirts of Berehovo. Minority Rights Group International (date of publication is unknown). <https://stories.minorityrights.org/roma-ukraine/chapter/photo-story-the-settlement-on-the-outskirts-of-berehovo/>

¹⁰⁷ A Guide to Establishing Liaison with Roma Refugees from Ukraine in European Countries. Roma Women Fund Chiricli - Deaconess Foundation, 2022.

¹⁰⁸ *Ibid.*

¹⁰⁹ Ukraine's Roma refugees housed in cold, cramped hostels and denied schooling. openDemocracy, 20 December 2022. https://www.opendemocracy.net/en/odr/roma-refugees-ukraine-hungary-discrimination/?utm_term=Autofeed&utm_campaign=Echobox&utm_medium=Social&utm_source=Facebook&fbclid=IwAR0Fk-O1y9eFaA7wht8yTem8Ed1JiSSlw6OamE23cdUetVFX8z5Ni10_Tl#Echobox=1671532676

¹¹⁰ Report on the Human Rights Situation in Ukraine. Human Rights Council, Thirty-seventh session, 26 February – 23 March 2018, Agenda item 10, Technical assistance and capacity-building. Office of the United Nations High Commissioner for Human Rights (OHCHR), 15 March 2018. para 92.

¹¹¹ Report on the Human Rights Situation in Ukraine, 1 February– 31 July 2022. Office of the United Nations High Commissioner for Human Rights (OHCHR), 27 September 2022. para 84. <https://ukraine.un.org/sites/default/files/2022-09/ReportUkraine-1Feb-31Jul2022-en.pdf>

¹¹² The Situation of Transcarpathian Romani Families Fleeing from Ukraine to Hungary. Romaversitas Foundation, 2022.

¹¹³ Interviews with displaced Roma people were conducted by the Romaversitas Foundation in Budapest, Pest County, Szabolcs-Szatmár County, Debrecen, Fonyód, Győr and Békés.

municipality and the Hungarian Reformed Church Aid were shut down upon the command of the local mayor when 300 Romani families arrived in Záhony (an entry point at the Hungarian-Ukrainian border).¹¹⁴ As a result, Transcarpathian Roma families had to wait longer at the border to get legal help and information related to their situation. Others spent days at the railway station without being provided with any humanitarian assistance, and many experienced degrading attitudes from the Hungarian authorities.¹¹⁵ For example, the report notes that a park security-guard service was established next to a container shelter near Győr in which 77 Roma people were accommodated because they had been insulted by locals through a fence surrounding the facility.¹¹⁶

A guide published by the Roma Women's Fund Chiricli states that Roma people had difficulty crossing the border of Ukraine, often due to the lack of passports.¹¹⁷ They were reportedly treated negatively in Hungary, Poland, Germany, and the Czech Republic, and as a result, some families returned to war-torn Ukraine.¹¹⁸ Roma activists reported cases of discrimination towards Transcarpathian Romani families to the Office of the Commissioner for Fundamental Rights of Hungary.¹¹⁹ However, at the time of the writing of this report, there were no indications that the Commissioner's Office would investigate their concerns.¹²⁰

Due to the lack of reliable data, there are only assumptions that most of the people interviewed by the Romaversitas Foundation had previously resided in segregated Roma camps in Ukraine with no access to running water, heating, and electricity.¹²¹ Thirty-seven percent of the respondents mentioned that they had already registered for temporary protection status as Ukrainian citizens, 27% had Ukrainian-Hungarian citizenship (which means no eligibility for temporary protection), and 18% had temporary residence certificates (ITI) only.¹²² Some of the interviewees with Ukrainian citizenship had not yet received temporary protection status, and a few did not fully understand the questions related to their legal status or did not answer them (10%).¹²³

¹¹⁴ The Situation of Transcarpathian Romani Families Fleeing from Ukraine to Hungary. Romaversitas Foundation, 2022.

¹¹⁵ *Ibid.*

¹¹⁶ *Ibid.*

¹¹⁷ A Guide to Establishing Liaison with Roma Refugees from Ukraine in European Countries. Roma Women Fund Chiricli - Deaconess Foundation, 2022.

¹¹⁸ *Ibid.*

¹¹⁹ The Situation of Transcarpathian Romani Families Fleeing from Ukraine to Hungary. Romaversitas Foundation, 2022.

¹²⁰ In March 2022, the accreditation of the Office of the Commissioner for Fundamental Rights of Hungary was downgraded to B-status as a national human rights institution by the Sub-Committee on Accreditation (SCA) of the Global Alliance of National Human Rights Institutions (GANHRI) due to the lack of full compliance with the Paris Principles. The current Hungarian Commissioner for Fundamental Rights has not sufficiently addressed and investigated reported cases related to the alleged violation of human rights of refugees and other migrants. More information can be found here: https://ganhri.org/wp-content/uploads/2022/04/SCA-Report-March-2022_EN.pdf, <https://ennhri.org/news-and-blog/results-sub-committee-accreditation-2022/> and <https://helsinki.hu/en/peers-from-other-countries-recommend-that-the-ombudsperson-is-downgraded-as-a-national-human-rights-institution/>

¹²¹ The Situation of Transcarpathian Romani Families Fleeing from Ukraine to Hungary. Romaversitas Foundation, 2022.

¹²² *Ibid.*

¹²³ *Ibid.*

Romaversitas Foundation's research shows that Transcarpathian Roma people fleeing Ukraine were accommodated by civil society and faith-based organizations and municipalities, sometimes in partnership with the national disaster management authorities.¹²⁴ Most of the respondents were hosted together with their families at mass emergency shelters (such as summer camps, boarding schools, homeless shelters, workers' hostels, and temporary shelters for families), where in most cases, the payment of institutional fees is not required and meals are provided three times a day. However, mass shelters are often located on the outskirts of settlements, negatively impacting the inhabitants' access to public transportation, employment, social services, and education.¹²⁵

Only 49 out of the 161 respondents had received access to reduced-price private housing. Those who had the opportunity to stay in private housing were beneficiaries of specific housing programs (either on a solidarity basis or because of organizations involved in the rental contract acting as housing agencies) run by civil society organizations. Rental assistance financed, for instance, by UN agencies was also part of these housing programs. Nevertheless, most of the respondents in private housing lived amidst overcrowded and substandard circumstances, mainly in District VIII or X of Budapest.¹²⁶

Although enrolment in school is mandatory for children with Hungarian-Ukrainian citizenship and temporary protection status, the Romaversitas study indicates that only 41% of the displaced Romani children were attending schools at the time of the research.¹²⁷ This raises serious concerns about human rights related to the right to education of Roma children fleeing Russia's war against Ukraine. Remedies include individualized case management, social work, information provision, and fewer bureaucratic barriers.

2.3. Solutions for providing immediate and longer-term help for refugees

2.3.1. Immediate programs for providing accommodation and housing for refugees

There is neither a national migrant inclusion nor a housing strategy related to immigrants in place in Hungary.¹²⁸ The 2013 Migration Strategy adopted by the Hungarian government for the seven-year strategic period of 2014-2020 related to the Asylum and Migration Fund included references to the state's commitment to ensure the safety and inclusion of people in need of international protection.¹²⁹ It also mentioned that settlements should be encouraged to promote the inclusion of refugees and to accept reception centers on their territory and that the introduction of quota systems and the

¹²⁴ Ibid.

¹²⁵ Ibid.

¹²⁶ Ibid.

¹²⁷ The Situation of Transcarpathian Romani Families Fleeing from Ukraine to Hungary. Romaversitas Foundation, 2022.

¹²⁸ Written response from the Migration Expert of the European Migration Network Hungarian National Contact Point within the Department for European Home Affairs Cooperation of the Ministry of Interior, 19 September 2022.

¹²⁹ Az 1698/2013. (X. 4.) Korm. határozattal elfogadott Migrációs Stratégia és az azon alapuló, az Európai Unió által a 2014-2020. ciklusban létrehozásra kerülő Menekültügyi és Migrációs Alaphoz kapcsolódó hétéves stratégiai tervdokumentum. Belügyminisztérium. [Migration Strategy adopted by Government Decision 1698/2013. (X. 4.) and the seven-year strategic planning document related to the Asylum and Migration Fund to be created in the next cycle of 2014-2020. Ministry of the Interior.] Last accessed: 27 October 2022. http://belugyialapok.hu/alapok/sites/default/files/MMIA_.pdf

availability of specific funding could give an impetus for their engagement. The document also recommended the establishment of multiple small-scale reception facilities, each having a maximum capacity of 200 persons, as a more effective way to handle the rapidly changing patterns of refugee and other migrant inflows. A short paragraph was dedicated to the difficulty of accessing housing for recognized refugees, beneficiaries of subsidiary protection, people with tolerated status, and stateless persons. The lack of long-term, legal employment, sufficient income, and the negative attitude of landlords toward beneficiaries of international protection, in general, were pointed out as reasons for housing issues. The document briefly touched upon the assistance provided by civil society organizations in seeking solutions, mainly by utilizing project funding, and noted that a few local governments had initiated pilot housing programs.¹³⁰

However, as already mentioned, the Hungarian government abolished the provision system for asylum seekers and closed down reception centers after 2015. Therefore, Hungary was entirely unprepared for the mass arrival of Ukrainian refugees, and their provision had to be organised almost from scratch.

2.3.1.1. Establishing the coordination mechanism for refugee provision

In 2013, the Hungarian government set up the **National Humanitarian Coordination Council**, directed by the Head of the Prime Minister's Office.¹³¹ The Council consists of the member organizations of the **Charity Board**, the **National Directorate General for Disaster Management** under the Ministry of the Interior, senior officials appointed by the ministers in charge of disaster risk reduction and social policy as well as the President of the Council who is responsible for coordinating with the churches.¹³² The Charity Board, a coordination mechanism established in 2000, includes Caritas Hungary, Hungarian Reformed Church Aid, Hungarian Charity Service of the Order of Malta, Hungarian Interchurch Aid, Hungarian Baptist Aid, and Hungarian Red Cross.¹³³ According to a government decree issued in March 2022, each member organization of the Charity Board was provided 500 million HUF (3 billion HUF in total) to boost their humanitarian assistance capacity in relation to the war against Ukraine.¹³⁴

The National Directorate General for Disaster Management created **emergency cells called defense committees both at the central and county levels** to facilitate humanitarian activities.¹³⁵ They coordinated the reception of people newly arriving from Ukraine and their transfer to shelters and government-designated collective sites across the country in 2022; the government activated a 24/7

¹³⁰ Ibid.

¹³¹ 178/2013. (VI. 4.) Korm. rendelet a Nemzeti Humanitárius Koordinációs Tanácsról [178/2013. (VI. 4.) Government Decree about the National Humanitarian Coordination Council.] Last accessed: 26 October 2022. <https://net.jogtar.hu/jogszabaly?docid=a1300178.kor>

¹³² Ibid.

¹³³ Members of the Charity Board, Hungary. Last accessed: 26 October 2022. <https://karitativtanacs.kormany.hu/tagszervezetek>

¹³⁴ A Kormány 1119/2022. (III. 5.) Korm. határozata a szomszédos országokban felmerülő humanitárius katasztrófa kezelésének támogatásáról. Magyar Közlöny, 2022. évi 42. szám, 2022. március 5. [1119/2022. (III. 5.) Government Decision on supporting the management of humanitarian disasters occurring in neighboring countries. Hungarian Gazette, No. 42 of 2022, March 5 2022.] <https://magyarkozlony.hu/dokumentumok/8236e543f348de0836aa53977e1156b735774324/megtekintes>

¹³⁵ More than 11,000 refugees have been sheltered by the National Directorate General for Disaster Management. Website of the National Directorate General for Disaster Management under the Ministry of the Interior, 23 May 2022. Last accessed: 26 October 2022. <https://www.katasztrofavedelem.hu/197/kozlemenyek/264656/tobb-mint-11-ezer-menekultet-helyezett-el-a-katasztrofavedelem>

hotline available in multiple languages and an official email address to where information requests could be sent.¹³⁶ However, these two channels failed to facilitate the circulation of reliable, updated, and officially checked information vital for people fleeing their homes. Due to the lack of a government website designated **to coordinate humanitarian efforts** and an online platform where information could be shared, **a Facebook group called Hungary Refugee Help Digital Network (Ukraine, Zakarpattia) was created by volunteers** in February 2022.¹³⁷ With nearly 137,000 members, this online group became the most significant platform for connecting refugees needing assistance with people mobilizing their resources and offering all kinds of support. Effective group moderation was implemented according to internal protocols established by the group of dedicated volunteers and experts. The group regularly collates and shares information related to relevant legislation, access to donations, accommodation, healthcare, social services, financial assistance, education, and employment.

The decade-long systematic curtailing of the refugee reception and inclusion system has profoundly affected the country's capacity to respond to the humanitarian situation caused by Russia's war against Ukraine. Apart from the six faith-based members of the Charity Board, the Hungarian government does not provide a platform for local and national NGOs to engage with policy processes. As a result of the lack of meaningful state ownership of refugee reception and inclusion, **there is no nationwide coordination mechanism involving relevant actors in Hungary.**

In March 2022, **UNHCR set up a coordination mechanism** in neighbouring countries of Ukraine, including Hungary, Poland, Slovakia, Romania, and the Republic of Moldova.¹³⁸ The Inter-Agency Refugee Coordination Forum (IARCF) aims to provide a space for local, national, and international non-governmental organizations and other stakeholders to share information, workload and develop referral pathways and partnerships. The Inter-Agency Refugee Coordination Forum led by UNHCR in neighbouring countries to Ukraine is a complementary mechanism that is required to align with each government's country-level humanitarian assistance and refugee protection strategies. The IARCF had the following coordination structure in Hungary:

¹³⁶ Éjjel-nappal hívható zöld számon kaphatnak tájékoztatást az Ukrajnából menekülők. [People fleeing Ukraine can receive information from a 24/7 hotline]. Portfolio, 9 March 2022. Last accessed: 26 October 2022. <https://www.portfolio.hu/global/20220309/ejjel-nappal-hivhato-zold-szamon-kaphatnak-tajekoztatast-az-ukrajnabol-menekulok-532307>

¹³⁷ Link to the Facebook group called Segítségnyújtás (Ukrajna,Kárpátalja) Допомога українцям [Hungary Refugee Help Digital Network (Ukraine, Zakarpattia)] can be found here: <https://www.facebook.com/groups/994143548136400>.

¹³⁸ More information can be found at the Operational Data Portal – Ukraine Refugee Situation webpage of UNHCR: <https://data.unhcr.org/en/situations/ukraine>

INTER-AGENCY COORDINATION STRUCTURE

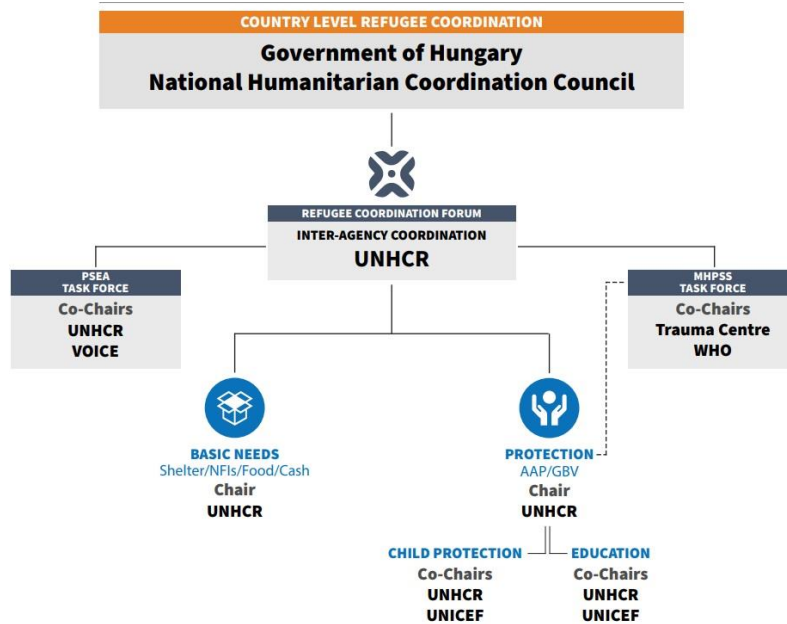


Figure 15. UNHCR Inter-Agency Coordination Structure in Hungary (November 2022)¹³⁹

The Basic Needs Working Group (including the Shelter, Non-Food Items, Food, and Cash components) and the Protection Working Group (including the Accountability to Affected Populations (AAP)/Gender-Based Violence (GBV) components) are chaired by UNHCR. The Protection from Sexual Exploitation and Abuse (PSEA) Task Force is co-led by VOICE and UNHCR. The Mental Health and Psychosocial Support (MHPSS) Task Force is co-chaired by WHO and the Trauma Center (local NGO). The Child Protection and Education Sub-Working Groups are co-led by UNHCR and UNICEF under the Protection Working Group.

UNHCR launched the **Regional Refugee Response Plan (RRRP)** in April 2022 to provide support to governments of neighbouring countries to Ukraine, namely Hungary, the Republic of Moldova, Poland, Romania, and Slovakia, from March to December 2022.¹⁴⁰ The RRRP is a multi-partner and multi-sector humanitarian response strategy that includes UN agencies, international NGOs (INGOs), and local and national NGOs (LNGOs and NNGOs). The RRRP does not provide direct funding to any of the involved organizations but **serves as a fundraising tool** which may be utilized by its partners while advocating and applying for more financial resources from donors.¹⁴¹ Due to the dynamically changing number of people fleeing Russia's war against Ukraine and the rapidly evolving humanitarian response to their needs, the Regional Refugee Response Plan and its financial requirements needed to be revised in

¹³⁹ Source: UNHCR Operational Data Portal – Ukraine Refugee Situation. Hungary: Inter-Agency Coordination Structure (November 2022). UNHCR Operational Data Portal - Ukraine Refugee Situation, 9 November 2022. Last accessed: 28 December 2022. <https://data.unhcr.org/en/documents/details/96680>

¹⁴⁰ Ukraine Situation: Regional Refugee Response Plan - March-December 2022. UNHCR, April 2022. Last accessed: 4 November 2022. <https://data.unhcr.org/en/documents/details/92257>

¹⁴¹ In-person interview conducted with UNHCR Inter-Agency Refugee Coordination Forum staff, Budapest, Hungary, 23 September 2022.

October 2022.¹⁴² In the Recalibrated Regional Refugee Response Plan, other countries such as Belarus, Bulgaria, and the Czech Republic were also included.

According to an interview conducted with staff of UNHCR's Inter-Agency Refugee Coordination Forum, one of the positive aspects of the current refugee response in Hungary (and in the region)) is that people fleeing Ukraine are not placed in refugee camp-like settings and reception centres.¹⁴³ Instead, the **National Directorate General for Disaster Management, local governments, the members of the Charity Board, and some NGOs organize and/or provide accommodation for Ukrainian refugees.**¹⁴⁴

According to interviews conducted with key stakeholders, the majority of people fleeing Ukraine stay at the private accommodation of friends, family members, acquaintances, and local people, offering their places out of courtesy.¹⁴⁵ However, it is very likely that a significant number of people who have been engaged in secondary movement towards other countries transited through Hungary because of the lack of targeted, reliable, available information related to their legal and social rights, including access to accommodation and inclusion prospects in general.

After the breakout of Russia's war on Ukraine, the civil sector organized humanitarian aid as an immediate response with the participation of church charity organisations, NGOs, private persons, and private companies.

Six reception centres were set up at the border crossing points, operated by the big church charity organisations, to provide information, interpretation, food, clothes, and one to three nights' accommodation in collective sites established in local institutions provided by the local governments. The services were provided by church organisations, NGOs, and many volunteers. In addition, many refugees found short-term accommodation through solidarity housing at private families, often through the network of civil organisations or through the internet platform that started to work from the very beginning of the mass arrival of Ukrainian people fleeing the war. Free public transportation to other countries or Budapest was ensured, but several organisations that provided transport by bus and volunteers also played a substantial role.

Initially, distribution points were set up in Budapest's two main railway stations, as most refugees arrived by train. Besides the official sending mechanism, civil organisations played a significant role in directing refugees to collective sites and solidarity housing.

Between 24 February and 21 March 2022, mainly volunteers, the staff of local authorities, NGOs, and INGOs provided help to people displaced by Russia's war on Ukraine. According to a report by the Institute for Minority Studies at the Centre for Social Sciences, which investigated solidarity towards

¹⁴² Ukraine Situation: Recalibration - Regional Refugee Response Plan - March-December 2022. UNHCR, October 2022. <https://data.unhcr.org/en/documents/details/95965>

¹⁴³ In-person interview with staff of UNHCR Inter-Agency Refugee Coordination Forum, Budapest, Hungary, 23 September 2022; Written response from the Migration Expert of the European Migration Network Hungarian National Contact Point within the Department for European Home Affairs Cooperation of the Ministry of Interior, 19 September 2022.

¹⁴⁴ Written response from the Migration Expert of the European Migration Network Hungarian National Contact Point within the Department for European Home Affairs Cooperation of the Ministry of Interior, 19 September 2022.

¹⁴⁵ In-person interview with staff of UNHCR Inter-Agency Refugee Coordination Forum, Budapest, 23 September 2022; Written response from the Migration Expert of the European Migration Network Hungarian National Contact Point within the Department for European Home Affairs Cooperation of the Ministry of Interior, 19 September 2022.

people fleeing Ukraine, approximately 40% of the Hungarian population were engaged in solidarity action. Furthermore, 54% of the people who dedicated their time, energy, and resources to helping refugees from Ukraine volunteered via an organization or institution. Fifty-eight percent of those involved in assisting displaced people were employees of the public health, education, and social services.¹⁴⁶

It was only in the second half of March 2022 that the state-run Defense Committee of Budapest established a 24/7 **humanitarian transit hub in the BOK sports hall** close to Keleti train station.¹⁴⁷ People arriving by trains from Ukraine were transferred or directed there by teams from the National Disaster Management Service and the Hungarian Police. At this point, they could receive food, drink, healthcare assistance, and interpretation services. People could also sleep there for a very short period before they moved to other countries or got assistance with medium- or long-term accommodation in Hungary. Services such as access to the internet, charging mobile phones, taking a shower and a children's corner were also available. Humanitarian aid organizations provided donations, information, and other services to those in need. International train tickets were available from the cash desk of the Hungarian Railways Company (MÁV-Start Zrt.) within the BOK hall. Between 12 and 18 December 2022, 333 refugees from Ukraine were assisted at the humanitarian transit hub, and 264 slept there.¹⁴⁸

Designated buses to Keleti and Nyugati train stations and Liszt Ferenc International Airport were organized for those travelling to other countries. Furthermore, the government Office of the Municipality of Budapest coordinates with charity and civil society organizations and volunteers in order to provide these services for people fleeing Ukraine.

The Disaster Management Service in the BOK transit hub organises the accommodation for refugees in two ways.

- Refugees in short-term need of accommodation (those planning to move to other countries) are mainly referred to as the “Madrid street” refugee shelter operated by volunteers from Migration Aid on the outskirts of Budapest.
- Refugees who plan to stay for a longer period in the country are distributed through the government-organized shelter system. Each day one county is on duty to receive and accommodate refugees. In addition, the authority sends refugees to providers that have free capacity.

However, refugees are not obliged to use the official coordination system and can rely directly on other organisations, such as NGOs, church organisations or the shelter system of the Municipality of Budapest, or can find accommodation themselves.

¹⁴⁶ Ibid.

¹⁴⁷ Posts of the Hungary Refugee Help Digital Network (Ukraine, Zakarpattia) Facebook group, 18 and 20 March 2022. Last accessed: 4 November 2022. <https://www.facebook.com/groups/994143548136400/permalink/1011590739725014/> and <https://www.facebook.com/groups/994143548136400/posts/1012974826253272/>

¹⁴⁸ Közel 350 menekülőnek segítettek a humanitárius tranzitponton az elmúlt héten. Budapest Főváros Kormányhivatala. [Nearly 350 refugees were assisted at the humanitarian transit hub last week. Government Office of the Capital City of Budapest.] 19 December 2022. <https://www.kormanyhivatal.hu/hu/budapest/hirek/kozel-350-menekulonek-segitettek-a-humanitarius-tranzitponton-az-elmult-heten>

At the local level, the Municipality of Budapest also provided a coordination platform for sharing information and workload and developing referral pathways among local and national organizations involved in responding to the needs of people fleeing Ukraine. In addition, the Municipality of Budapest created the help.budapest.hu website in order to coordinate accommodation needs with those offering a place to stay.¹⁴⁹

2.3.1.2. Sources of financing accommodation

The European Union announced in April 2022 that within the framework of REACT-EU, 3.4 billion EUR had been set aside to support Member States most affected by the refugee crisis. However, this funding was a part of the RRF¹⁵⁰ that was initially dedicated to addressing the adverse effects of COVID-19 and did not represent extra funding. The only change has been that the EU has facilitated the use of the amount; the affected countries can obtain quick and simplified access to the funding to respond effectively to the needs of refugees. In addition, countries can use the funding to cover the costs of accommodation and any other services.

Under this support, Hungary is entitled to 299.6 million EUR in funding, of which it received 263 million EUR in May 2022. However, the government spent most of this funding for other purposes related to recovery from the pandemic.¹⁵¹ The next instalment of the funding was provided to the affected Member States at the end of October 2022, but Hungary was not among the beneficiaries.¹⁵²

As a consequence, the government cannot rely on extra funding from the EU, but – unlike other V4 countries - **it has not used the additional available funding sources of international donor organisations either.**¹⁵³ In Hungary, such donor organisations, the most significant among them being the UNHCR and IOM, have been funding NGOs and church charity organisations via tendering. In addition, sizeable international charity organisations such as the International Federation of Red Cross and Red Crescent Societies (IFCR) have supported their sister organisation.

The government has organised the accommodation of refugees through local governments and private entities (legal or natural). In **government decree 104/2022**, the government defined that **the costs of accommodating refugees can be reimbursed to municipalities**. In addition, the government (the concerned ministry or the county defence committees) can make agreements with **private entities**

¹⁴⁹ Website of the Budapest Helps initiative, Municipality of Budapest, 2022: <https://help.budapest.hu/en/> Accessed on 28.10.2022

¹⁵⁰ The Recovery and Resilience Facility is a temporary recovery instrument established by the EU, originally with the aim of mitigating the economic and social effects of COVID-19. https://commission.europa.eu/business-economy-euro/economic-recovery/recovery-and-resilience-facility_en Accessed on 31.10.2022

¹⁵¹ hvg.hu article: EU-s menekült pénzek: 110-ből 102 milliárdot már megkaptunk, de a kormány elköltötte másra. [EU refugee money: we have already received 102 billion out of 110, but the government has spent it on other things] https://hvg.hu/gazdasag/20220607_EUs_menekultpenzek_REACTEU Accessed on 31.10.2022

¹⁵² Portfolio article: Magyarország most kimaradt az EU-s pénzosztásból az ukrajnai menekültek megsegítésére [Hungary has now missed out on EU funding to help refugees in Ukraine]. <https://www.portfolio.hu/unios-forrasok/20221031/magyarorszag-most-kimaradt-az-eu-s-penzosztasbol-az-ukrajnai-menekultek-megsegitesere-575969> Accessed on 31.10.2022

¹⁵³ Átlátszó article: Magyarország néhány tízezer ukrajnai menekültet sem képes rendesen ellátni, civilek végzik az állam segélymunkáját [Hungary is unable to properly care for even a few tens of thousands of Ukrainian refugees, with civilians doing the state's aid work]. <https://atlatszo.hu/kozugy/2022/08/24/magyarorszag-nehany-tizezer-ukrajnai-menekultet-sem-kepes-rendesen-ellatni-civilek-vegzik-az-allam-segelymunkajat/> Accessed on 31.10.2022

that can accommodate more than 20 people. However, it is not transparent what organisations the government has contracted.

The amount of the reimbursement was 4,000 HUF/person/night (10 EUR), but since 1 November 2022, this was raised to 7,000 HUF (18 EUR). Both the municipalities and private entities are required to report monthly data on the number of people and nights to the county defence committees, who justify, and in case of any concerns, check the validity of the reports, but it is the respective ministry that finally approves reimbursement.

It is important to note that the decree stipulates that **organisations and entities that provide accommodation in premises voluntarily offered are not entitled to the reimbursement of costs of hosting refugees**. Therefore, neither civil organisations nor private individuals receive any financial compensation from the government for hosting refugees. However, the six large church charities received a one-off grant of 500 million HUF (1.26 million EUR) each at the beginning of the refugee crisis to support the refugees with the necessary services, but they are not entitled to the state-funded compensation based on the government decree 104/2022 that covers the costs of accommodation refugees.

Official statistics are not available on the capacity of accommodation facilities that are being compensated: neither the number of people and nights for which the government paid compensation nor is the amount paid to municipalities and other contracted organisations known. However, the National Directorate General for Disaster Management disclosed in July 2022 that they have facilitated 11.945 people's accommodation.¹⁵⁴

2.3.1.3. Forms of short- and mid-term accommodation (from a few days to six months)

Municipalities responded quickly to the need for hosting refugees: collective sites were created from cultural, sports halls, schools, etc. In addition, municipalities and NGOs tried to reorganise their institutional capacity to provide accommodation; usually, the related institutions were initially intended to house homeless or elderly people. From spring onwards, summer vacation camps were also used for hosting refugees. In addition, the government compensated private entities for providing commercial accommodation facilities such as hotels, hostels, campsites, and worker hostels.

Although the government has not designated any collective site on the territory of Budapest, substantial capacity for various kinds of accommodation has been established. The **Municipality of Budapest created collective sites** using the premises of its homeless provision institutions.¹⁵⁵ Three institutions and one summer camp have been used since the end of February with a capacity of 450 beds, of which 160 beds are in Budapest (in two institutions). Initially, support was planned in the form of crisis intervention and involved providing accommodation, food, and health services to the refugees in the short term until they could move on to other countries or find other, longer-term housing solutions in the country, but from mid-summer onwards the path of exiting the shelters became clogged. The latter now provide help primarily to poor, disadvantaged, low-educated families, many of them Roma from Transcarpathia's segregated settlements. The latter group of refugees are

¹⁵⁴ Ibid.

¹⁵⁵ The Municipality of Budapest is responsible for homeless services provision for which it operates an institutional system called the Budapesti Módszertani Szociális Központ és Intézményei, BMSZKI [Budapest Methodological Centre for Social Services and its Institutions] with capacity of around 2500 beds including night shelters, temporary accommodation, etc. <https://bmszki.hu/en>

accommodated in one of the institutions in Budapest, which works at full capacity. These families require complex social support work that takes extra effort from the staff of the institution, although they cooperate with NGOs to meet the needs of the families. Families can find longer-term housing solutions in the private rental market only with the help of NGOs, and once housed, they still need social work to get along¹⁵⁶ (See more on the organisation of service provision in Chapter 2.4).

Another example of municipally organised accommodation is found in **Veszprém**, where the municipality provided four premises for this purpose with a total accommodation capacity of 106 people: a student dormitory, one storey of a municipally owned workers' hostel, some empty former general medical rooms, and empty residential building.¹⁵⁷ This capacity was available until June 30, 2022, after which only a part of the workers' hostel and the dormitory was retained for this purpose until the end of 2022. The provision of refugees has been organised by the organisation managing the municipal housing stock, including all the necessary services.

Nevertheless, the quality of accommodation provided by municipalities or government-contracted private entities has been highly diverse, according to the sporadically available information – from mass accommodation in sports halls to community centres, where people sometimes have to sleep on mattresses, to hotel rooms of good quality.¹⁵⁸ According to several experts, the conditions of collective sites in municipal institutions should be improved. Some donor organisations are trying to provide funds to permit the basic renovation of these premises (e.g., the renewal of bathrooms, heating systems, and walls). Many collective sites have been set up in homeless or other social institutions, but the capacity of these institutions is now lacking missing from in the social service provision system. Services for refugees are usually provided by the original staff of the institutions, in addition to their normal workload, although the latter typically receive help from other locally based NGOs and local people, the former providing professional services and the latter providing voluntary help.¹⁵⁹

Moreover, soaring energy prices have posed a significant financial challenge to organisations managing accommodation centres for refugees. From September 2022, the cost of gas increased approximately ten times for non-residential users, including municipalities. This might have been one of the reasons why collective sites run by municipalities started to shut down even from mid-summer onwards, but in greater numbers from September 2022 (e.g., in Szombathely and Győr – big cities in Western Hungary).

As for short-term accommodation, most capacity is provided by the already mentioned NGO **Migration Aid**, which operates a refugee shelter in Budapest with a capacity of 300 beds.¹⁶⁰ The shelter (a newly built workers' hostel) is financed by donations from private and international organisations, which the NGO can use for an indefinite time. Thus, the shelter operates without any public (state, municipal,

¹⁵⁶ Interview with the head of the institution belonging to BMSZKI.

¹⁵⁷ Interview with the head of Veszprémi Községi Lakásügynökség Nonprofit Kft. (VESZOL) [Public Housing Agency of Veszprém City Nonprofit Ltd.], which is responsible for the management of the municipal housing sector.

¹⁵⁸ Átlátszó article: Magyarország néhány tízezer ukrainai menekültet sem képes rendesen ellátni, civilek végzik az állam segélymunkáját [Hungary is unable to properly care for even a few tens of thousands of Ukrainian refugees, with civilians doing the state's aid work]. <https://atlatszo.hu/kozugy/2022/08/24/magyarorszag-nehany-tizezer-ukrainai-menekultet-sem-kepes-rendesen-ellatni-civilek-vegzik-az-allam-segelymunkajat/>

¹⁵⁹ UNHCR Inter-Agency Refugee Coordination Forum working group meeting focusing on shelter and housing held on 28.10.2022.

¹⁶⁰ Migration Aid's webpage: <https://migrationaid.org/madridi/> Accessed on 20.11.2022.

EU) funding and, until November 2022, was operated exclusively by volunteer workers. The NGO organises the food supply, urgent health services, childcare (on average, one-third of the people staying there are children,) and transportation if needed. During its first seven months of operation (between March and October of 2022), the NGO accommodated almost 12 thousand refugees.¹⁶¹ Initially, it provided services only to those who were transiting to other countries, but from the summer onwards they were affected by the trend that families arrive who cannot travel on further to other countries and have difficulty finding other longer-term accommodation in Hungary. As a result, around one-third of their capacity has been used for longer-term accommodation. In addition, they have started to provide other services such as community building and programs for the children. Adults staying for longer periods are also involved in the running of the hostel.

The NGO runs another refugee shelter with 60 beds in one of the big cities in western Hungary (Győr), which provides longer-term (6+ months) accommodation.¹⁶² As the city is an industrial centre, refugees have a good chance of finding a job. Regarding the composition of the refugees, about half of the people are children. In the hostel, families are put into separate rooms. Volunteers help families arrange administrative, employment, and schooling affairs and organise medical care.

The **International Organisation of Migrants (IOM)** runs several schemes, although only in Budapest.¹⁶³ In terms of short-term accommodation, they work with a capacity of 200 people. They cooperate with Airbnb, but refugees can only use the related flats for a period of 29 days. They also rent ten rooms in two hotels (five in each) where refugees can stay for one to seven days. Additionally, they operate mid-term (one-to-three month) accommodation using 27 flats, where 180 people can be put up. Until mid-October, the IOM had provided 1521 persons with accommodation for a total of 37,527 nights. Their financing is ensured until the end of February 2023, although they are continuing with fundraising activities and want to expand their portfolio. With the Municipality of Budapest they run an info-point at one of the main railway stations (Nyugati pályaudvar) that is open from 8 am to 8 pm on weekdays. Besides accommodation, other services are also offered here (e.g., language courses).

Private donations (which are often anonymous) create the possibility for church charity organisations to host refugees. For example, the **Baptist Church** received a private offering of twelve apartments in a new housing development in the inner-city area of Budapest that the organisation can use to accommodate Ukrainian refugees for a one-year period.¹⁶⁴ Consequently, people can stay in the apartments indefinitely without paying rent and utility fees. It is primarily higher-status people who use such flats, who consist of two groups: those who want to maintain a longer-term job search and save up money to rent a flat on their own later on, and those who wish to travel on to other countries. Only single people are put together in individual flats. Otherwise, families can live separately. Although the length of stay varies considerably, only 8-10 people have been housed in this accommodation since from the beginning of its availability (March 2022).

¹⁶¹ Migrations Aid Facebook post on 16.10.2022. <https://www.facebook.com/migrationaid.org>

¹⁶² Kisalföld article: Halloween-re készültek az ukrán gyerekek a győri menekültszállón. [Ukrainian children prepared for Halloween at the refugee hostel in Győr] <https://www.kisalfold.hu/helyi-kozelet/2022/10/halloween-re-keszultek-az-ukran-gyerekek-a-gyori-menekultszallon-fotok> Accessed on 02.11.2022.

¹⁶³ IOM HUNGARY / UKRAINE RESPONSE Migrant protection and assistance weekly snapshot: 14 October 2022. https://hungary.iom.int/sites/g/files/tmzbd1591/files/documents/MPA_Snapshot_October_14%20%281%29.pdf Access on 16.10.2022.

¹⁶⁴ Interview with program coordinator at Baptist Church for accommodation in Budapest on 29.09.2022.

The Baptist Church also provides accommodation in other forms. Some of their capacity in Budapest and other cities is rented space in workers' hostels. A total of 200 people can be accommodated in this form (of whom 40 are in Budapest), many of whom are reunited families of men who worked in Hungary even before the war. Therefore, such capacity is located in cities (e.g., Győr, Jászberény) associated with job opportunities in factories. These workers' hostels are of good quality; however, the bathrooms and kitchens are shared use. In addition, the organisation has freed up capacity in their social service institutions; in Budapest, there is capacity for 21 people. Nevertheless, they will open a new accommodation centre with 120 places in Budapest in December 2022. Solidarity housing was of greater significance in the first two months in their accommodation portfolio, involving members of local Baptist communities organising a few nights' accommodation in their homes primarily for those who were transiting the country and needed only immediate short-term help.

The **Hungarian Red Cross** runs seven reception centres (in Budapest and six other cities) with a total capacity of 500 beds. However, the utilisation of this capacity varies.¹⁶⁵ In Budapest, the organisation took over a tourist hostel in the inner city that had been run by the owners on a voluntary basis but who ran out of resources by the end of May 2022, and agreed that the Red Cross would take over the operation. Red Cross rents it from the owners and relies on foreign volunteers to undertake everyday tasks. The hostel had 66 beds and operated as transit accommodation with rooms of 6, 8, and 12 beds, where people fleeing the war stayed free and if needed, were provided with free food to cook. However, by October 2022, it became necessary to increase the capacity of the accommodation centre (thus, the organisation rented another storey of the hostel with an additional 33 beds), as many refugees had to stay for longer than a few days to arrange their travel to more distant countries (even to the US or Canada) or organise their further stay in Hungary. Refugees can also use the accommodation centres indefinitely in Budapest and the cities. In addition, the Red Cross runs accommodation centres for longer-term stays in another six cities where they organise services related to helping the refugees integrate. For example, in one of the cities, they use the centre to host Roma families from Transcarpathia (mainly from segregated Roma settlements) with a very disadvantaged social situation.

Initially, when planning accommodation capacity, the Red Cross considered renting private apartments from the market, which idea was eventually abandoned as it would have been very difficult to organise the necessary social work for the refugees if using a dispersed accommodation system. They also faced difficulty renting premises suitable for the collective site, as there was strong competition for space in workers' hostels from job agencies who used government funding associated with dedicated programs to encourage labour mobility.

The **Hungarian Interchurch Aid** rents rooms from several hotels; Budapest has a 50-bed capacity, which is usually full. The organisation receives considerable financial support from church-related international donor organisations and thus does not rely on UNHCR financing.¹⁶⁶

The **Dorcas Service**, also a faith-based organisation, turned their own camping site into a refugee accommodation centre where they can provide for 200 people.¹⁶⁷ So far, half of the campsite capacity

¹⁶⁵ Interview with the coordinator of Emergency at Central Hungarian region of Hungarian Red Cross on 06.10.2022.

¹⁶⁶ UNHCR Inter-Agency Refugee Coordination Forum working group meeting focusing on shelter and housing held on 28.10.2022.

¹⁶⁷ Dorcas Service's webpage: <https://www.dorkasz.hu/project/16/menekultmisszio/>

has been winterised. The organisation focuses on people arriving from Transcarpathia, many with disadvantaged backgrounds and some belonging to the Hungarian or Roma minority. Their aim is to provide complex support to help families start a new life in Hungary.

The **SOS Children Foundation** provides one to three months of accommodation for disabled people with a capacity of 40 places, which can be extended if necessary.¹⁶⁸ Their capacity is consistently taken up, showing that there is great demand for such accommodation associated with complex support for people with disabilities and long-term illnesses who require permanent care support. Besides accommodation, they provide a complete care service: social and medical support, food provision, and transport, if needed to nearby villages and cities. They help their service users to find longer-term housing solutions as well.

To summarize, despite the lack of data about the total capacity of and demand for collective sites, the interviews reveal that the capacity of collective sites needs to be improved. In addition, the territorial distribution of the collective sites does not correspond to demand, as more capacity is required in the capital city, bigger cities, and surroundings where more jobs are available. Furthermore, as already mentioned, the quality of such accommodation could be better, despite the organisations trying to improve it (they need more financial resources). Furthermore, transferring refugees from short-term to long-term accommodation is also challenging. Therefore, many have been stuck at collective sites for longer than initially planned.

2.3.2. Longer-term, more permanent solutions for providing accommodation and housing for refugees

Longer-term accommodation for Ukrainian refugees can be provided only via the private rental market as the public housing sector is very limited in Hungary (as highlighted, the respective share is less than 2% of the total housing stock). However, only those who can maintain independent housing on the private rental market with sufficient income from their work can manage, as no longer-term housing allowance is available within the mainstream housing subsidy system, as with Hungarian citizens. However, regular work does not guarantee that Ukrainians can ensure independent housing for themselves, as rents in cities are high compared to salaries. In addition to high rents, refugees face other challenges, such as discrimination in the private rental market, generally against families with children, and specifically against refugees. Therefore, organisations working with families try to help them find jobs and longer-term rental flats. Job opportunities are typically found in larger cities and some middle-sized towns, but affordable housing is often only available in the surrounding localities. Therefore, in addition to helping families to find affordable private rentals, most organizations transform or extend their short(er)-term capacity into longer-term accommodation.

As no governmental support is available for long-term housing of refugees (except for an AMIF-supported program), the organisations rely primarily on international and private donors' resources. One of the primary funders is the UNHCR, which besides supporting collective sites, also provides a rent-supplement subsidy to help refugees with longer-term housing. The financial support is distributed through NGOs contracted for this specific task, who pay the subsidy directly to landlords.

¹⁶⁸ UNHCR Inter-Agency Refugee Coordination Forum working group meeting focusing on shelter and housing held on 28.10.2022.

The UNHCR provided this rent supplement support until the end of 2022 and has been renewing its contracts with the NGOs and church organisations for the year 2023, but the size of the program will be reduced in 2023.

An example of the difficulty of sustaining collective site capacity for a longer period and transferring refugees to more permanent private rental housing is provided by the city municipality of Győr. The municipality ran a collective site with a capacity of 150 people in vacant premises owned by the local university and provided shelter for a limited time. Therefore, at the end of the summer of 2022, the municipality had to vacate the building, temporarily putting families into accommodation in containers which were not winterized; thus, the latter could stay in them only until October. During this time, the families were helped to find private rental housing in the surrounding localities of Győr. The Red Cross provided social work for the families (including help finding housing and jobs) while the UNHCR financed the intervention.¹⁶⁹

In the current research, we have identified only three programs that provide housing in the mainstream housing sector for six months or longer. In this chapter, two programs are described in more depth.

The **Hungarian Charity Service of the Order of Malta** runs a twelve-month integration program for refugees (a so-called development aid program to distinguish it from the prompt humanitarian aid program for refugees), which can be extended by six months in exceptional cases.¹⁷⁰ The charity service applies the same program that they launched in 2018. So far, around 2,000 refugees have participated in it apart from the Ukrainian refugees, mainly individuals from Venezuela and Afghans who were rescued by Hungarian troops after the Taliban took over the country in the summer of 2021. The Ukrainian refugees started to enter the program at the beginning of the summer of 2022 after it became evident that the war would not end soon.

The program is financed by the Asylum, Migration and Integration Fund's shared management programme, for which the responsible authority is the Hungarian Ministry of Internal Affairs. In 2022, a substantial share of the cost related to housing expenditures was covered by UNHCR financial support. On a smaller scale, the 'own' resources of central governments and the Hungarian Charity Service Association of the Order of Malta ('Maltese Charity') have supplemented EU and UNHCR funding.

Currently, around 500 families are participating in the integration program, the large majority of whom are Ukrainian refugees. Regarding spatial distribution, 150 families are staying in Budapest, while the others are concentrated in regions neighbouring the Ukrainian border and the northern-west part of the country. According to an established methodology, the program provides intensive and complex help for families. Besides housing, the participants receive individual-level, tailored mentoring, help with accessing health services, and assistance finding a job. For the latter, if necessary, they participate in skills development training and Hungarian language courses. For children, the charity service arranges schooling and language courses and helps with their integration into the school community. Refugees also participate in intercultural training to assist their communication with local society. During the program, housing costs are covered by the program, and refugees also get in-kind support (food, furniture, etc.) in addition to the social benefits they are entitled to.

¹⁶⁹ Interview with a staff member of UNHCR Inter-Agency Refugee Coordination Forum on 02.12.2022.

¹⁷⁰ Interview with the programme leader at Hungarian Charity Service of the Order of Malta.

The program aims to enable families to become self-sustaining once the program ends. Therefore, close cooperation with the program is a strict requirement; for example, regular meetings with a social worker and regular training attendance are compulsory. Many participants already have jobs, often at companies connected to the charity service. This may be one of the reasons why more than half of the working participants have a registered job.

Housing is mainly provided through the private rental market: 70% of the families stay in private rentals, while the other 30% are in workers' hostels, and the Maltese Charity institution offers temporary accommodation. Flats are rented at market prices generally from private individuals, but even this well-known organisation faces prejudice in the market arranging accommodation for people of colour or families with several children. The rental contract is concluded between the charity service and the owner of the flats; then, the organisation sublets the flat to the refugees. Nevertheless, the charity organisation always communicates to the owners about who will actually live in the apartment because the main aim is for the families to enter into a direct contractual relationship with the owners when the original program ends if they can reach an adequate level of self-sustainment. Remaining in the same flat is of particular importance from the point of view of integration, as families will have already started to build networks in that specific neighbourhood, where the children will also attend school, and changing residence would interrupt this integration process. The monthly payment is guaranteed for the owner by the charity service during the program. The rent includes the maintenance cost (utilities, etc.); thus, owners are paid by the program, and families have to be aware of limits on consumption. The Maltese Charity service guarantees that the condition of the flat will be maintained. In the case of any problems, the necessary repairs are undertaken by the organisation's logistics team. Social workers mediate conflict between families, landlords, or neighbours.

According to the head of the program, the flexibility of the interventions could be increased if the organisation owned some apartments, which would be used exclusively by the program to meet needs that unexpectedly arise.

The organisation and implementation of the program occur on different levels. The central organisation located in Budapest carries out planning and steering of the program, while the implementation activities are accomplished by the regional centres of the charity organisation; thus, the latter locally procure flats from the market and organise the necessary service packages. The regional teams are trained by the central team. The implementation staff consists of 150 people. Besides the regional structure, the staff is organised into thematic teams – for example, a job integration team.

Another longer-term housing program for Ukrainian refugees is **jointly managed by the From Street to Home Association (FStHA) and Habitat for Humanity Hungary**.¹⁷¹ However, the two civil organisations split the tasks: housing refugees and providing them with social work is done by FStHA, and the organisation of in-kind support, the related logistics, and PR communications tasks are conducted by HfH Hungary.

The program is financed from two primary resources: the European Programme for Integration and Migration (EPIM) and UNHCR funding, but private donors have also made substantial contributions. The financial support of UNHCR will be extended for another year until the end of 2023, while EPIM

¹⁷¹ Interview with the program coordinator of From Street to Home Association on 28.09.2022 with a later follow-up check on 14.12.2022.

resources are ensured until March 2023, and the programme's potential continuation will be negotiated subsequently.

The programme provides rent-supplement support for refugees (single persons and families) who stay in private rental flats. The rent supplement cannot be more than half of the rent payable; the average amount of monthly support is around 60,000 HUF (151 EUR), but this varies according to the size of the household – typically ranging between 40,000 HUF (101 EUR) for a single person and 100,000 HUF (251 EUR) for bigger families (the latter being the maximum support payable). The program also contributes to covering the deposit to a maximum of 150,000 HUF (377 EUR). The program considers all refugees to be in urgent housing need and thus entitled to support; however, as the subsidy does not cover all housing costs, only those can enter the program who have sufficient income to pay at least half of the rent and the utility costs. In the beginning, those who could not pay for their housing could stay in solidarity housing and move on to private rentals after finding a job. However, the solidarity housing offers ran out by the autumn of 2022, and only a few families can currently rely on this form of housing (i.e., associated with no or very minimal cost).

Rental contracts are a maximum of six months, as there is substantial uncertainty on the part of the refugees about how long they will stay in Hungary (or the respective city). However, if needed, the contracts can be extended. The FStHA helps with contracting; they have standard contracts in three languages, but not all landlords rely on these. Some landlords prefer to conclude contracts using a public notary, which in the case of non-payment or if a tenant does not want to move out after the contract terminates, makes eviction easier without a lengthy court procedure. While the rental contract is concluded between the landlord and refugee, the FStHA also makes bilateral agreements with landlords and tenants, stipulating the conditions of the rent supplement provision. One of the conditions for landlords is that tenants must notify the association if the monthly rent payment is not paid on time to landlords. This ensures that the association learns about any problems in time, although it does not check on the tenants' monthly payments. The program contributes to the whitening of the private rental sector as well because landlords are required to pay tax (15% PIT) on their rental income, and it is the association that completes the transfer and the related accounting for the authorities.

Flats come into the program primarily through offers from private owners, but the refugees themselves increasingly find flats on the market. In such cases, FStHA cannot use the social rental agency model that they otherwise apply to house vulnerable people. According to the social rental agency model, the association rents a flat from private owners and sublets it to their clients; the necessary social services are then organised for them. However, in the case of the rent supplement program for Ukrainian refugees, the organisation cannot cover the costs of potential vacancies because they lack the related resources. Initially, the FStHA tried to intermediate in the process of flat searching, but the demand was strong, flats were rented out quickly, and coordination between landlords and refugees proved to be inefficient (families did not show up at fixed appointments, and flats had already been rented out, etc.).

Regarding the type of flats, those with one to two rooms of average quality are usually offered to refugees. The rent level is around 150-200 thousand HUF, which can be regarded as average or lower than the average market rate. However, the program only accepts flats with a maximum rent of 300 thousand HUF, as the association considers this unaffordable for refugees – at least for those in need

of financial support. This also means that it is difficult to find flats for big families consisting of more than five or six people.

At the beginning of October 2022, fifty-four families participated in the program, and another fifteen families had already left it by moving to another form of housing on their own, leaving for another country, or going back to Ukraine. A total of 198 people participated in the program, of whom 62 were children, but there were only four persons above the age of sixty. Regarding the composition of the refugees, around half are from Transcarpathia. The vast majority are Hungarian-speaking Roma families. The other typical family type is the single mother with a child/children, and sometimes with a grandmother, whom all speak Ukrainian. By the end of 2022, the number of families that had been housed increased to 102, involving a total of 260 people, out of whom 102 were children.

With UNHCR's financial support, the Baptist Church implements a similar housing program through which they provide rent supplement subsidies for 200 families staying in private rental housing across the country.

2.4. Other services for ensuring integration

In this chapter, we summarise to what extent refugees have access to substantial services and benefits regarding their integration into local society.

2.4.1. Social benefits

Refugee-specific social benefits are covered by Government Decree no. 301/2007 (XI. 9.) on the Implementation of Act LXXX of 2007 on Asylum.¹⁷² According to Article 53 of the Asylum Decree, adult beneficiaries of temporary protection may be eligible for a 22,800 HUF (57 EUR) monthly subsistence allowance (*rendszeres életfenntartási támogatás*). Children can receive 13,700 HUF (34 EUR) every month.¹⁷³ Disbursement of the monthly subsistence allowance is subject to a mandatory personal visit to the Employment Department of the Government Office in order to register as a job-seeker there.¹⁷⁴ The monthly subsistence allowance is only available for people who are unemployed or elderly people who have difficulty accessing their old age pension. The authorities may terminate the monthly subsistence allowance if a recipient does not accept an employment opportunity offered by the Government Office after 45 days of the first payment.

As already mentioned, no statistics on the state provisions for refugees are available, which is also true of social benefits. The only data provided by the UNHCR is that 6,862 beneficiaries of temporary protection received financial assistance from the Hungarian government between February and July

301/2007. (XI. 9.) Korm. rendelet a menedékjogról szóló 2007. évi LXXX. törvény végrehajtásáról [Government Decree no. 301/2007 (XI. 9.) on the Implementation of Act LXXX of 2007 on Asylum]. Last accessed on 25 October 2022: <https://net.jogtar.hu/jogszabaly?docid=a0700301.kor>

¹⁷³ Both the monthly subsistence allowance and allowance for children are mainstream social benefits. The former target is effectively unemployment benefit, the latter is child allowance to which all children under the age of 18 years old are entitled.

¹⁷⁴ Information for Ukrainian citizens fleeing Ukraine, for refugees recognised in Ukraine and for stateless persons and their family members (EN). Hungarian Helsinki Committee, 7 June 2022. <https://helsinki.hu/en/information-ukraine-stateless-recognized-refugees/>

2022 (~111 million HUF).¹⁷⁵ Nevertheless, the MSNA survey¹⁷⁶ (see Chapter 2.2.2) and related interviews revealed that many refugees need cash support to meet their basic needs, such as food.

Therefore, several organisations have introduced **cash or voucher-based assistance**,¹⁷⁷ although this is rare and typically of a smaller amount. The UNHCR has introduced a cash-support program distributed through two big charity organisations, the Maltese Charity and the Baptist. However, this program is smaller in size than in neighbouring countries because of the lack of cooperation of the central government. The IOM distributes voucher-based support to help families buy food; a total of 800 families have received such assistance. The Hungarian Reformed Church provides one-off cash assistance associated with broad eligibility criteria. The amount of the subsidy was initially 30,000 HUF (75 EUR) but because of inflation and the energy price increase, this was raised to 50,000 HUF (126 EUR) in the autumn. This cash assistance was provided to about 5000 people. One of the schemes with the broadest coverage is a Ukrainian refugee-led initiative launched called hunhelps.com that has helped 5,000 people out of 8,000 applicants. The program buys and distributes gift cards, with which refugees can buy food in big grocery stores. Those who are eligible receive a one-off gift worth 5,000 HUF (13 EUR) per person; the application is a straightforward process and can be made through a mobile app to which an assistant contacts applicants. The only concern of the organisation is that the most vulnerable people who do not have smartphones are left out. Thus, the organisation is searching for ways to reach out to this group.

Most recently, the IFRC has launched a cash assistance program (which can be claimed through the mobile app), which was thoroughly prepared with the participation of the main stakeholders, including the Hungarian government and the relevant authorities.¹⁷⁸ The program provides 30,000 HUF (75 EUR) support for two months for those applicants who arrive in Hungary after February 24, 2022, who have no person in full-time work in their family, and who have at least one family member who is above 65 years old, or disabled or chronically ill. Furthermore, single mothers with a child under 12 years old or families with pregnant or breastfeeding mothers are also eligible for the cash assistance program.¹⁷⁹ In order to improve the coverage, the Red Cross has been cooperating with other organisations. Although there is no information on the take-up rate yet, the organisation wants to monitor this and, if needed, loosen the currently strict eligibility criteria.

2.4.2. Social services

State ownership is fundamental for developing and maintaining effective programmatic responses to the humanitarian needs and inclusion prospects of people in need of international protection. However, the Hungarian state has yet to coordinate social service implementation. At the end of 2022, the Inter-Agency Refugee Coordination Forum organized by UNHCR represented the only platform for

¹⁷⁵ In-person interview conducted with UNHCR Inter-Agency Refugee Coordination Forum staff, Budapest, Hungary, 23 September 2022.

¹⁷⁶ Hungary: Multi-Sectoral Needs Assessment (November 2022), UNHCR - IOM, 23 November 2022. <https://data.unhcr.org/en/documents/details/97062>

¹⁷⁷ Information from the UNHCR Inter-Agency Refugee Coordination meeting held on December 2, 2022.

¹⁷⁸ Based on the presentation of an IFRC employee delivered at UNHCR Inter-Agency Refugee Coordination meeting held on December 2, 2022.

¹⁷⁹ The source of data on eligibility criteria is the website of the program: <https://ukrainefinancialassistance.ifrc.org/hungarian-red-cross>

local, national, and international actors involved in the refugee response to share information and workload.

Civil and charity organisations have provided social services, including prompt humanitarian aid. In relation to the organizations of such services, professional organisations have relied on the voluntary work of the general population to a significant extent. According to social assistance needs, three largely different groups of refugees can be distinguished: those who (1) are only transiting the country, (2) those who remain for the longer term and apply for temporary protection, and who are of higher social status and are able to arrange their lives independently, and (3) those who remain in the longer term but have lower social status and need substantial help starting their new life in Hungary. These three groups have very different levels of need for social help. The first group needs help getting access to information, transit services, and food provision besides shorter-term accommodation. The second group, in addition to the former services, may need help arranging the official legal procedure related to the application of temporary protection, access to social benefits and health services, and finding jobs. The third group requires the most complex and intensive help, usually not only in arranging administrative matters but also in the process of integrating into local society, including workplaces, schools, etc. As described in Chapter 2.2.2, a significant part of this group is the Roma minority from segregated settlements of Transcarpathia.

The varied needs of different groups of refugees are clearly reflected in the structure of the work of civil organisations. For example, the Red Cross does not provide professional social work in its transit accommodation in Budapest. Still, volunteers help refugees arrange administrative matters, while in their other shelters outside of Budapest, where refugees with more mixed social backgrounds stay, more diverse social assistance is provided. Refugees who are in contact with the Red Cross and remain (e.g., in dispersed housing) can turn to the district-level units of the organisation. In the case of those supported in the FStHA rent supplement program, only about half of the refugee families need traditional social work. The association employs two social workers to assist refugees, but volunteers also help with their work. If more intensive or specific help is needed, the association refers the persons to other NGOs. A similar pattern of social work organisation is followed by other accommodation service providers, such Migration Aid, who work with volunteers but cooperate with other more specialised NGOs through a referral system.

Several NGOs provide individually tailored social work for refugees, and other organisations can refer their clients. For example, the Shelter – the Hungarian Association for Migrants (Menedék Egyesület) is an NGO that provided diverse forms of social, legal, and psychological help for refugees and is in contact with many other civil and municipal organisations. Shelter also organizes group and community activities according to actual needs, often at the collective sites where the families are accommodated. Apart from in Budapest, they also work with bigger refugee centers in the countryside.¹⁸⁰

Moreover, some NGOs specialise in only one kind of service; they usually cooperate with other organisations that provide more general services (accommodation or social) through a referral system. Legal aid is provided by the Hungarian Helsinki Committee. They support refugees but also the organizations who accommodate or give other services to refugees with legal assistance associated with concrete matters and provide more general information about rights and entitlements related to

¹⁸⁰ Based on interviews with other organisations who work together with Shelter (FHTSA, BMSZKI) and Shelter's website: <https://menedek.hu/>

temporary protection in multiple languages. Another field of more specific help is psychological aid. For instance, the Shelter Association and Cordelia Foundation for the Rehabilitation of Torture Victims provide such assistance through close collaboration with other service providers.

Community activities are also organized for those who live in dispersed housing. For example, the Artemisszió Association runs a community centre for refugees and has also launched programs for Ukrainian refugees. But many smaller organizations offer community programs, some focusing on specific groups such as women and children. They are in contact with other bigger organizations and mainly provide their own clientele with their services.

Regarding territorial coverage, the social and other specialized services are available to a larger extent in Budapest and other bigger cities. However, in the countryside, especially in smaller localities, access to such services is insufficient. Shelter centres and collective sites run by smaller municipalities work together with larger charity organisations. Organizations that provide specific help, such as legal aid, operate phone lines to ensure greater accessibility.

Different organisations provide more complex forms of help to disadvantaged people and families (FStHA, Migration Aid, Red Cross, BMSZKI, and the Maltese and Baptist charities). Many disadvantaged families stay in collective sites in the long term, and, as mentioned above, only a few are able to move out to privately rented flats. Therefore, in addition to helping them in different areas of life (work, childcare, access to healthcare, etc.), an important part of social work is activating families and supporting their communication through different institutions, employers, etc.

The financing of social, psychological, and legal services comes from international donor organizations and private donations. Unfortunately, the state does not provide any funding in this field apart from the already mentioned three billion HUF in funding for the six big church charity organizations and the nationally programmed AMIF funding for the Integration program of the Maltese Charity Services (see Chapter 2.3.2).

2.4.3. Employment services

Beneficiaries of temporary protection have the right to work and can also be employed through labour-hire agencies. Moreover, they can establish a business as well as be self-employed. However, to receive monthly subsistence benefits, the unemployed must take up public employment provided by a government workfare scheme.

Some Ukrainian citizens were working in Hungary even before the war: 4,539 Ukrainian were registered employees in 2021 according to official statistics,¹⁸¹ but this number may be a significant underestimate as many of them were unofficially working – e.g., in the construction sector or the unofficial caring sector, hired by private persons. However, unemployment is high among those who reside in collective sites or at private rentals/hosts. The MSNA revealed that only 30% of refugees work, although those who stay in worker hostels were not included in the survey (see Chapter 2.2.2).

¹⁸¹ A foglalkoztatók által bejelentett külföldi munkavállalók adatai állampolgárságuként, 2021. [Data on foreign workers declared by employers by nationality in 2021] In: A külföldi állampolgárok magyarországi munkavállalásának főbb sajátosságai 2021. évben. A Technológiai és Ipari Minisztérium Elemzési és Bérpolitikai Osztálya. 26.o.
https://nfsz.munka.hu/nfsz/document/2/4/0/5/doc_url/Elemzes_a_kulfoldiek_magyarorszag_i_munkavallalasarol_2021_evben.pdf

A significant proportion of registered employees found work through labour-hire agencies; such agencies have also offered employment to newly arrived refugees. At BOK hall, the official reception centre in Budapest, only one government-contracted agency is entitled to be present and offer work.¹⁸² The government supports those employers who also provide accommodation to refugees by reimbursing them half of the cost of their accommodation [up to 60,000 HUF (151 EUR) plus 12,000 HUF (30 EUR) after each child]. No data is available on how many refugees the government has paid this support to, but it was revealed in the interviews that most of the workers' hostels filled up after the outbreak of the war. Workers could be united with their families, but many hostels were not appropriate for family living, so those who could find rental flats on the market moved out of such facilities.

NGOs and charities have played an important role in helping find jobs, and many have also used their pre-established networks with employers. As a result, many refugees have also been able to find work themselves.

Regarding the quality of work, Hungarian minority individuals (many of whom have dual citizenship) and Ukrainian-speaking refugees who speak English or German have a greater chance of finding higher-ranked and better-paid work. However, the general experience is that many refugees are employed through labour-hire agencies, which means their salaries are lower. Besides the lack of language knowledge, the other significant impediment to getting a better-paid job is that qualifications are not recognised automatically. Thus, many people cannot work in the profession they are trained in. However, as revealed from the interviews, many higher educated people residing in Hungary have been able to continue their work online with their Ukrainian or other foreign employers.

Roma people find it more difficult in the labour market. Although they may speak Hungarian, they may rely on informal work because of their low level of educational attainment and they are not usually accustomed to working in factories. The other specificity is that among Roma people from Transcarpathia, it is widespread that only men work. Women are not allowed to work but are expected to look after children. NGOs working with Roma families from Ukraine reported that they put a lot of effort into changing this attitude and trying to convince people that they could not maintain themselves and rent a flat in Hungary with only one salary. Women who could put their children (of at least three years old) into daycare could usually find a job in the cleaning service sector.

Refugees are more exposed to labour market exploitation than Hungarians, as they do not speak the language and are unfamiliar with Hungarian labour law. Therefore, the UNHCR launched an awareness-raising campaign for refugees (implemented by the Shelter Association) and provides them with related information and counselling.¹⁸³

2.4.4. Childcare services, education

Hungarian regulation on the compulsory schooling of children also applies to Ukrainian children; according to this, children above three years old must attend kindergarten, and from six to sixteen years old, they must participate in Hungarian school education. Education takes place in an integrated

¹⁸² Átlátszó article: Magyarország néhány tízezer ukrainai menekültet sem képes rendesen ellátni, civilek végzik az állam segélymunkáját [Hungary is unable to properly care for even a few tens of thousands of Ukrainian refugees, with civilians doing the state's aid work]. <https://atlatszo.hu/kozugy/2022/08/24/magyarorszag-nehany-tizezer-ukrainai-menekultet-sem-kepes-rendesen-ellatni-civilek-vegzik-az-allam-segelymunkajat/>

¹⁸³ Shelter's website: <https://menedek.hu/projektek/safemployment-hungary>

form; Ukrainians participate in Hungarian schools designated by the authorities according to the catchment area of their place of residence. In addition, the government makes an extra payment (140,000 HUF) per person, from which schools must provide additional classes and teachers for Ukrainian children. However, this funding is insufficient to cover costs, and there are not enough Ukrainian and Russian-speaking teachers (the shortage of teachers in Hungary is a broader problem). Moreover, the government does not provide data on how many schools are attended by how many Ukrainian children.

Civil initiatives again play an important role in making up for the tuition that Ukrainian children lack. In Budapest, classes were set up by volunteers to help Ukrainian students study during after-school hours. Migration Aid hired sixteen teachers to study with children whose families are staying in Budapest for extended periods. The Baptist Charity accommodated a group of high-school students who arrived in Hungary without their parents in a dormitory built from containers in the form of a bilingual (Russian-language) high school. There are other examples of groups of unaccompanied children (e.g., members of sports clubs) whose escape from Ukraine was organised by their parents; NGOs and charities usually look after these groups. A bilingual (Ukrainian-Hungarian) school operates on the northern coast of Balaton in a small locality where Ukrainian children from the surrounding area may study. The Maltese Charity helps with children's transportation. A significant barrier to organising more efficiently the support to Ukrainian children in their schooling is that the central education office of the government does not allow either NGOs or volunteers to hold extra classes in state schools for Ukrainian students. An organisation wanted to set up a new bilingual school in Budapest but did not get the government's permission either.

From August 2022 onwards, a significant part of the supporting organisations' work was to help families enrol in schools. However, several of the organisations that were interviewed had experienced difficulty with Roma families from deep poverty who needed to be convinced that their children must attend school regularly, required intensive help with integrating their children into the school community, and communicating with school staff.

A specific problem is providing childcare services for mothers with children under three years old who cannot work without this service. Unfortunately, civil organisations are often unprepared and need more capacity to provide such care.

2.4.5. Healthcare services

According to the personal scope of the 1997. CLIV. Act on Healthcare, people with all kinds of legal statuses and citizenship are eligible for emergency healthcare services in Hungary.¹⁸⁴ Additionally, Ukrainian citizens are entitled to the reimbursement of prescribed medicine related to emergency health conditions.¹⁸⁵ Therefore, applicants and beneficiaries of temporary protection are eligible for all types of acute and chronic healthcare services and medicine on an equivalent basis to insured

¹⁸⁴ 1997. évi CLIV. törvény az egészségügyről. [1997 CLIV. Law on Health Care.] Last accessed: 28 December 2022. <https://net.jogtar.hu/jogszabaly?docid=99700154.tv>

¹⁸⁵ Healthcare for refugees in Hungary. Information note collated by the Hungary Refugee Help Digital Network (Ukraine, Zakarpattia) Facebook group. Last accessed: 28 December 2022. https://linktr.ee/segitsegnuyitas_healthcare?fbclid=IwAR3kQ06p-fSwnblyGepfzOrFMLafp3_MkjUann9YjrPw6yWgfR5Ym86DW8o

Hungarian citizens. Dual Ukrainian-Hungarian citizens are in a similar situation to those holding temporary protection status.¹⁸⁶

According to the interviews, Ukrainian refugees need substantial help using health services because of the language barrier and administrative difficulties (e.g., finding the right health institution). Civil organisations help to arrange appointments with health institutions and provide translators who accompany the refugees if needed. The general experience is that emergency healthcare (including provisions for pregnant women) is provided to refugees, but beyond this, such as in the case of more permanent health problems (e.g., autoimmune disease), healthcare institutions require a social security number.

2.4.6. Language courses and translation services

Article 51 of the Asylum Decree stipulates that beneficiaries of temporary protection may be entitled to Hungarian language classes within a 24-month period following the recognition of their legal status.¹⁸⁷ Participation in a 520-hour-long beginner or intermediate language course is available free of charge for those with temporary protection if they stay continuously engaged with their studies in the educational institution designated by the asylum authority. They may also be eligible to take three free state-accredited language exams (written, spoken, or both) at two levels (beginner or intermediate). In addition, children with temporary protection status studying full-time in public schools may be entitled to bridging language classes to upgrade their Hungarian language skills in the educational institution assigned by the asylum authority – the latter is also in charge of the reimbursement of the expenses related to the language classes and exams.¹⁸⁸

Article 49 of the Asylum Decree sets out that expenses related to the translation of personal documents may be reimbursed by the National Directorate-General for Aliens Policing (NDGAP).¹⁸⁹ Therefore, the translation costs of certificates related to birth, marriage, education, and professional background to Hungarian may be paid by the NDGAP upon request.¹⁹⁰

The government organises language courses through some language schools, but civil organisations funded by international organisations also arrange language courses for those who stay in the country for a longer period. However, based on sporadic information, there seems to be substantial demand for English language courses. Translation services are primarily organised by the civil organisations that provide for refugees, which are constantly searching for Ukrainian-speaking professionals (e.g., social workers), but volunteers help with their work in this regard.

¹⁸⁶ Ibid.

¹⁸⁷ 301/2007. (XI. 9.) Korm. rendelet a menedékjogról szóló 2007. évi LXXX. törvény végrehajtásáról [Government Decree no. 301/2007 (XI. 9.) on the Implementation of Act LXXX of 2007 on Asylum]. Article 51 Last accessed on 25 October 2022: <https://net.jogtar.hu/jogszabaly?docid=a0700301.kor>

¹⁸⁸ Ibid., Article 51(1)-(3)

¹⁸⁹ Ibid., Article 49(1)-(4)

¹⁹⁰ Ibid.

3. Evaluation of the gap between the needs of refugees and the housing solutions that are offered (complemented with social services)

The main gaps between the needs of refugees and the housing solutions offered are identified along eight dimensions.

1. Locational problems (e.g., access to services and transportation)

There is a substantial territorial mismatch regarding the availability of housing and jobs. In cities where more jobs are available, there is not enough rental housing, and rents are high, whereas in localities with affordable housing supply, there tend to be fewer jobs; moreover, the accessibility of services and the availability and affordability of transportation for commuting to cities with a good job market pose a serious challenge. The current official distribution system of refugees does not pay sufficient attention to the availability of services and jobs, resulting in serious danger of leaving people and families in a marginalised position, in which they will be dependent on the provisioning system in the long term without any opportunity to establish an independent life. However, people are not obliged to use the state distribution system, so it is very likely that those people who use it have fewer skills and less experience in successfully arranging their life in a foreign country.

2. The legislative system

The main deficiency in terms of accommodating and housing refugees is that individuals and civil organisations are not entitled to compensation for the accommodation costs paid by the government. Moreover, the compensation system is not transparent, and the government is not obliged to publish data on the capacity of the government-paid accommodation system and the actual use of such capacity.

The private rental market is not sufficiently regulated, even in the mainstream housing system, which means an even higher risk of exploitation for refugees, especially since they are primarily women with children or elderly. Moreover, there is no monitoring mechanism in place to prevent and handle such situations; there are only NGOs that, with the support of UNHCR, try to provide information and help, e.g., through free helplines and counselling.

Another central area for improvement is that the monthly subsistence benefit is provided only for three months. Those who cannot find work during this period may face severe difficulty sustaining their livelihoods, especially those accommodated in smaller localities where the level of support services is much lower than in cities, even in terms of the provision of food.

3. The financial framework (for both providers/landlords and refugees)

As the financial compensation for the costs of accommodation provided by the government is available only for municipalities (and used mainly for the maintenance of collective sites) and the contracted providers of commercial accommodation, housing refugees in the mainstream housing sector (meaning the private rental sector) is not supported by the government. Funding for supporting private rental housing for refugees in the form of rent supplements comes only from international organisations and private donations distributed through NGOs, which are limited in scope and uncertain in terms of duration. UNHCR has extended its support to NGOs for housing schemes to 2023,

but IOM is still unsure how much funding it can secure for 2023, and similar uncertainty applies to private donations.

Besides housing provision, civil organisations are subject to uncertain financing in terms of social services as they are financed from the same resources (international and private donations) without any government contribution, apart from the one-off funding to the six big church charities (three billion HUF) and the AMIF-funded complex integration programme (implemented by the Maltese Charity). In such circumstances, it is difficult for organisations to plan their capacity even for a year.

4. The lack of feasibility of long-term solutions

Basically, long-term housing solutions have not been available to refugees in Hungary. Currently, the UNHCR support for the rent supplement scheme is the most reliable form of support for housing for those NGOs with whom the support program has been extended to 2023.

According to the current regulation, the government will only pay compensation for accommodation to municipalities and commercial entities until the spring of 2023. It is not yet known whether this scheme will be extended again.

Overall, it can be said that the support schemes for accommodation and housing are insufficient and very uncertain in terms of their duration, even in the short term. This is a serious problem, mainly because there has been a lack of solidarity housing since the summer of 2022.

5. The main housing regime framework

In Hungary, the only affordable housing solutions are provided by municipalities based on their own housing sector offerings. However, the municipal housing sector (currently amounting only to 1.5% of the inhabited housing sector on a national basis) has been shrinking for decades, and dwellings are dilapidated; they cannot accommodate even the neediest of the Hungarian population. Accordingly, municipal housing is not a viable option for providing housing for refugees. The only opportunity associated with the municipal housing system is due to the fact that more than 10% of the stock is empty because of inadequate physical condition; thus, some proportion of this might be renovated.

Moreover, there is no unified housing allowance scheme for supporting housing maintenance costs for those in need. Although the central government terminated the housing allowance scheme in 2015, municipalities can currently offer such support to disadvantaged households. However, although many of them do so, the coverage and the amount of the allowance are far from sufficient, even for Hungarian citizens.

Consequently, no state or municipal housing scheme is sufficient for delivering affordable, longer-term housing solutions for refugees.

Nevertheless, NGOs and charity organisations have been able to rely on previous practices to provide more affordable housing for the disadvantaged, who were often discriminated against in the housing market. These solutions are associated with the intermediary role of the NGOs between landlords (both private and municipal) and disadvantaged, high-risk groups (for example, in housing programs for homeless people). Some organisations have even founded small-scale social rental agencies (e.g., the From Street to Home Association). Furthermore, the Maltese Charity, in its complex integration program for refugees, can partly rely on the rental housing stock of the MR Public Housing Fund Non-profit Ltd (see Chapter 1.8.2).

It is important to mention that some municipalities have established or are in the process of establishing their own social rental agencies to expand their housing provision with dwellings from the private rental market. However, these are (or will be) small-scale programs.

Upscaling such initiatives would require longer-term and predictable funding from the state to finance rent supplements, but it is not currently on the government's agenda to support any affordable rental housing schemes in any form.

6. Cultural acceptance issues

So far, no major cultural conflicts have been reported. The need for intensive assistance for cultural integration primarily arises in the case of households from marginalised Roma communities in Transcarpathia. For them, complex services are provided by the NGOs and charities at the collective sites where they reside. For those who can move out to private rentals, follow-up services are provided to ensure their integration into local communities.

However, as time passes, solidarity with Ukrainian refugees has weakened, and hostility has emerged, partly due to competing needs for support from less affluent Hungarian citizens. To ensure a smoother plug-in to local communities, some NGOs organise the individual mentoring of refugee families by local volunteers trained to complete such tasks.

7. Lack of needed social assistance

NGOs and charities provide a wide range of services to respond to the varying needs of refugees. However, problems arise in the following areas:

- The amount of cash-based state assistance is low, and international NGOs are trying to supplement it with a number of programs, but for many it is still not enough.
- Insufficient financing of social services as the government does not provide funding for social services in a transparent and predictable way; so far, only specific programs and organisations have received some government funding, although this did not even cover the costs of their activities. Moreover, municipalities do not receive additional funding to provide refugees with social and other needed services in their localities (apart from the compensation for accommodation).
- NGOs and charities can cover the costs of social services from the contributions of international donor organisations (besides UNHCR, IOM, and big international charities such as IFRC) and domestic private donors. However, the scope and length of such financing are uncertain, even in the shorter term.
- The territorial coverage of social service provision is very uneven, leaving smaller localities without any or only minimal additional service capacity.
- Services for supporting people with disability and special needs are scarce and need more capacity and better connections to other services.
- There is a lack of coordination of steering capacity distribution among the different types of service providers and territorial units. The government does not participate in the coordination mechanism set up by UNHCR and does not provide any data to help in coordination; it is mainly bigger organisations that participate, which is very important, but this is seemingly not enough. Municipalities and local and regional organisations should also be able to participate.

8. Lack of other services and the link between housing measures and other services

Regarding health services, the main gap is that refugees with permanent health problems often do not receive regular treatment and support with prescriptions, as health institutions require a social security number before providing services.

Ukrainian-speaking children may participate in Hungarian education in an integrated way. However, the education system cannot efficiently organise Hungarian language courses and extra tutoring for Ukrainian-speaking children. In the case of children from Hungarian-speaking Roma minorities from marginalised communities, the primary needs relate to developing the basic learning and social skills that would enable them to catch up with their peers and integrate into the school community. Unfortunately, both kinds of services are currently lacking in capacity and financing. Furthermore, the central government's education office that supervises the state school system does not allow schools to cooperate with external organisations (such as NGOs or volunteers).

Childcare services for mothers with a small child (under three years old) are not sufficiently organised, hindering mothers from taking up jobs. This problem mainly affects single mothers and results in an overdependence on the social service system. The lack of information about needs and the scope and quality of the services that are provided hinders the efficient organisation and coordination of service provision, such as social services.

4. Main lessons and recommendations

It is officially the government's responsibility to organise accommodation and housing provision as well as the services that are required for refugees, but in reality, a substantial part of these tasks are organised and carried out by NGOs and the civil sector without sufficient funding from the government. As for long-term housing solutions for refugees, the current Hungarian housing system faces significant structural barriers as in urban centres there is a substantial shortage of affordable housing while the government's housing policy does not support the affordable (municipal or private) rental sector in any form. However, there have been important and innovative initiatives from the NGO sector and recently from some municipalities for involving the private rental sector in affordable housing provision and making better use of vacant and dilapidated municipal stock. These initiatives are often accompanied by institutional innovation. For example, NGOs and municipalities have established social rental agencies. However, since the arrival of refugees, many of these initiatives have been upscaled as NGOs are taking an active part in finding private rentals for refugees and allocating the latter rent supplements financed by international organisations as well as providing them with social, employment and other services. Based on the gaps that have been identified in providing accommodation, housing and services for refugees from Ukraine, the following interventions can be recommended to improve and upscale current practices regarding longer-term housing solutions.

Improve the availability and quality of collective sites and affordable housing solutions.

- NGOs and private landlords should also be entitled to compensation from the government for accommodation costs. The related financing scheme should be made more predictable, as now it seems that refugees will not be able to return to Ukraine in the near future. Accordingly, it should be extended for a longer period – e.g., until the end of 2023. The system should be more transparent and define clear conditions for the selection of beneficiaries.
- The quality of collective sites should be improved, and the government should provide grants for refurbishment with particular attention to the energy efficiency of buildings (e.g., insulation, heating systems, and bathrooms). As many refugees arrive as part of small family groups, the main goal should be to provide individual rooms for families with shared facilities. Those premises that do not meet the minimum conditions and cannot be improved should be substituted with other more adequate premises.
- Also, collective sites should be in localities where (or from where) jobs are available.
- Moving out from collective sites to mainstream housing (which primarily means private rentals) should be accelerated by providing refugees with sufficient support to find housing and employment, in which close cooperation with NGOs should be ensured.
- To make more affordable housing options available, the government should introduce a rent supplement for households that already have work-related income but which is insufficient for renting on the market. This would help refugees to leave collective sites sooner.
- In regard to housing-related services, the government should cooperate more with pre-existing social rental agencies and NGOs with similar roles. The government should also contribute to their financing.
- In relation to measures for moving out refugees from collective sites to housing, those who live in the most remote places and the worst quality premises should be prioritised.

Development of social and other services

- Social services are mainly provided by the NGO sector, as municipalities have limited capacity, especially in smaller localities. Therefore, the development of social services should be focused on those places where they are most needed; these are the smaller localities and the collective sites where the most disadvantaged refugees live.
- Mentoring families to integrate into local society also requires more resources in terms of human capacity, in which not only professional social workers but also citizens could participate.
- As a large proportion of the refugees are families with children, it is not only school enrolment that needs to be ensured, but also the language courses and extracurricular classes that children need for their successful involvement in the Hungarian education system.
- Day-care services for mothers with small children need to be provided on a larger scale, enabling mothers (often single mothers) to work.
- Refugees with special needs (those with disabilities, the chronically ill) should have access to caring services on a larger scale. This requires development in terms of human capacity and more financing. In addition, healthcare services beyond emergency treatment should be made more accessible to such groups.

Government funding and cooperation should be enhanced and restructured.

- The government should enhance funding to social services and other service providers engaged in the provision of refugees regardless of their organisational form; consequently, NGOs, faith-based and other civil organisations should get access to funding under the same terms. In addition, funding for services should be made more long-term and predictable.
- To organise better accommodation, housing and service provision for refugees, the government should take a more active role and rely on pre-existing structures such as the UNHCR-led Inter-Agency Refugee Coordination Forum. In addition, the government should strengthen cooperation with international organisations (e.g., UNHCR, IOM, IFRC) and national and local NGOs that play a key role in refugee provision.
- The government should regularly provide data and information on the accommodation system coordinated by the National Directorate General for Disaster Management and financed by the government. The National Directorate General for Disaster Management should also take an active part in the coordination system.
- The government should use more EU and other international funding opportunities to develop housing solutions and a broad range of services for refugees.