



By: TA | AP Insight

European Union unlocks billions in funding for Hungary



The European Union will unlock 16.4 billion euros (around \$19 billion) in funds for Hungary, officials said Friday, after new Prime Minister Péter Magyar enacted rapid reforms to roll back the democratic backsliding that occurred under his predecessor.

The release of the funds was a signal of Brussels' embrace of the **new government in Budapest** after the 16-year tenure of Viktor Orbán, who was allied with Russia and antagonized the EU.

The agreement, announced during a media briefing in Brussels on Friday by European Commission President Ursula von der Leyen, capped off weeks of negotiations between Magyar's government and the EU to release the crucial funding that is badly needed by Hungary's slumping economy.

Magyar called the deal "a historic breakthrough" for the nation, and said that his government was "very grateful, and we are ready to continuing cooperating together in the interest of the Hungarian people and all the European citizens."

Partly by campaigning on forging stronger ties with the EU, **Magyar's earthquake success** in the April election ended the long tenure of Orbán, who had vilified von der Leyen and other powerbrokers in the 27-nation bloc as he hollowed out institutional checks and balances in Hungary.

Strong wind of change

Those actions, and concerns over corruption and the erosion of judicial independence, prompted the EU to **freeze the billions** in funding to Budapest in 2022.

A year later, the commission found that the government had carried out sufficient reforms to have around **10.2 billion euros** (\$12.1 billion) released.

A great deal of work has already been achieved in very short time - Ursula Von der Leyen

On Friday, von der Leyen said that only a few weeks since Magyar's new government took office, "we can already feel a strong wind of change across Hungary."

"A great deal of work has already been achieved in very short time, and markets are already taking notice. Investors confidence is returning. Trust is being rebuilt," she said.

Deeper integration of Hungary into EU institutions

After Magyar's party Tisza won a super-majority in parliament, which enabled deep and quick reforms, leaders in Brussels and Budapest **prioritized releasing the funds** as soon as possible to help Hungary's economy, which has stagnated for years.

The funds are split between 10 billion euros (\$11.6 billion) of COVID-19 recovery funds and more than 6.3 billion euros (\$7.3 billion) in the cohesion funds designed to lift up struggling economies within the EU.



Hungarian students will once again be able to join the Erasmus scholarship program, an opportunity that had been suspended under Viktor Orbán

Magyar's government has undertaken **crucial changes** like restoring judicial independence, academic and media freedom, and launching

broad anti-corruption efforts in order to get access to the money.

On Friday, Magyar formally submitted Hungary's request to sign on to the European Public Prosecutor's Office, the EU's corruption watchdog based in Luxembourg that Orbán's government had long refused to join.

He told reporters that Orbán's government — which frequently portrayed the EU as an oppressive force bent on punishing Hungary for its anti-immigration and anti-LGBTQ+ policies — had “lied to the Hungarian people constantly” about why the funds had been frozen.

“The real reason the European institutions and the European Union were not in a position to release (the funds) was corruption,” he said. “There was a degree of corruption that for a long time was unthinkable in the European Union, and in Hungary as well.”

Von der Leyen also announced deeper integration of Hungary into EU institutions. For example, Hungarian students will once again be able to join the Erasmus scholarship program that allows students to attend schools across the EU, an opportunity that **had been suspended under Orbán.**