



ANNUAL REPORT 2021

THE ROOTS AND WINGS FOUNDATION ACCELERATES IN A HEADWIND

These are grim times for Hungarian civil society. The air and investments in the sector are thinning. At the municipal and district levels, however, change is noticeable. At these levels, it is often possible to build professional and constructive cooperation between local actors, far removed from party politics. It is partly due to this, and partly due to our consistent and untiring work that the Roots and Wings Foundation did so well in 2021: the Community Foundation Support Programme and the Revitalising Small Towns Programme have expanded, and the Giving Circle Programme supported twice as many organisations than in the previous year. In addition, we still have the energy and drive to experiment.

The air is thinning in the civil sector, while the space for action rapidly shrinks. Yet, despite some setbacks, we keep moving forward. This has been our experience every year since establishing the Roots and Wings Foundation in 2014, and 2021 was no different. Although the blacklisting of foreign-funded NGOs (we were proudly included on the official list!) has decidedly been proclaimed against EU legislation, the government has not given up its efforts to control specific NGOs; following the adoption of a law on transparency, those NGOs „carrying out activities capable of influencing public life”, organisations with more than 20 million HUF in annual funding, can be scrutinised and given severe penalties (which cannot be appealed) by the State Audit Office of Hungary. The government has made little effort to hide its political objective: church-based organisations and sports associations are not subject to the law.

Regardless of the legislation, civil society is weak and fragile. Most of the sector will not receive public funding, which creates an increasingly competitive environment for private funding—which





naturally favours organisations that address trendy or controversial issues. According to the USAID Civil Society Organization Sustainability Index, in 2021, civil society organisations in Hungary were in a worse state than those in Ukraine and Romania.¹ These gloomy trends should prompt action rather than apathy. The Roots and Wings Foundation aims to play a greater role in improving the operational context of civil society organisations and in ensuring that the work of civil society actors is properly recognised.

We were disappointed that we were unable to recruit a fundraising professional to expand our funding base, especially as we believe that the job is exciting and the working conditions are, by Hungarian standards, quite good. There are major structural problems in the sector: deteriorating prospects and low salaries in the NGO world do not prove attractive and leave organisations increasingly unable to afford expertise.

As in the previous year, 2021 was defined by the Coronavirus. Illnesses, lockdowns and the inability to meet in person resulted in great unpredictability, but shifting to online work is part of our organisational routine, so neither our internal processes nor our work with beneficiaries suffered irreparable damages due to the pandemic.

Although the space for action is indeed shrinking, we have been able to work at the local (city, district, and small town) level, far from party politics, on a professional basis and guided by our own values. It is partly thanks to this, and hopefully partly to our skills, that the Community Foundation Support Programme fulfilled a vision set out in 2020 while the Revitalising Small Towns Programme took off after years of often invisible work, and is doing something quite different from our other programmes. Furthermore, at the Live Giving events of the Giving Circle Programme, six organisations were supported instead of the customary three, and the Programme itself found a new partner. The numbers show that our work is paying off: in 2021, we provided over 36 million.HUF.in financial support to partners across our three programmes.

¹ The Civil Society Organization Sustainability Index is produced each year by USAID, the United States Agency for International Development, in partnership with local experts and organisations. USAID partnered with the Őkotárs Foundation—of which, the chair of our Foundation's Board of Trustees is a member of the regional editorial board—in compiling their chapter on Hungary. An interactive map of the country analysis [can be found here](#).

TRYING NEW GENRES

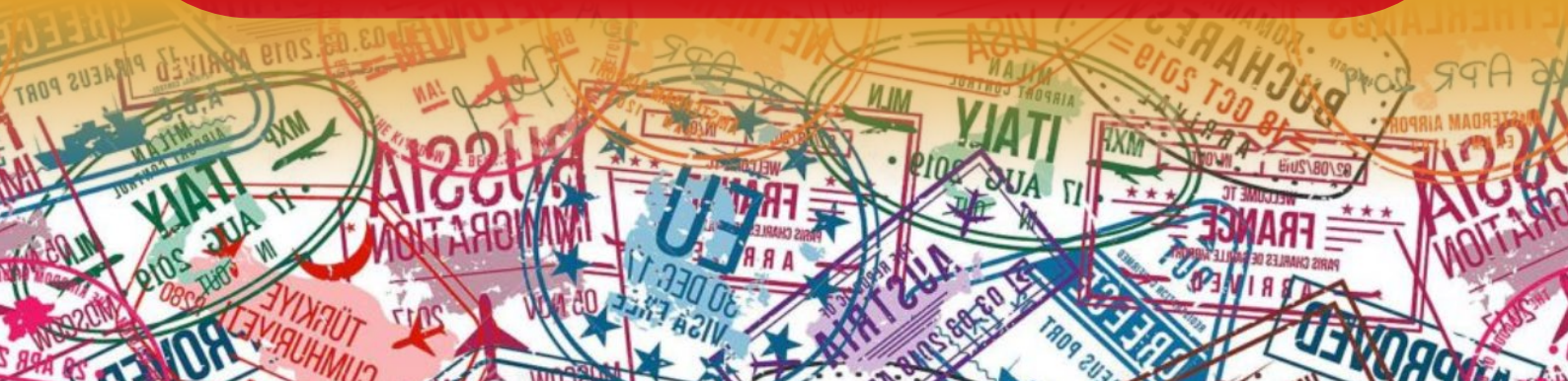
FAR AWAY, SO CLOSE Hundreds of thousands of our compatriots have left Hungary and moved west in the past decades. Instead of viewing this as brain drain and loss, we would like to regard this as an opportunity. We believe that if we can reconcile the leavers' ambivalent attitude toward their homeland by enabling them to contribute to building Hungarian society through the Roots and Wings Foundation, then together we can contribute to making Hungary a better place.

We started this work in 2021: we carried out research, interviews and surveys to find out why people left, how they relate to Hungary, and whether they saw any need to change this relationship. After processing the results, by the end of the year we had an outline for action. We saw a clear **need for a newsletter** that would cover topics beyond current politics to provide a picture of Hungarian civic initiatives, the most exciting contemporary Hungarian cultural and artistic events, and an opportunity to connect Hungarians abroad who "adhere to similar values". We even engaged some members of the diaspora to promote and raise funds for NGOs working for free and fair elections in Hungary

SOMETHING'S IN THE WORKS Until now, the Roots and Wings Foundation didn't have programmes organised around a single theme, but we have recently embarked on an important experiment, one which does not have a working title, but which aims to improve the situation of Hungarian women.

We are convinced that Hungary would be a better place if society paid more attention to women and recognised and appreciated their contribution more. To put it another way, it makes no sense for us, as an organisation working on social development, to ignore this area that requires vast improvement and action. We are learning about the situation in order to best direct our efforts to contribute to meaningful change.

In 2021, we started learning about women's funds in the EU and around the world, meeting experts and committed activists at home and abroad. We are learning about women's movements in Hungary, with whom we envision a strategic partnership. We are delighted to be working with three of their representatives who share a similar goal. By mid-2022, we want to have a clearer vision of what we can accomplish in this area.



WHAT'S UP, HUNGARIAN CIVIL SOCIETY? The state and well-being of Hungarian civil society are determined not only by our own efforts and those of our supporters, but also by the economic and political environment: it is important to know what we have achieved in recent years. We also need to talk about what and how we need to change to improve the conditions in which civil society organisations operate, so that those working for their community are recognised, not stigmatised, for their work.

This is the reason our Foundation supported the Nonprofit Information and Training Centre (NIOK) Foundation's five-part podcast series with 1.34 million HUF. The "Looking Back" podcasts were edited and hosted by emblematic and authentic figures from Hungarian civil society, who took stock of the most significant events of the past years, and assessed the situation of civil society in the run-up to the parliamentary elections.

The first part addressed the relationship between NGOs and local authorities, and participants discussed, among other things, what it takes for an NGO to have a meaningful partnership with a local government. The second part is entitled "NGO laws - in the grip of propaganda?", and discusses, among other things, the real reasons and the possible communication objectives behind the laws affecting NGOs. The third part reveals the real and latent trends of the civil society sector as evidenced by the data, while in the fourth part, panellists explore the secrets of successful civic actions. And in the final part of the review, the discussion focuses on whether grants really are over-politicised, and whether there are "real" civil society actors and "pseudo" actors.

LIVE CROWDFUNDING EVENT PLUS: WE PROVIDED 10.4 MILLION HUF IN GRANT TO ENSURE THE FAIRNESS OF ELECTIONS

During a fundraising campaign, culminating in the Live Crowdfunding Event Plus on 27 January 2022, hundreds of people from 15 countries donated to NGOs working to ensure the fairness of Hungarian elections. The Civil College Foundation raised 2,464,059 HUF, the School of Public Life 1,720,812 HUF, the Let's Count Together Movement 2,626,183 HUF, and Print Yourself! 3,562,233 HUF to continue their activities and accomplish their goals.

This great success is the result of courage and relatively short, but focused work, which started in 2021—which is why we detail it in this report.

Elections are very important for us; they are the most important democratic institution. For us to be able to carry out high-quality work, to develop civil society and build communities, and for people working for their communities to be respected and recognised, not stigmatised, a well-functioning democracy is necessary.

There was a great deal of concern about the fairness of the 2022 Hungarian Parliamentary elections, but at the same time we understood that direct action linked to voting might be seen as an excessive—and frowned upon—move toward politics. After lengthy consideration, swift action followed: we decided that free and fair elections are an unquestionably important goal for us, and that we had to do something about it in a genre that was truly ours. This is how the Live Crowdfunding Event Plus, an online fundraising event was born. Here, in addition to Hungarians living abroad, representatives from European civil society and interested European citizens supported the cause of Hungarian democracy. You can read more about the dilemmas around the event, our campaign abroad, [and the reactions here](#).

THE COMMUNITY FOUNDATION SUPPORT PROGRAMME: SUCCESS, SUCCESS, SUCCESS!

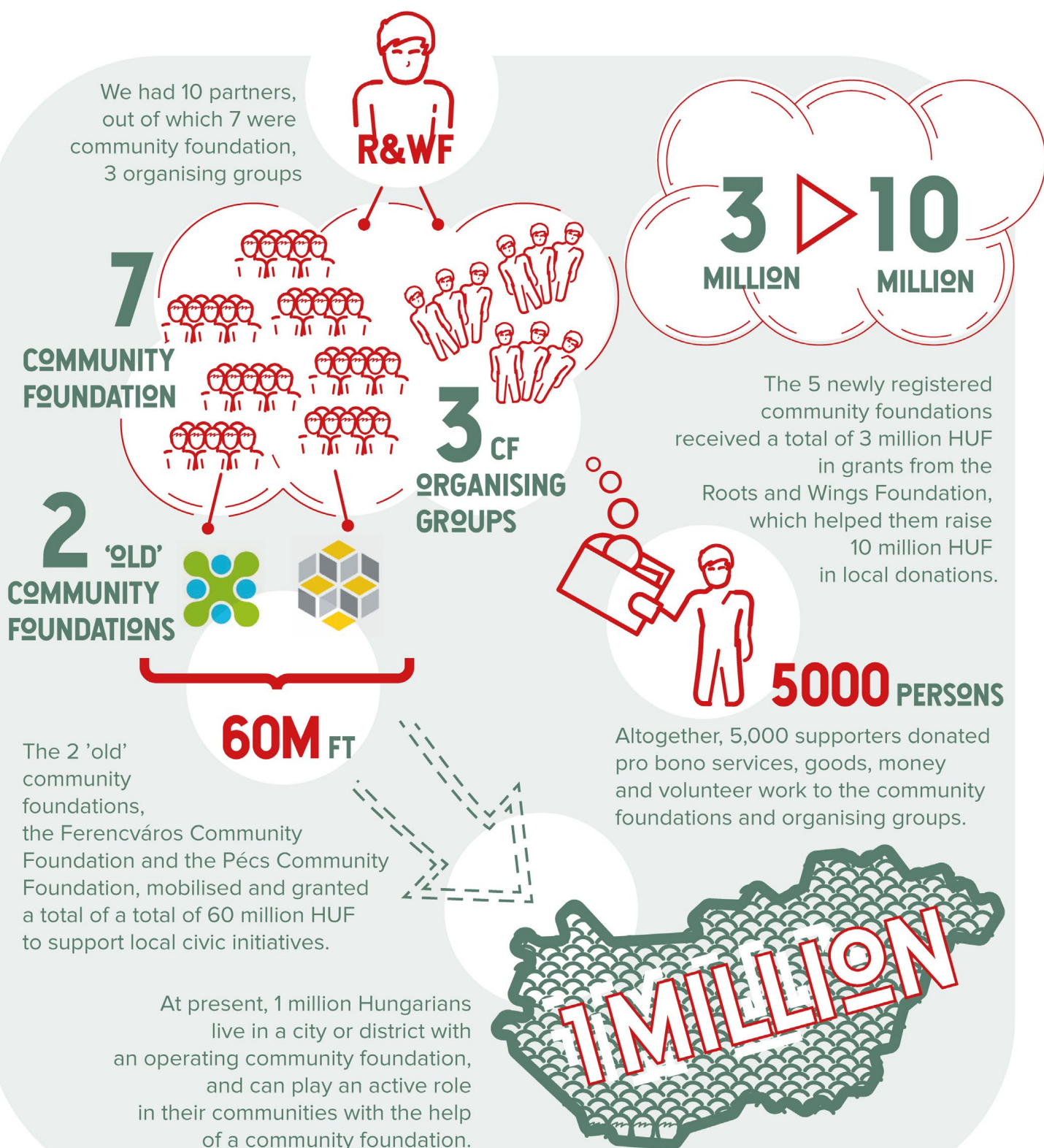
Our Foundation's largest and oldest programme, the Community Foundation Support Programme, was never more successful than in 2021. You could say that all of our hopes for the year were finally fulfilled. Let's look at the impressive figures.

At the beginning of the year there were two community foundations and seven organising groups, but by the end of the year, there were seven registered community foundations in Hungary! We've never seen anything like it. The organising groups and the newly registered community foundations received a total of around 3 million HUF in grants from the Roots and Wings Foundation, which helped them raise 10 million HUF in local donations. Two of our long-standing grantees, the Ferencváros Community Foundation and the Pécs Community Foundation, mobilised and granted a total of 60 million HUF to support local civic initiatives. Altogether, 5,000 supporters donated pro bono services, goods, money or volunteer work to the community foundations and organising groups. At present, 1 million Hungarians live in a city or district with an operating community foundation, and can play an active role in their communities through community foundations.



THE COMMUNITY FOUNDATION SUPPORT PROGRAMME

IN NUMBERS



A NEW WAVE IS COMING

At the beginning of 2021, we started working with seven organising groups. We met exclusively online for the first half of the year. We mainly talked about the importance and techniques of local fundraising, and how to ensure that the board of trustees operates in an efficient and enjoyable manner, because we believe these are the most important elements for a stable and successful community foundation.



We put our learning to the test as soon as we could, at the beginning of the summer, with the Ferencváros Community Foundation's 2021 edition of Swimathon: On Solid Ground. The Foundation's team, "May the Force and Civic Courage be with Us!", included the organizing groups. **To our surprise, we received more than 6.5 million HUF in total.** A significant portion of the money was raised by the organising groups, in their own communities, for their future community foundations. In the second half of the year, our partners continued this work on their own, in their own cities or districts, in a variety of ways: raising funds, making plans and discovering an increasing number of local connections.

We are very proud that the second half of the year brought the registration of the **Kétker Community Foundation** (Budapest, District II), the **'Jóbuda' Community Foundation** (Budapest, District III), the **Loco-Motiv Community Foundation** (Nagykanizsa), the **Eger Community Foundation**, and the **Local Threads Community Foundation** (Nyíregyháza).

WE ARE BUILDING, WE ARE LEVELLING UP

The two "old" community foundations, the Ferencváros Community Foundation and the Pécs Community Foundation, also had a good year; both are now established players in their respective communities.

THE FERENCVÁROS COMMUNITY FOUNDATION is now 10 years old! In 2021 it supported civic initiatives in the district with around 29 million HUF, mostly raised from local sources. In financial terms, the 2021 Swimathon: On **Solid Ground** fundraising campaign and event was a great success, with significantly more swimmer-ambassadors than ever before. The event raised more than 28.8 million HUF for 9 civil initiatives. The organisation's latest innovation was the **Ferencváros Community Hackathon**, which took place in October. The participants developed five project ideas, from which three were presented at the foundation's traditional autumn fundraising event, Live Crowdfunding Event. The projects received a total of 3.5 million HUF from donors.



THE PÉCS COMMUNITY FOUNDATION, alongside its traditional and an additional Live Crowdfunding Event, and Swimathon, has started something that no other Hungarian community foundation has done before: they have taken on, or started providing professional and organisational support for, a local memorial fund. The Kata Lénárd Memorial Fund was set up by four friends to honour the memory of their friend, a psychologist from Pécs, who tragically died young. According to the Foundation's website: "Her incredibly rich life and career were cut short. As her friends, we regard it as our task to preserve and carry on what she loved. Our memorial fund and the associated award is a bit like a monument, but not something immovable made out of stone and bronze, but a dynamic community gesture". You can read more about the purpose of the **memorial fund, the awards and the fundraising here**.

Our relationship with both the Ferencváros and Pécs Community Foundation has reached a new level: in 2021 we ended our long-standing financial and professional support, and in the future, we will regard each other as partners. Now, our newest challenge is working with the seven community foundations in Hungary. These organisations reach a total of 1 million people. Hence, the impact of community foundations is not only local, but national. This creates many new opportunities for collective action that can influence Hungarian society.

It is rare and extraordinary for a donor organisation to be able to report such significant development in an environment that is so unfavourable to NGOs. Our success has even attracted curiosity from abroad: we spoke about our work at the **EUROPEAN FOUNDATION CENTRE** annual conference and shared our experiences with guests from Serbia, Austria and Colombia.

MORE BENEFICIARIES AND NEW PARTNERS FOR THE GIVING CIRCLE PROGRAMME

In 2021, the Giving Circle Programme, organised an additional Live Crowdfunding event, which increased the number of civic initiatives that received support from three to six. This means that, along with financial support, the organisations that participated in these fundraising events became better capable of asking for

support to achieve their goals, more courageous in communicating their success and aspirations, and more confident in venturing into unknown territory. The two Live Crowdfunding events raised almost 6 million HUF in donations from participants who were present both online and in person. The donations gave hope to young people in foster care, refugees, and



mothers of children with disabilities. It ensured funding for a summer camp for children who were almost completely excluded from the school system, supported a community-based response to climate change, and a unique initiative to help the **reintegration of homeless people back into the workforce.**



In an important milestone, the Youth Business Group, a student organisation, hosted a Live Crowdfunding Event in the spring that turned out to be a great success. This was the first time we stepped outside the arena of community fundraising with the Live Crowdfunding model. In addition, the organisers, the representatives of the participating projects and the majority of

donors were all ambitious university students who experienced the power and weight of giving. We are hopeful that the experience will continue to shape their lives in the future.

As in previous years, our partners, the Ferencváros Community Foundation and the Pécs Community Foundation, organised their own Live Crowdfunding events, but held them online.

In 2020, after the outset of the pandemic, our foundation held the first online Live Crowdfunding

event in Europe. Building on its success, between new waves of the epidemic, as initial measures eased, we decided to experiment with hybrid events, giving donors the choice between on-site and online participation. Thus, at the end of 2021, we were able to summarise our wide-ranging experiences and review the pros and cons of different formats. We concluded that, while we consider our hybrid events successful, the mixed format takes away from rather than adds to the donor experience: the number of on-site participants clearly dropped with the possibility to join online, and it is difficult to meet the needs of both audiences at the same time.

The Giving Circle Programme experimented in other ways to ensure that projects and teams received the highest quality of assistance. Some teams organised preliminary campaigns and fundraising as a lead-up to Live Crowdfunding Events. We also experimented with an open donation window, in order to accept donations after the fundraising event. All of these innovations proved successful, but more importantly, we believe that the teams who participated in our Live Crowdfunding events felt that they gained knowledge, experience and confidence from our programme, along with material support.

We also faced some serious challenges. Since its launch, the Giving Circle Programme has set out to build an ever-expanding donor base that is consistently receptive to supporting the social change projects we present. In contrast, our experience over the past few years has shown that we have very few recurring donors, that it is increasingly difficult to reach potential supporters, and even maintaining the numbers we had three years ago requires a great deal of work. Our task now is to analyse and evaluate these phenomena in detail.

The Giving Circle Programme will also be tasked with bringing the Live Crowdfunding Event methodology closer to the corporate world; we believe that on-site fundraising events could be an exciting way to promote corporate social responsibility, employee engagement and commitment. We have already taken steps toward this and hope to report our results in the 2022 report.

“DONORS HAVE GONE ABOVE AND BEYOND TO SUPPORT”

Gergő Viktor Váci is an economist, cultural mediator, and marketing expert interested in the sustainability of NGOs. At the Spring 2021 Live Giving, Gergő was a sponsor of the Golgotha Christian Congregation Association's 'Save As' project, which helps the homeless in a non-traditional way, “another way”. We asked him about his experiences.

HOW DID YOU END UP AT LIVE GIVING?

I spoke on behalf of the Golgotha team, which runs a day shelter for the homeless, and as a complementary programme to this, the 'Save As' initiative was launched—we raised money for it with your help. The project has since grown and we are continuing what we started as a separate organisation, the Save As Foundation.

Church-run organisations for the homeless, by their very nature, are deprived of many resources and funding opportunities. The Golgotha Shelter is no different. In addition, care for the homeless as a service is funded by the state, and wherever the state puts its money, there are always constraints.

We want to access these “missing” resources in a slightly “different” way, through the Save As project, to provide the kind of value-added services to people living without shelter that we could not provide or fund due to the constraints of our grassroots organisation. The Live Crowdfunding Event you organised has been a great tool for alternative resource generation, and we have thought of the donors who have supported us with gratitude ever since.



WHAT DID YOU SEE, HOW DID YOU FEEL AT THE LIVE GIVING?

Although I have been around NGOs for years, I have never been to an event like this. As someone in marketing, I also believed that, contrary to fundraising, a more efficient way to raise funds for an NGO's charitable activities would be to run a social enterprise. Therefore, I admit, I arrived at Live Giving with some scepticism, but I was very pleasantly surprised; I found a very professionally organised, good-humoured, friendly environment, and I don't know what made it work, but it was, in the end, an excellent event.

AS THE PROGRAMME PROGRESSED, DID YOU START TO BELIEVE THAT THE PARTICIPANTS WERE GOING TO OFFER MONEY?

Yes, I did, but I wasn't sure people would offer a lot of money. That was a surprise: I had no idea that the three organisations would raise so much money at one event.

In addition, I expected that the three organisations participating in Live Crowdfunding Event would be competing with each other for donations, and that the one who could best pull on the heartstrings of the donors would get more money. It was a very pleasant surprise that I didn't end up feeling that way at all. To put it simply, the atmosphere you created was so positive and helpful that even though I come from a very competitive background, the feeling of competition left me. I felt the organisations were striving for a good cause, that they could pass it on, and that everyone wanted to help everyone else.

I was also a little unsure because our issue, homelessness, was not as "sexy" as rescue animals or wind turbines producing green energy, not to mention the children's camp. People generally prefer to give money to such causes. In addition, homelessness gets very bad press, people constantly meet our clients on the streets and may even have bad experiences. It was a very good feeling that despite this, I didn't feel that our topic stood out from the rest, because the teams created a great sense of unity in supporting the causes instead of competing with one another.

WHY DO YOU THINK MORE MONEY WAS RAISED THAN YOU EXPECTED?

I felt that in many cases, the donors went above and beyond to support the organisations and causes presented during the evening. For example, even though they may have come with 10,000 forints in their pockets, if they saw that the organisations needed 15,000 forints, and they heard another good and



powerful story, or good argument, they opened their wallets once more and gave more than they had planned. For me, that was another surprise and a very good feeling.



REVITALISING SMALL TOWNS PROGRAMME: WE FOUND PEOPLE WHO ARE READY TO ACT

The Revitalising Small Towns Programme has completed its first full year. After a long preparatory phase, we have reached our goal: we have found and started working with people who have a vision of the kind of community they want to live in, and who are starting programmes and community organisations. Reflecting on the first year, we identified some lessons to take with us, came up with new ideas, fine-tuned our support concept, and brought our partners into the “limelight”.



GROWTH DILEMMAS

We were expecting beneficiaries from depopulated, disadvantaged towns, but it turned out that the vast majority of the programme’s partners came from developing towns that were growing slowly or at an untraceable pace. The programme has shown that villages are slowly becoming uninhabitable due to a lack of basic services, and those who can, move to small towns. At the same time, there is an influx of people from cities to settlements considered liveable in size.

The growth of small towns presents new challenges for active people who think in terms of community: there is tension between newcomers and

THE TEAM OF THE REVITALISING SMALL TOWNS PROGRAMME



érdemes maradni
BEMUTATJUK A KISVÁROS PROGRAMOT!

generational residents, there is an “overuse” of institutions and infrastructure, and many other divisions. In this difficult and ever-changing context, leaders are looking to strengthen ties and move their own communities towards a responsible, active, solidarity-based existence.



PARTNERS OF THE REVITALISING SMALL TOWNS PROGRAMME

After many online meetings, the beneficiaries of the programme, which started in early 2020, met for the first time in Vértessacs, in September 2021. During and after the two-day gathering, the quality of contact and exchanges reached a new level: they shared dilemmas, how they overcame them, and stumbling blocks. They spoke, for example, about how local authorities reacted (somewhat clueless and defensively) **to a visible, action-oriented civic initiative.**

WE SUPPORT AND LEARN

The Revitalising Small Towns Programme has a clear vision of who and what to support: we work with visionary, pro-active people. We want to catalyse a process that has already begun and is expected to continue after the programme ends. Following the learning phase, we are now in the understanding phase, that is, understanding how these leaders work and how we can help them. In 2021, this has meant consultations about the phenomena they experienced and giving feedback, as “outside” partners, based on our own experience.

As a support organisation, we are trying to understand more about the possibilities community life in small towns has to offer. We cannot talk about patterns due to the diversity of the towns, but developing a good support approach is a realistic goal.

We have frequently and proudly publicized the programme. **In our videos,** our grantees talk about themselves, their plans, how they would mobilize their cities, and of course, they make their small towns visible. **Our interviews with them** reveal how a community development practitioner is using the fruit and vegetable market, why a provocative event is worth organising, and how to shake up a satellite town.

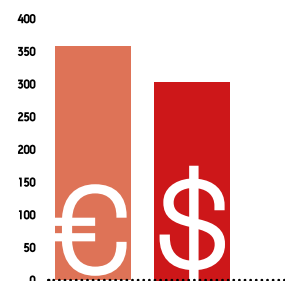
SUPPORTERS, FINANCES

Including the amount carried over from the previous period, the Foundation had approximately 161 million HUF available in 2021. Of this, almost 80 million HUF was spent last year, and around 81 million HUF has been carried over to 2022. We estimate that it will take around 115 million HUF to implement our plans this year.

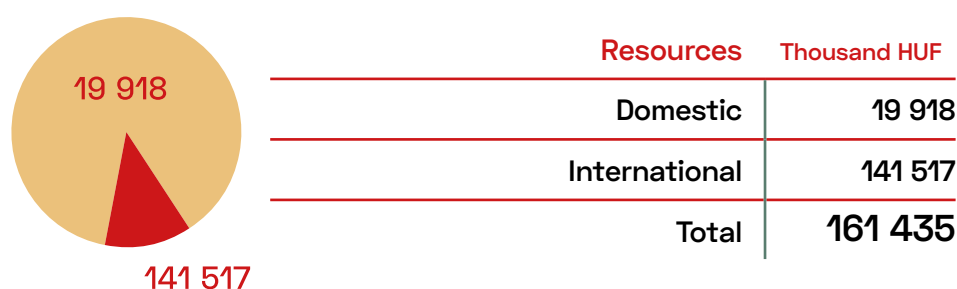
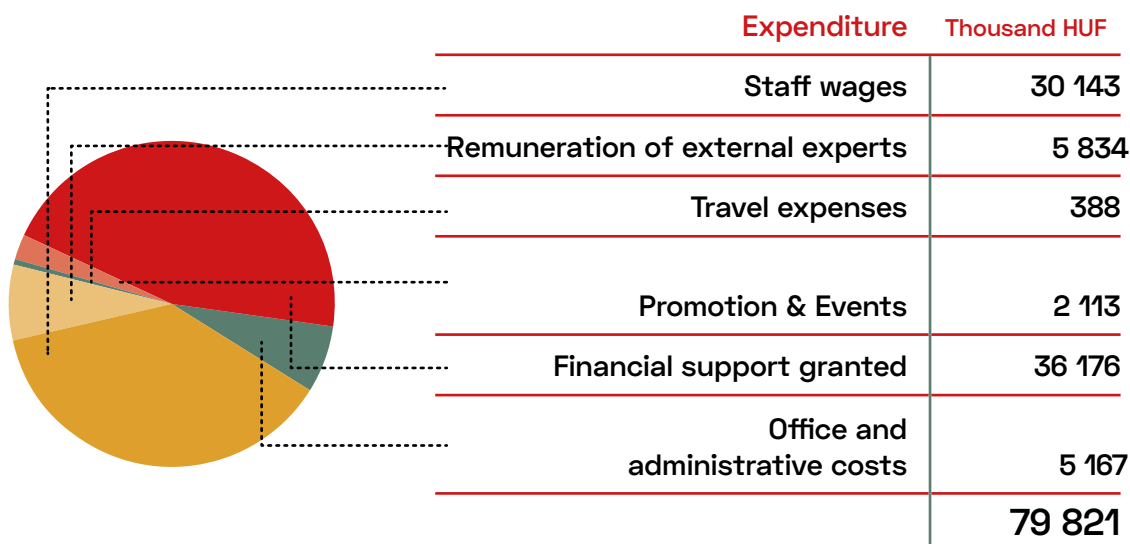
A significant portion of our funding has been granted for multiannual use, and will be used in 2022 and 2023. Multiannual grants allow for the continuation of programmes and provide the long-term perspective needed by the Foundation's partners.

Thanks to the generosity of our donors and our prudent management, we created a reserve fund which stood at 13 million HUF at the end of 2021. This fund will finance new ideas that need to be launched quickly, or the implementation of programmes for which we do not receive external support.

Our detailed financial report, which is part of our public benefit report, is available on our website, together with the auditor's report. If you have any questions about our finances, please contact us.



In 2021
1 euro was 358 forint
1 dollar was 303 forint.



Miller Family Trust

Magyarországi vállalatok és magánszemélyek

Velki Tamás



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The following people were involved in the design and implementation of the programmes:

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