

Annual report 2021

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Introduction

2021 was yet another turbulent year for civil society in Hungary. It was a great success of the sector that the EU invalidated an infamous state legislation that stigmatized CSOs that had received foreign funding. However, various other challenges remain. Public funding for CSOs has become exceedingly concentrated and less accessible to a great majority of organizations. From time to time, attempts and actual legislation put extra administrative burden and sometimes unfair and non-transparent state audit processes on CSOs, which could allow further delegitimization of civil society.

Under these circumstances a supporting community, financial and overall resilience are essential to allow CSOs work for their diverse values and causes efficiently. While NIOK's core ecosystem of services and programs all aim at helping organizations become more professional, independent and efficient, we have – as in previous years – also addressed upcoming needs, and created and widened learning opportunities that allow organizations to become more visible, able to mobilize resources and engage people. A series of research we conducted among Hungarian CSOs also revealed additional specifics of their needs, and opportunities for us to shape our programs and develop our services.

After years of experience in supporting 5 cohorts of 52 organizations in building and strengthening their communities, in 2021 we opened up our Social Base Building program to the public, and started a successful webinar series to provide inspiration, best practices and ready-to-use tools for a wider range of CSOs. Additionally, in the Hive Mind program we adapted and promoted self-paced courses in topics related to digital resilience.

In 2021 we transferred 3 online donations every hour to Hungarian organizations through our fundraising platform. We believe that independent and diverse funding continues to be of key importance, however in many cases it is a great challenge for CSOs. Micro-donor fundraising is a great starting point, and our Adjudkössze.hu program provides a platform as well as consultancy services to get started and run successful campaigns.

We believe that enhancing philanthropy and developing independent resources are also crucial. Thus NIOK also strives to channel in funding opportunities for Hungarian CSOs, especially for programs that combine grant giving with organizational development and capacity building, which has proved to be a unique and valuable opportunity for CSOs, based on the experiences of our Social Base Building program.

Ongoing and strengthening partnerships with some of our donors, network and consortium partners in the past few years have been crucial to the continuation and development of our valued programs. We have also had a very successful first partnership year with the new sponsor of the Civil Awards program.

Looking back on 2021, I am grateful to each of our staff members, as well as our contracted partners and volunteers for their great work that you can read about more in detail in this publication. Also, our services and programs would not have been possible without the support of our local and foreign donors, partners, advisors, supervisors and, last but not least, the Board of Trustees.

- **3 online donations through Adjudossze.hu every hour**
- **842 text / call donations on the Adjudossze line every day**
- **5 consultancy hours for CSOs on average every week**
- **Worked with 30 organizations closely to help build their social base**
- **An average of 2 public webinars each month**
- **Daily content on Nonprofit.hu**



Balázs Gerencsér

Director, NIOK Foundation

About NIOK Foundation

With its close to three-decade history, NIOK Foundation is one of the most well-known and acknowledged development organizations that supports Hungarian CSOs and the civil sector with its services and programs. We work to strengthen civil society in Hungary through supporting organizations to make them stronger, more efficient and impactful, visible and acknowledged, and able to reach out to and mobilize various groups of society.

The core of our work is a complex ecosystem of services and programs that offer steadily reliable support to innumerable organizations throughout their life cycle. We share relevant news, professional know-how, learning opportunities, events, and job offers on our Nonprofit.hu portal, a leading source of up-to-date information for the sector. Our donation platform, Adjukossze.hu has allowed Hungarian CSOs to raise 1.5 billion HUF to date through its various services and the related consultancy support. The CivilTech program has provided free and affordable tech solutions to organizations in the value of 4.1 billion HUF to date. Additionally, our various courses and longer-term capacity building programs provide learning opportunities in the areas of online communication and fundraising, tech solutions, as well as social base building.

Besides operating as a constant support system, we have always been quick on our feet to respond and adapt to current challenges and unexpected changes. This agility has allowed NIOK to create innovative solutions, and shape or change our programs tailored to CSOs' specific needs throughout the years.

Since our foundation we have started and incubated a number of initiatives with the intention to thematize and strengthen further crucial aspects of civil society, and eventually let them on their own ways as separate organizations. These include the Volunteer Center Foundation (ÖKA) and the Self-Regulation Body of Fundraising Organizations (ASZÖT). We are a founding member of various coalitions and working groups aiming to popularize the valuable work of CSOs and giving culture, and to create forums for dialogue with governmental bodies. NIOK is also a founding member of the Civilization coalition that was formed to counter attacks on civil society and strengthen trust in CSOs in Hungary.

NIOK team

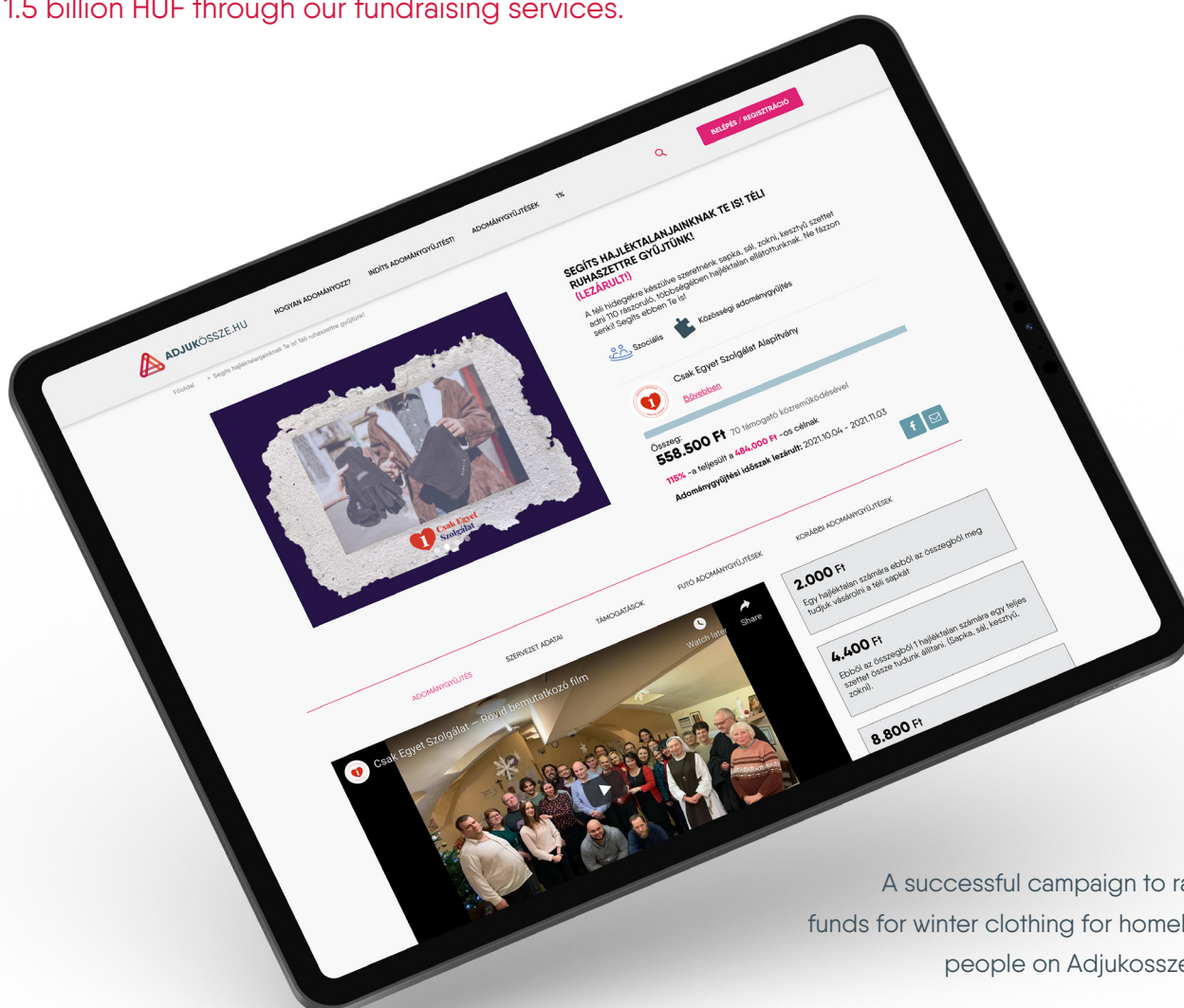


Our dedicated team, both the long-serving senior management and our younger members, share the belief that a strong, independent and transparent civil society contributes to stronger, more diverse, democratic, fair and overall happier communities and eventually **society**. Our team of 11 is supported by an advisory board, a supervisory board, a financial committee and a prestigious pool of experts in these endeavours.

Supporting CSOs in micro-donor fundraising

Local donors are key to sustaining an independent, strong and diverse civic sector. Apart from funding they are some of the most inner constituents of an organization: the most engaged, the most connected and the ones who feel ownership for the cause and want to make a difference. To support giving culture and local fundraising efforts of CSOs, NIOK Foundation has developed and operates a fundraising portal that is the first and the most popular one of its type in Hungary. This multifunction donation platform, Adjukossze.hu provides services that allow general bank card donations, crowdfunding campaigns, match funding campaigns, and text or call based donations.

To date Hungarian CSOs have raised more than
1.5 billion HUF through our fundraising services.



A successful campaign to raise funds for winter clothing for homeless people on Adjukossze.hu

For the users of Adjudkössze and other CSOs interested, we organize online communication and fundraising trainings, and we also provide consultation support for the campaigns started on the platform. In 2021 the platform underwent a development process, automatizing the campaign launch process, thus making fundraising easier for CSOs.

This year the general bank card, crowdfunding and telephone donations in total brought 313 million HUF in donations for Hungarian CSOs. Even though the results are 20 million lower compared to 2020, it's still a 35 million increase compared to 2019, showing a growing trend - keeping in mind that 2020 was a unique year and an outlier in the growth trends due to COVID and an unprecedented increase in philanthropy. For text or call based donations we have had the second best year since its launch in 2012, and both the crowdfunding and bank card donations show that the platform managed to keep some of the extra growth from the previous exceptional year. **The services of the platform were typically used by smaller or mid-sized organizations. In 2021 all together 250 CSOs raised funds for a great variety of causes through the platform.**

In 2021 3 donations / hour were transferred to CSOs through Adjudkössze, and 842 text or call donations / day were sent through our service. We were happy to see that 30 million HUF were raised in matchfunding campaigns, still a relatively new concept in Hungary. The average donation amount has also grown, up to 9184 HUF.

Capacity building, information and knowledge transfer services

In the mid '90s NIOK Foundation was one of the first to systematically gather news, information and knowledge relevant to Hungarian CSOs, and to make them publicly available on one central portal. To date, Nonprofit.hu and the related weekly nonprofit newsletter play an essential role as a leading infrastructure and source of up-to-date information and knowledge for CSOs in Hungary, including a knowledge center, an event calendar, grant calls and job offers.

The main areas we cover in our knowledge transfer content and activities are: legal information, finances and accounting, human resources, transparency, fundraising, online communications, leadership and management, and tech solutions. In 2021 we reached over 1.3 M page visits on Nonprofit.hu, and had 11 362 subscribers to our weekly newsletter. At least one new news item, article or grant opportunity was published on Nonprofit.hu every day, and those looking for jobs in the civic sector still find a collection of most opportunities on our site: we published 650 ads in 2021.

Besides content creation, understanding our readers and their information consumption habits was put into focus, by an in depth research. Some of the feedback from the research:

"I can find answers to almost all my daily questions. From how to start your own organization through grants to news, I find useful information, advice, etc. It gives me a solution to most of the questions of the organizations operating in our town."

"All topics are easy to understand. I can find all deadlines and current news for civil society. The Knowledge Center is very useful: even though as an accountant I know many things, I always find something new here or things that strengthen my knowledge."

One of our podcasts in the making



Webinars and online events also proved to be successful and beneficial to our audience. What we started as a reaction to the pandemic in 2020, seems to stay for the long term: throughout 2021 we held 2 webinars / month on average. Our podcast channel is growing too: our first episode aired in connection to the Civil Awards, with the leaders of the #familyisfamily campaign, discussing their success. Later we started two series of podcasts. The first, in cooperation with Roots and Wings Foundation, looks at the most important trends and changes in the civil sector in the past 8 years, via conversations with experts, researchers and CSO leaders. And second, with the support of TechSoup Europe, we ask organizations to share their success stories and best practices. So far, our guests included UNICEF, Greenpeace Hungary, or local organizations such as Political Capital or Amigos for the Children Foundation.

NIOK also takes part in Hive Mind, launched by TechSoup Europe, aiming to build a platform to strengthen the digital resilience of civil society. As part of the program, e-learning courses have been developed in topics of digital safety, positive narratives, media literacy and desinformation. In 2021 NIOK worked on the localization of the courses and related content creation.

Technology for social good

Digital transformation allows CSOs to become more productive in their everyday operations, and work to their full potential to accomplish their mission. As a partner of the TechSoup Global Network and a member of TechSoup Europe, NIOK Foundation's CivilTech program has provided software donations and digital tools for CSOs for more than 13 years now.

In 2021 we had **243 requests** from **173 CSOs**
for **1964 software licences** in total,
at a value of **300 million HUF.**

In the past few years we realized that most organizations also need practical support in digital transformation, and this need has even been accelerated by the effects of the pandemic. To answer this we provide tech-related training courses through various partnerships. We held a series of webinars in cooperation with Microsoft, related to the applications available in the program. The 8 webinars had 420 participants overall. Besides Microsoft products (Teams, OneDrive, SharePoint, PowerPoint, etc.) we included topics such as digital safety, remote working and online events. With the support of Morgan Stanley's volunteers, we organized two complex webinar series on Excel, with 10 events and 820 participants altogether. We also strengthened CivilTech's separate newsletter, which now has 2600 subscribers (from webinar participants and registered users of CivilTech), who receive news related to the program and available softwares.

Building Social Base and Embeddedness

NIOK Foundation has been supporting CSOs in Hungary to improve their constituency building efforts since 2016, and has also transferred its methodology to partner organizations (OSF Prague, OSF Bratislava and FAOO in Poland) working with CSOs in the V4 region in the past years. The program runs in partnership with grant giving entities and is provided for organizations whose projects have been granted funding to build their social base. The regional partnerships in the OSIFE Social Base Building program as well as in the Stronger Roots program, funded by a Dutch family foundation, have supported altogether 68 CSOs in the region in 2021. The supported organizations worked in fields such as human rights, minorities, investigative journalism, anti-corruption, active citizenship, participatory theater, education, people living with disabilities, public transportation or conscious consumption.

Social base building is an approach, an active process and series of actions during which an organization gradually opens up and consciously reaches out to its beneficiaries, supporters and diverse groups of society, and builds an ongoing and mutual relationship with them. This relationship allows the organization to learn about and understand the community's needs, expectations, thinking or even actions, and build its communications, activities, and actions based on them. Thus the organization becomes more reflective of social trends, able to react to situations and address people's needs, and engage more individuals and various groups of society as active or passive supporters of its work.

In the support program NIOK and its partners offer intense support by internal and external experts through personal mentoring, consultancy, training courses and networking opportunities. It is a complex and flexible package specific to social base building and tailored to each organization's specific needs, and it gives meaningful additional value and benefits to their grants. Most importantly, the program creates a unique opportunity for CSOs to dedicate time to and focus on social base building.

In Hungary 22 organizations were supported by NIOK Foundation, and 8 news outlets for whom we provided support separately, in a program targeted and tailored for local media. The organizations work on a wide range of topics, they differ in size and scope, some of them operate in Budapest and some in the countryside.

The organizations work on a wide range of topics, they differ in size and scope, some of them operate in Budapest and some in the countryside. Among others, grantees work in the fields of advocacy, education, minority rights, investigative journalism or active citizenship. In total we provided 12 training and networking events, as well as 263 hours of consultancy. We also organized two international conferences for all V4 grantees.

“Since we joined the social base building program, our organization has gone through enormous changes. We have defined that we need to make our organization more open, more accessible and more easily understood for others and to put emphasis on getting to know and include those around us. In order to reach it, we did not just get to know new activities but had to change our whole attitude and the way we operate. Being part of the program meant for us the opportunity to learn, to improve ourselves. Mentors and experts provided a huge support in this, who, besides their professional expertise, helped us in changing the organization’s attitude, to become more conscious in development and to stay focused.”

Gábor Takács, Káva Drama/Theatre in Education Association

At the final evaluation of the program, participating CSOs rated the program 4.9 out of 5 on average, and their own participation 4.8.

As part of Stronger Roots, grantees had the opportunity to start a crowdfunding campaign with matchfunding support: Hungarian grantees, with consultancy support from NIOK, raised more than 20 million HUF, which was topped up with 12.7 million HUF by Stronger Roots.

The organizations went through substantial changes, became able to find their supporting communities and the communication channels through which they can reach and involve them in their work – as followers, volunteers, donors, or as members of their target group. For many of them, finding or strengthening new communication channels and forms had an important impact: the numbers of their Instagram and Youtube followers grew by 160% and 130% on average respectively. They also have an increasing donor base: the number of their donors grew by 140%!

“Being part of the program for us was a safety net, while we performed as rope dancers. A fundamental condition for social base building is that the organization has to, even if for a short time, get into the spotlight, and allocate resources to the activities they couldn’t focus on before. To gain the ability to talk about the organization itself, to showcase results, to celebrate supporters and followers, and see them as a foundation to build on. The program and NIOK’s help within gave us the space and the opportunity to gain and improve these abilities with the help of consultants whose expertise wouldn’t necessarily be available to CSOs otherwise.”

Zoltán Bognár, Hungarian Civil Liberties Union

30 organizations supported in Hungary

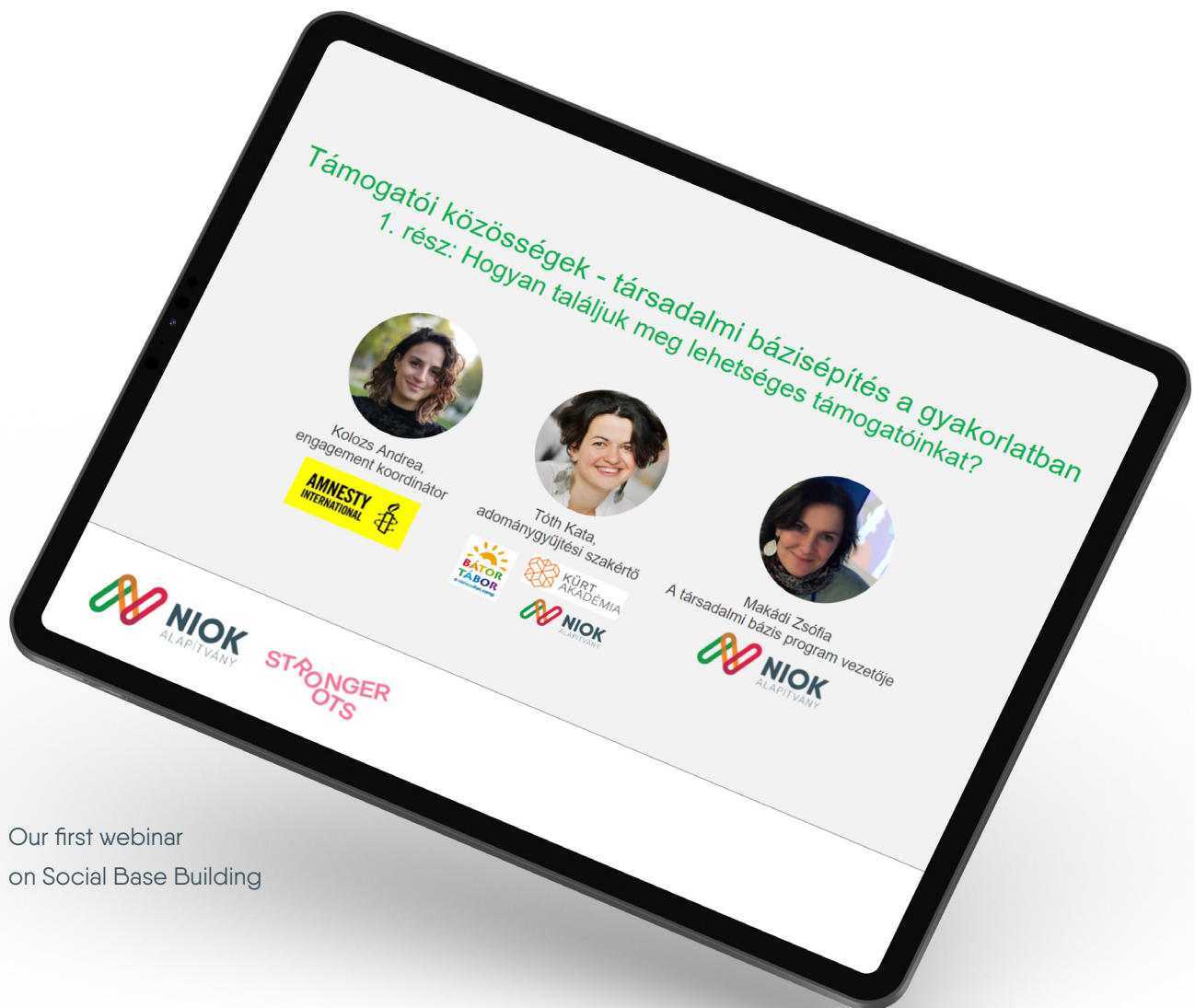
Stronger Roots program rated **4.9** out of **5** by Hungarian participants

32.7 million HUF donation in the Stronger Roots matchfunding campaigns in Hungary

60 CSOs and **8** media outlets supported in total in the **V4 region**

We also developed and launched the support program specifically for media outlets and were contracted by OSIFE to support 8 Hungarian local news portals in 2021. Local media strengthen the local public sphere, thus local communities and democracy. NIOK offered them support in the topics of financial sustainability and social base building via consultancy, trainings, networking, and providing online and fundraising audits.

In order to introduce the social base building concept to a wide range of CSOs as well, we have started a series of public webinars: *Supporting communities – social base building in practice*. In the series we invite speakers from the grantees who share their experiences and results from the social base building program. The first webinar focused on finding potential supporters, and reached 65 participants.



Our first webinar
on Social Base Building

Validation and regranting

Beside the validation services we provide in the CivilTech program, we also partner with various corporations to support their granting initiatives with grant management services. Within Meet and Code, supported by SAP and run by the TechSoup Europe partnership, 55 organizations received grants for programs teaching coding and digital skills for young people. We were happy to see that besides organizations applying for consecutive years many new applications were submitted, making it possible for more and more children to enter the world of coding and programming.

The Youth and environmental protection program, funded by ALDI and coordinated by NIOK and Északi Támpont Association, also continued in 2021, granting 3 organizations 1 million HUF each.



Young people in the Meet and Code program

NIOK and Magyar Telekom started a new cooperation in 2021. The Mobildonor program aims to collect used devices from the public and redistribute them to CSOs working with students with fewer opportunities. This year 15 organizations received 300 phones, and the program will continue in 2022.

"My parents have long promised me that I will get a phone, but I knew I would have to wait a lot because we are in a difficult situation. When I heard that I would really get it, I almost started to cry. I was very happy when I could hold it in my hands. I had to be really careful not to drop it. Thank you, it's a huge gift!"

Sztella, 4th grade student

Building recognition and visibility for CSOs

Besides our other activities, we aim to strengthen the positive appreciation of the work of Hungarian CSOs. In 2016 NIOK Foundation relaunched its annual Civil Society Awards program to raise awareness to unique and innovative civil initiatives and programs that have achieved exceptional impact, generated overarching partnerships in between sectors, or inspired others to make social change. NIOK, in partnership with Civil Compass Foundation, acknowledges CSOs in 8 professional categories +1 people's choice award selected on our media partner Nlc's site each year, awarding the most promising newly established organization, the best fundraising campaign or the best advocacy initiative among others. In 2021 the program was funded by a new sponsor, Erste Bank, with whom we have built a great partnership and will continue to work together.

A record number of 128 CSOs applied for the Civil Society Awards in 2021, more than half of them from outside of Budapest. 27 nominees and finally 9 winners were selected. Winners included a social enterprise offering yoga classes, fundraising for independent theater staff who remained without jobs during COVID, a campaign for families with LGBTQ parents reacting to government actions. The people's choice award was voted for publicly by more than 8 000 voters. Luckily as the pandemic situation improved, we could hold an award ceremony in person again. The gala held at a new location, Aranytíz was a huge success, and was also followed by the organizations' communities via Facebook live.

Although we believe that the award primarily has an indirect effect on organizations' lives, as part of our research project we asked former shortlisted and awarded organizations for feedback in order to assess the award's impact, and check our assumptions. The focus group discussions showed that being nominated and/or awarded highly strengthens the organizations internally: the appreciation gives a sense of success and pride, and increases their teams' motivation. Focus group participants highlighted that NIOK's name guarantees integrity and professional credibility, and they had really positive feedback on the gala itself as well.



In the past years, the position of Hungarian civil society has been continuously weakened by attacks on their integrity by the government. Therefore **NIOK also stands up against attacks targeting CSOs and civil society**. As a significant part of this work we are a founding member of the Civilizáció coalition, whose main goal in the past years has been to stop the government's measures to list and stigmatize CSOs that receive foreign funding. With the European Committee's decision that condemns the law we have made a significant step towards our goal, but unfortunately similar legal and communications attacks from the government appear from time to time, so NIOK's constant reaction is still needed.

