

TIMELINE OF GOVERNMENTAL ATTACKS AGAINST HUNGARIAN NGO SPHERE

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Since the elections in 2010, the current governing party has systematically undermined the rule of law in Hungary, seriously disrupting the system of checks and balances. The adoption of the new constitution without the consent of the opposition and the widely criticized media regulation were followed by legislative steps weakening independent institutions (e.g. the Constitutional Court, the judiciary and the Ombudsman system) and violating human rights (e.g. the right to fair trial) in mass numbers. These legislative steps were accompanied by the early removal of leaders of independent institutions and the “court-packing” of the Constitutional Court. As shown by the international criticism e.g. on behalf of the European Union and the Council of Europe, several rules adopted by the governing majority were not in compliance with democratic values and international standards. The series of governmental attacks against Hungarian NGOs, which organizations operate by their nature as checks and critics of the state power and fight for reinforcing the rule of law and ensuring the protection of human rights, is another step in the process aimed at establishing an “illiberal state”.

These attacks included condemning public statements by high-ranking state officials (including the Prime Minister) alleging that some NGOs are closely linked to political parties and/or serve “foreign interests”; an illegitimate state audit by the Government Control Office into the use of the EEA/Norway Grants NGO Fund; criminal procedures launched against members of the consortium of NGOs distributing the EEA/Norway Grants NGO Fund; a police raid of their offices (later found unlawful by the investigation judge); and the suspension of their tax numbers. Even though the official proceedings launched as part of the governmental attacks against the Hungarian consortium of NGOs distributing the EEA/Norway Grants NGO Fund and organizations supported by the NGO Fund ceased or were terminated (without any criminal charges brought) by the beginning of 2016, critical and threatening statements from the government and the governing parties against human rights and watchdog NGOs continued, primarily targeting NGOs supported by the Open Society Foundations.

<p>14-15 August 2013</p> <p>NGOs “serving foreign interests” are listed by government-friendly newspapers</p>	<p>On 14-15 August 2013, both the printed and online versions of the government-friendly Hungarian newspaper <i>Heti Válasz</i> stated that the “Budapest-born American speculator” George (György) Soros spent last year almost half a billion forints on “strengthening the ‘civil’ opposition”, or “the ‘civil’ left wing”. The article listed 11 NGOs – including leading human rights and watchdog NGOs – which received grants from e.g. the Open Society Foundations, thus, in the newspaper’s view, are “kept” by George Soros, who exerts political influence through them. The article also stated that the “Soros-crew” had an “outstanding role” also in distributing grants in the framework of the EEA/Norway Grants NGO Fund, stating that the Ökotárs Foundation (which leads the Hungarian consortium distributing the EEA/Norway Grants NGO Fund) is also dependent on Soros, and that one-third of the whole sum distributed ended up at “Soros-compatible” organizations. The</p>
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	<p>article also listed 13 NGOs which received grants from the EEA/Norway Grants NGO Fund, again, including leading human rights and watchdog organizations.¹ The accusations were echoed by the government-friendly newspaper <i>Magyar Nemzet</i>.</p> <p>→ In its reply dated 16 October 2013 the ambassador of Norway firmly declined the above allegations, recalling that the Ökotárs Foundation was chosen to operate the NGO Fund in Hungary in an open tendering process.²</p> <p>→ Allegations were also firmly declined by the Ökotárs Foundation, which reminded that the priorities of the NGO programme under the EEA/Norway Grants are the same in all of the countries covered, and that the newspaper articles inappropriately failed to differentiate between social engagement (supported by the NGO Fund) and party political activities.³</p>
<p>17 August 2013</p> <p>The governing party echoes newspaper's allegations</p>	<p>At a press conference on 17 August 2013 the spokesperson of the governing party Fidesz, Péter Hoppál, stated the following: “From an investigative report we learnt that a circle of American speculators paid about half a billion forints to show its gratitude to pseudo-civil organizations who were willing to regularly denounce Fidesz and the Hungarian government, particularly abroad and in front of forums abroad. (...) These organizations kept for millions of dollars, what these organizations do, all they have to do in exchange of the American money, is to attack the Hungarian government, attack Fidesz, and attack the Prime Minister of Hungary in all possible forums.” When a journalist asked the spokesperson to name the organizations he has in mind, the spokesperson named leading human rights and watchdog NGOs.⁴</p> <p>→ The Hungarian Helsinki Committee, as one of the NGOs named, asked the spokesperson for an apology, yet he did not respond. Eventually the NGO decided to go to court, and in July 2014, the first instance court found that the spokesperson and Fidesz have violated the right of the organization for good reputation, arguing that these statements – which the respondents did not even try to support with evidence in court - may cause damage to the public image of the organization. The court obliged Mr. Hoppál and the Fidesz to publish an apology in two daily newspapers and on the party's website.⁵ The respondents appealed against the decision.</p>
<p>8 April 2014</p> <p>Prime Minister's Office claims political influence with regard to the EEA/Norway Grants NGO Fund</p>	<p>On 8 April 2014 it was reported by the media that János Lázár, head of the Prime Minister's Office wrote a letter to the Norwegian government, claiming that the money from the EEA/Norway Grants NGO Fund is distributed by an organization closely linked to the opposition party Politics Can Be Different. Furthermore, an Undersecretary of State from the Prime Minister's Office, Nándor Csepreghy, stated that if Norway will not be a partner in solving the issue that may be interpreted in a way that Norway interferes with the internal affairs of Hungary.⁶</p> <p>→ In its response dated 24 April 2014, the Norwegian Minister of EEA and EU Affairs Vidar Helgesen reminded that the “process of selecting the fund operator for the NGO programme in Hungary has followed the regulation and procedures outlined in the</p>

¹ For the online version, see: <http://valasz.hu/itthon/soros-femilliardot-adott-orban-ellenfeleinek-67174>.

² See: <http://valasz.hu/publi/soros-nyiss-nekem-tert-visszhang-69399>.

³ See: <http://norvegcivilalap.hu/hu/node/4210>.

⁴ See e.g.: http://index.hu/belfold/2014/07/07/megarta_hoppal_peter_amikor_lealcivilezte_a_helsinki_bizottsagot/.

⁵ See: <http://helsinki.hu/a-fidesz-es-szovivoje-pert-veszített-a-helsinki-bizottsaggal-szemben>.

⁶ See e.g.: <http://mno.hu/belfold/lazar-levelben-tiltakozik-a-kulfoldi-beavatkozás-ellen-1220352>.

	<p>agreement of the grants. The selection was done through an open tendering process where the selection criteria were publicly available and transparent. The current operator met all the specified criteria (...).” The Minister also stated the following: “I wish to underline that the Government of Norway has not been engaged in supporting, financially or otherwise, any party political activities in Hungary. These are rather surprising accusations, and I cannot see that they are valid.”⁷</p> <p>→ The Ökotárs Foundation also issued a statement, underlining that it had never supported the Politics Can Be Different, any other political parties or any organizations closely linked to political parties in any form; and that the list of their grants is public.⁸</p>
<p><i>11 April 2014</i></p> <p>Turns out that a background institution of the government lost the tender for operating the NGO Fund</p>	<p>On 11 April 2014 news sources reported that the Századvég Foundation also participated in the open tendering process for the position of fund operator with regard to the EEA/Norway Grants NGO Fund, but since it was apparently not impartial, it was not selected.⁹ (The Századvég-group is the most important background institution of the government, preparing studies, polls and surveys. The activities of the organization are mostly financed by the state:¹⁰ e.g. in the first half of 2012 the Századvég received almost a billion HUF for preparing studies and analysis – which should have been prepared by the ministries themselves –, meaning that they received approx. 470,000 HUF per page.¹¹)</p>
<p><i>30 April 2014</i></p> <p>Senior government official calls NGO Fund operators “party-dependent, cheating nobodies”</p>	<p>Undersecretary of State Nándor Csepregyh called the foundations acting as the operator consortium of the EEA/Norway Grants NGO Fund “party-dependent, cheating nobodies”, and indicated that there are plans to entrust the state with operating the NGO Fund.¹²</p> <p>→ As a reaction, on 7 May 2014 the consortium led by the Ökotárs Foundation issued an open letter, addressed to János Lázár, strongly asking him to call upon his deputy to withdraw his statements that breached the reputation of the organizations. The consortium underlined that they have a number of programs beyond operating the NGO Fund, and cited concrete examples of cooperation with actors of the government.¹³</p>
<p><i>6 May 2014</i></p> <p>Government requests that the NGO Fund is “suspended”</p>	<p>In a letter dated 6 May 2014, János Lázár asked the Norwegian Minister of EEA and EU Affairs in vain that the NGO programme in Hungary is “suspended” until the issue at stake is settled “to the satisfaction of both parties“, claiming that the independence and the operation of the Ökotárs-led consortium was questionable. The letter also indicated that the government wishes to enter into negotiations as to the new fund operator (even though Hungary is not a party to the agreement under which the NGO Fund operates).¹⁴</p>

⁷ For the response in English, see: http://www.regjeringen.no/upload/UD/Vedlegg/brev/svar_lazar.pdf.

⁸ See: <http://norvegcivilalap.hu/hu/node/8050>.

⁹ See e.g.: <http://index.hu/belfold/2014/04/11/a-szazadveg-akarta-a-norveg-penzeket/>.

¹⁰ See e.g.: <http://index.hu/belfold/2013/04/04/otmilliardra-nott-a-szazadveg-megbizasa/>.

¹¹ See: <http://ekint.org/ekint/ekint.news.page?nodeid=559>.

¹² See: http://hvg.hu/gazdasag/20140430_Csepregyh_szelhamos_gittegyletek_kezelik/.

¹³ For the open letter in English, see: <http://norvegcivilalap.hu/en/node/8239>.

¹⁴ See e.g.: <http://index.hu/belfold/2014/05/09/lazar-felfuggesztene-a-norveg-civil-alap-tamogatasait/>.

<p>21 May 2014</p> <p>State audit is launched against NGOs receiving support from the NGO Fund</p>	<p>On 21 May 2014 it was announced by the Prime Minister’s Office that the government requests the Government Control Office (GCO) – a state agency vested with the task of auditing state money – to launch a unilateral audit into how the EEA/Norway Grants NGO Fund is managed, in order to see whether the government’s suspicion that the fund’s money is used to support political organizations indirectly, or NGOs closely linked to them, may be substantiated.¹⁵</p> <p>→ On 28 May 2014 the secretariat of the EEA/Norway Grants donor states, the Financial Mechanism Office (FMO), has made clear its position in an official letter addressed to János Lázár that the conduct of the proposed audit “cannot be accepted”, since according to the respective agreements the implementation of the NGO Fund, including its regular audit, is the responsibility of the donor states. It was underlined that since the NGO Fund does not receive any funding from Hungarian state budget, no funds from Hungarian state budget are managed by the Ökotárs Foundation in this context. It was also submitted that an audit by the donors has already been planned and will be carried out during the autumn, and the results of this audit will certainly be made available to the Hungarian authorities. Furthermore, the Norwegian government rejected again all allegations of supporting, financially or otherwise, any party political activity in Hungary.¹⁶</p>
<p>28 May – 1 June 2014</p> <p>Governmental lists on “potentially problematic” NGO projects and “left wing evaluators” come to light</p>	<p>After János Lázár, head of the Prime Minister’s Office had stated in an interview¹⁷ on 28 May 2014 that one of the ministries has been preparing materials on the potentially problematic NGO projects since 2011, an online news portal acquired the respective list from the Prime Minister’s Office, which turned out to contain exactly the same human rights and watchdog NGOs as the <i>Heti Válasz</i> article from August 2013 referred to above.¹⁸ (For the list of the NGOs, see the end of the sheet.)</p> <p>Furthermore, even though the name of the evaluators for the NGO Fund is not public in order to exclude lobbying, it turned out that the Prime Minister’s Office also listed evaluators with “left wing political ties”, mainly citing politically relevant activities preceding their job as an evaluator. At the same time, an online news portal stated that there are also evaluators who, following the same logic, could have been listed as having ties to the Fidesz. The governmental list also contained “incompatible” evaluators, to which the Ökotárs responded that evaluators who would be incompatible with regard to an application do not participate in its evaluation.¹⁹</p>
<p>2 June 2014</p> <p>State auditors request documents from NGO Fund operators</p>	<p>On 2 June 2014, the GCO made an on-site audit at three members of the consortium responsible for the operation of the EEA/Norwegian NGO Fund (Autonómia Foundation, Foundation for the Development of Democratic Rights – DemNet, and Ökotárs Foundation), and demanded that certain documents be handed over. Even though the foundations maintained the view that the GCO had no right to investigate, they decided to turn over some of the documents. However, the head of the Ökotárs stated that they would not like to turn over documents which contain sensitive personal data (such as the names of</p>

¹⁵ See e.g.: http://index.hu/gazdasag/2014/05/21/rakuldik_a_kehit_a_norveg_alapra/.

¹⁶ For the press release in English, see: <http://www.norvegia.hu/Norsk/EEA-and-Norway-Grants1/EEA-and-Norway-Grants/Proposed-investigation-of-the-NGO-Fund-by-the-Government-Control-Office/#.VBnPWVekPgH>.

¹⁷ See e.g.: <http://444.hu/2014/05/28/lazar-janos-norveg-civil-alap/>.

¹⁸ See: <http://444.hu/2014/05/30/itt-a-kormany-listaja-a-szervezetekrol-akik-miatt-nekimentek-a-norveg-alapnak/>.

¹⁹ See e.g.: <http://444.hu/2014/05/31/titkos-nevsort-adott-ki-a-kormany-hogy-megmondja-kivel-van-baja/>, http://index.hu/belfold/2014/06/01/az_nfu_adta_ki_a_norveg_alap_titkos_nevsorat/.

clients of human rights NGOs), and they had asked that their standpoint as to the illegitimate nature of the audit is recorded.²⁰ Furthermore, the Ökotárs submitted a formal letter to the GCO, inquiring about the legal basis of the audit.²¹

→ In order to express the Norwegian authorities' concern about Hungary's actions, the Hungarian Ambassador to Norway was summoned to the Ministry of Foreign Affairs on 4 June 2014, and representatives from the Norwegian Embassy in Budapest paid a visit to the Hungarian authorities on 5 June 2014. The Norwegian Minister of EEA and EU Affairs stated that he is "deeply concerned about the actions of the Hungarian authorities in relation to civil society and their attempts to limit freedom of expression" and that the Hungarian authorities' audit does not comply with the agreements that have been entered into. It was emphasized again that a number of NGO funds were scheduled to be audited in the autumn of 2014 by the donor countries, including the fund in Hungary, and the results of these audits will be made available to the public. The Minister stated that if the Hungarian authorities would like to request access to documents related to the administration of the NGO Fund, they are to contact the FMO in Brussels.²²

→ On 3 June 2014, the Director of the FMO sent a letter to János Lázár, expressing her strong objection once again with regard to the GCO's intervention. The director also stated that Ökotárs shall maintain professional secrecy during the implementation of the programme according to its agreement with the FMO, and, therefore, the GCO shall address any further request, question or inquiry directly to the FMO.²³

→ After a high-level meeting on 12 June 2014 between the states involved, it was stated again by Norway that responsibility for the NGO programme and any potential audits lies with the donor states, and that the Hungarian government's actions "undermine the independence of civil society from the authorities". It was expressed that halting the audit is one of the preconditions for lifting the earlier suspension of the EEA and Norway Grants.²⁴ (Payments to Hungary under the EEA and Norway Grants scheme were suspended as of 9 May 2014, because the Hungarian Government has moved the implementation and monitoring of the Grants scheme out of the central government administration, which was seen by the donor states as a breach of the agreements that have been entered into.²⁵)

→ Since the Hungarian government failed to address the issue of the state audit of NGOs in its follow-up letter dated 17 June 2014, the FMO emphasized once again in a response dated 25 June 2014 that the cancellation of the audit against the NGO Fund operator is also a precondition of further dialogue on lifting the suspension.²⁶

²⁰ See e.g.: http://index.hu/belfold/2014/06/02/megiscsak_rajta_utott_a_kehi_a_norveg_alapon/,
<http://www.reuters.com/article/2014/06/02/us-hungary-norway-funding-ngo-idUSKBN0ED1QW20140602?feedType=RSS&irpc=932>
(in English).

²¹ See e.g.: <http://nol.hu/belfold/okotars-nincs-jogalapja-a-kehi-vizsgalatnak-1466411>. For the letter of the Ökotárs, see:
https://norvegcivilalap.hu/sites/default/files/dokumentumok/okotars_level_kehi.pdf.

²² For the press release in English, see: <http://www.regjeringen.no/en/dep/ud/press/news/2014/civil-society-hungary.html?id=762213>.

²³ For the letter in English, see:

https://norvegcivilalap.hu/sites/default/files/dokumentumok/4_1_sz_levelre_eslo_valasz_az_fmotel_2014_06_03.pdf.

²⁴ For the press release in English, see: <http://www.regjeringen.no/en/sub/europaportalen/aktuelt/nyheter/2014/Still-no-agreement-with-Hungary.html?id=763125>.

²⁵ For the press release in English, see: http://www.regjeringen.no/en/dep/ud/press/news/2014/hungary_suspension.html?id=758873.

²⁶ For the letter in English, see: <http://norvegcivilalap.hu/en/node/8552>.

<p>16 June 2014</p> <p>Request for further documents is rejected by fund operator</p>	<p>Instead of responding to the inquiry of the Ökotárs as to the legal basis of its audit, the GCO requested another set of documents from the Ökotárs in a letter dated 16 June 2014, giving the NGO a three-day deadline, and disregarding the above-mentioned letter of the Director of the FMO, which stated that any further requests shall be addressed to the FMO. The FMO was on the opinion that some of the newly requested information could not be shared with the GCO since that would possibly harm basic civil rights, and asked the Ökotárs to reject the GCO's request,²⁷ which the Ökotárs did.</p>
<p>25-27 June 2014</p> <p>Newspaper falsely states that EY investigation supports the state's accusation; government refers to initiating a criminal procedure</p>	<p>On 25-26 June 2014 both the printed and the online versions of the government-friendly newspaper <i>Heti Válasz</i> claimed that a draft audit report prepared by Ernst & Young supported the concerns of János Lázár with respect to the Ökotárs, with regard to the period between 2008 and 2010.²⁸ Referring to the report, Undersecretary Csepreghy stated that it was possible that the Ökotárs committed fraud.²⁹ On 27 June 2014 it was announced that the government requested the audit report from the EY, and if that will support the allegations of the press, than the government will initiate a criminal procedure even before the audit of the GCO is over.³⁰ (Subsequently it turned out that the EY's report was handed over to the GCO by the Ökotárs itself earlier on.³¹)</p> <p>→ On 1 July 2014 the independent investigative news portal atlatzso.hu published the EY's draft report in its entirety, concluding that in fact the audit report considered the implementation of the program adequate as a whole, revealed no systemic deficiencies, and although it pointed out risks and problems, nothing to the extent indicated by the governmental accusations, and certainly nothing which could constitute a criminal offence.³²</p>
<p>June 2014</p> <p>State auditors request documents from NGOs supported by the NGO Fund</p>	<p>In the course of June 2014, altogether 58 NGOs supported by the EEA/Norway Grants NGO Fund received a letter of query from the GCO to submit documents related to their projects financed by NGO Fund. The request covered practically entire project documentations in addition to organizational documents, and the deadline provided was very tight: they had to comply with the request approximately within a week.³³ Some of the NGOs submitted an inquiry to the GCO as to the legal basis for the investigation, but received a sample letter which in their view did not succeed in substantiating the GCO's right to investigate them.³⁴</p> <p>→ Four of the NGOs concerned – the Asimov Foundation (operating the investigative news portal atlatzso.hu, the Hungarian Civil Liberties Union, the Szivárvány Misszó Foundation (organizer of the Budapest Pride), and the Krétakör Foundation – decided to make the</p>

²⁷ For the letter of the Financial Mechanism Office in English, see:

https://norvegcivilalap.hu/sites/default/files/dokumentumok/7_1_sz_levelre_masodik_valasz_az_fmotel_2014_06_17.pdf.

²⁸ See: <http://valasz.hu/itthon/fordulat-norvegugyben-neves-vilageceg-igazolja-lazar-janost-101180>.

²⁹ See e.g.: <http://www.bir24.hu/belfold/2014/06/27/sikkasztással-vadolja-a-kormany-az-okotars-alapitvanyt/>.

³⁰ See e.g.: <http://www.origo.hu/itthon/20140627-mar-a-kehi-vizsgalat-elott-fejjelentest-tehet-a-kormany-a-norveg-alap-penzei-miatt.html>.

³¹ See e.g.: <http://index.hu/belfold/2014/06/27/norvegok-a-leleplezo-iratokban-nem-az-van-amit-a-kormany-mond/>.

³² See e.g.: <http://atlatzso.hu/2014/07/01/itt-az-ernst-young-jelentese-a-norveg-civil-alap-atvilagitasarol/>.

³³ See e.g.: http://tv2.hu/musoraink/tenyek/152884_adatokat_kernek_a_norveg_penzekrol.html.

³⁴ See e.g.:

http://www.transparency.hu/TI_turns_to_the_Ombudsman_regarding_recent_government_audit?bind_info=index&bind_id=0 (in English).

	<p>project documentation available on their websites instead of submitting it to the GCO, expressing their standpoint that the audit had no legal basis.³⁵ At the same time, e.g. Transparency International Hungary decided to comply with the GCO's request, but upheld the view as to the questionable legal basis of the audit.³⁶ (It has to be added that not complying was not without risk, since the GCO can initiate the suspension of the tax number of any entities refusing to cooperate with it, which practically renders NGOs' life impossible.)</p> <p>→ The GCO gave another, also tight deadline for the concerned NGOs in July 2014 to submit documents they failed to submit earlier, and stated that a high fine (500,000 HUF) will be imposed on them if they do not comply.³⁷ However, the four NGOs who refused to cooperate earlier upheld their stance.³⁸</p> <p>→ Upon the complaints of NGOs (including the Transparency International Hungary) the Ombudsperson of Hungary concluded in a letter sent to János Lázár on 23 July 2014 that the interpretation of Norway shall be also taken into account with regard to the audit of the funds. However, the Ombudsperson did not take any further action.³⁹</p>
<p>21 July 2014</p> <p>State auditors demand further documents from NGO Fund operators</p>	<p>On 21 July 2014, the GCO sent another request for documents to the Ökotárs Foundation, now threatening to impose sanctions (fines and/or the suspension of the organization's tax number) in case of non-cooperation. The new documents requested not only concerned the Ökotárs, but also the NGOs supported from the EEA/Norway Grants NGO Fund.</p> <p>→ On 24 July 2014, the Ökotárs issued a statement, listing the documents they submitted to the GCO previously in the spirit of cooperation (questioning the audit's legality though) and which are the ones they do not agree to hand over (e.g. data of non-supported applicants and documents containing sensitive personal data). The statement continued by saying that in case of the latter documents the Ökotárs questions "why they would be needed to achieve the stated goal of the investigation (...), to establish whether the use of the funds was appropriate".⁴⁰</p>
<p>26 July 2014</p> <p>PM refers to NGOs as "paid political activists" helping foreign interests</p>	<p>In his speech delivered on 26 July 2014, in which he declared that he and his government builds an "illiberal state", Prime Minister Viktor Orbán said that their efforts in that regard are obstructed by civil society organizations, and referred to civil society members as "paid political activists who are trying to help foreign interests".⁴¹</p>

³⁵ See: <http://blog.atlatszo.hu/2014/06/a-kehi-es-az-atlatszo-esete/>, <http://budapestpride.hu/hirek/kehi-valasz-2> and <http://budapestpride.hu/hirek/budapest-pride-a-kozossseg-es-a-nyilvanossag-fele-szamolunk-el>, <http://tasz.hu/en/about-us/hclu-accounts-public-not-gco> (in English).

³⁶ See: http://www.transparency.hu/TI_turns_to_the_Ombudsman_regarding_recent_government_audit?bind_info=index&bind_id=0 (in English).

³⁷ See e.g.: <http://www.atv.hu/belfold/20140715-norveg-ugy-ultimatum-a-kehitel-jon-az-ujabb-csapas>.

³⁸ See e.g.: <http://vs.hu/birsag-ellenere-sem-hatralnak-az-ellenallo-norveg-civilek-0717>.

³⁹ See: http://www.transparency.hu/uploads/docs/ombudsman_levele_miniszterelnoksegnek.pdf.

⁴⁰ For the statement and the list of documents in English, see: <http://norvegcivilalap.hu/en/node/8578>.

⁴¹ See e.g.: <http://www.bloomberg.com/news/2014-07-28/orban-says-he-seeks-to-end-liberal-democracy-in-hungary.html> (in English), <http://www.kormany.hu/hu/a-miniszterelnok/hirek/a-munkaalapu-allam-korszaka-kovetkezik>.

<p><i>August 2014</i></p> <p>First criminal procedure is launched against the operator of the NGO Fund</p>	<p>In the beginning of August 2014 it was reported that the police launched an investigation against the Ökotárs on the suspicion of fraud. However, this procedure was not initiated by the government, but by a member of the Fidesz, probably for personal reasons.⁴² Later on, the underlying criminal offence was altered to “fraudulent misuse of funds” or, in other words, embezzlement.⁴³</p>
<p><i>3 September 2014</i></p> <p>Criminal procedure is initiated against an NGO by the GCO</p>	<p>On 3 September it was announced that the GCO initiated a criminal procedure on the suspicion of “unlicensed financial activities” against an unidentified NGO who gave loans to other NGOs for years.⁴⁴ The Ökotárs soon replied that it is not a secret that, on an ad hoc basis, upon individual requests, the Ökotárs has given loans to NGOs from its own capital, mainly to help with the financing of EU-projects, but did not derive any benefit from that. The Ökotárs emphasized that this activity was included in its public reports, and that it is not related to their activities concerning the EEA/Norway Grants NGO Fund.⁴⁵</p>
<p><i>4 September 2014</i></p> <p>DPA obliges fund operator to disclose list of non-supported applications</p>	<p>After the Ökotárs refused to hand over a government-friendly television channel the list of non-supported applicants and the reasoning as to why they were not supported, claiming e.g. that only the FMO would be allowed to submit the data, the Hungarian National Authority for Data Protection and Freedom of Information reached a decision in the beginning of September, obliging the Ökotárs to fulfil the television channel’s request.⁴⁶</p>
<p><i>8 September 2014</i></p> <p>Police raid on NGO Fund operators; documents concerning “blacklisted” NGOs are seized</p>	<p>In the framework of the investigations above – in which defendants are not identified, thus potential defendants are not protected from self-incrimination –, on 8 September 2014 the offices of the Ökotárs and the DemNet were raided by the police, who showed up in disproportionately high numbers (reportedly, 43 police officers participated in the raid). Staff members were not allowed to use their phones, and the police also conducted searches in the homes of certain staff members and at the foundation’s accountant. The head of Ökotárs was escorted home by the police in order to fetch her laptop.⁴⁷ The police seized computers, documents, etc., and both the opinion of the representatives of the Ökotárs and the DemNet and the police’s list of the seized materials show that the police were mainly interested in the 13 NGOs “blacklisted” by the Prime Minister’s Office earlier on⁴⁸ – giving rise to suspicions that the criminal procedure was used to access documents the GCO could not.⁴⁹</p> <p>→ On 9 September 2014, the Norwegian Minister of EEA and EU Affairs stated that the police raid was “completely unacceptable” and made it clear that the Hungarian authorities</p>

⁴² See e.g.: <http://vs.hu/mar-nyomoznak-sikkasztas-miatt-norveg-civilek-ugyeben-0805>, http://index.hu/belfold/2014/08/23/nyomoz_a_rendorseg_a_norveg_alapok_ugyeben/, <http://vs.hu/fideszes-emailrol-jelentettek-fel-norveg-alapot-0806>.

⁴³ See e.g.: http://index.hu/belfold/2014/08/23/nyomoz_a_rendorseg_a_norveg_alapok_ugyeben/.

⁴⁴ See e.g.: http://hvg.hu/gazdasag/20140903_Feljelentett_a_Kehi_egy_szervezetet_a_nor

⁴⁵ See: <http://norvegcivilalap.hu/hu/node/8649>.

⁴⁶ See e.g.: http://mno.hu/magyar_nemzet_belfoldi_hirei/torvenyt-sertett-az-okotars-1245895.

⁴⁷ See e.g.: http://index.hu/belfold/2014/09/08/keszenletisek_akcioznak_az_okotarsnal/

⁴⁸ See: <http://atlatso.hu/2014/09/08/a-pizskos-tizenharomra-vadaszott-a-rendorseg-az-okotarsnal-es-a-demnetnel/>.

⁴⁹ See: <http://magyarnarancs.hu/belpol/politikai-terbe-emelt-koncepcios-vizsgalat-91621>.

	<p>“have no intention of fulfilling their obligations under the agreements Hungary has entered into on the management of the EEA and Norway Grants”.⁵⁰ Also on 9 September, the ambassador of Norway stated in an interview on a Hungarian television channel that in their view the GCO’s audit has no legal basis, and that they have been wholly satisfied with the work of the Ökotárs.⁵¹</p>
<p>11 September 2014 The scope of the state audit is extended</p>	<p>On 11 September 2014 it was announced that the scope of the GCO’s audit had been extended to funds received by the Ökotárs in the framework of the Swiss-Hungarian Cooperation Programme, and also to funds received from other state budget sources.⁵²</p>
<p>15 September 2014 PM at Parliament’s opening session: NGOs apply double standards</p>	<p>In a speech delivered at the opening of the autumn session of the Parliament on 15 September 2014 Prime Minister Viktor Orbán stated the following: “We don’t want anything more than to see clearly, we want to have clean water in the glass, because we are bothered by insincerity and lies, and we don’t like it when someone who talks about freedom is a mercenary, or who talks about independence is a kept person. Declares himself a civilian but is in fact a paid political activist. Talks about respect for the law but when it comes to his own financial affairs, calls for exceptional procedures, saying that’s not Hungarian money. Hungarian voters don’t like this, so the government does well when it says, laws apply to everybody, to political parties, civil society organizations, and also to citizens who don’t organise themselves at all.”</p>
<p>18-24 September 2014 The tax number of fund operators is suspended</p>	<p>On 18 September 2014, the tax number of the consortium’s fourth member, the Kárpátok Foundation was suspended, and the GCO stated that the tax number of the remaining three consortium members will also be suspended, on the basis that the foundations are responsible for distributing public money but they are “secretive” and they do not want to disclose certain documents. On 22-24 September 2014 the remaining three consortium members (Ökotárs, DemNet and Autonómia Foundation) were also notified that their tax numbers had been suspended.⁵³</p> <p>→ Members of the consortium distributing the EEA/Norway Grants NGO requested a judicial review of the decision suspending their tax numbers.</p>
<p>23-24 September 2014 U.S. President’s statement on Hungary intimidating NGOs is labelled as being without</p>	<p>In his remarks delivered at the Clinton Global Initiative on 23 September 2014, U.S. President Barack Obama referred to Hungary as one of the countries where NGOs are attacked, saying the following: “From Hungary to Egypt, endless regulations and overt intimidation increasingly target civil society.”⁵⁴</p> <p>→ On the next day, the Hungarian Ministry of Foreign Affairs and Trade issued a short statement, saying that the above remarks of the U.S. President had “no factual basis”.⁵⁵</p> <p>→ On 1 October 2014, a Secretary of State of the Prime Minister’s Office, László L. Simon, stated to the press that the critics of Hungary from the U.S. and Western Europe “fear for a</p>

⁵⁰ For the press release in English, see: http://www.regjeringen.no/en/dep/ud/press/news/2014/raid_eea.html?id=767076.

⁵¹ See e.g.: <http://444.hu/2014/09/10/norveg-nagykovet-nem-magyar-hanem-norveg-kozpenzrol-van-szo/>.

⁵² See e.g.: http://hvg.hu/itthon/20140911_Kiterjesztettek_a_Kehivizsgalatot_az_Oko/.

⁵³ See e.g.: http://hvg.hu/itthon/20140923_Felfuggesztettek_az_Okotars_es_a_Demnet_a/,

http://index.hu/belfold/2014/09/24/az_autonomia_alapitvany_adoszamat_is_felfuggesztettek/.

⁵⁴ See: <http://www.whitehouse.gov/the-press-office/2014/09/23/remarks-president-clinton-global-initiative>.

⁵⁵ See: <http://www.kormany.hu/hu/kulgaszdasagi-es-kulugyminiszterium/hirek/a-magyar-nep-szabadsagszereto>.

<p>any factual basis by ministry</p>	<p>quite well-operating network” when they accuse the Hungarian government with targeting civil society, “a network the financing of which is thought out very well, and there are political-ideological considerations behind it”. He also stated that the reason behind the U.S. President’s words was that “the influential political circles behind the President now sense that the organizations [in Hungary] which they support and which are able to carry out powerful political activity suffer harm because of the investigations launched against them”. The Secretary of State strived to support this statement with the fact that the NGOs supported from the EEA/Norway Grants NGO Fund and those supported by donors from the U.S. (such as the former CEE Trust) overlap.⁵⁶</p>
<p>22 October 2014 GCO publishes its audit report, rejected by Norway</p>	<p>On 22 October 2014, the GCO published its audit report,⁵⁷ containing generalized and highly questionable critical conclusions. The GCO claimed irregularities with regard to the implementation of the EEA/Norway Grants NGO Fund without identifying the rules breached, and that criminal offences had been committed, but provided no explanation in that regard either. It was also announced that the GCO will launch a criminal procedure based on the report.⁵⁸</p> <p>→ On 23 October 2014, the director of the Ökotárs reacted to the GCO’s audit report by stating: “It is really difficult to react to the generalized and unfounded charges articulated in KEHI’s report. If they found irregularities, then they should have described exactly who committed these and how much money we are talking about here.”⁵⁹</p> <p>→ On 28 October 2014, Norway issued a statement regarding the matter, containing the following: “The KEHI-audit [i.e. the GCO-audit] of the NGO-fund is in breach with the agreements governing the EEA-grants. No funds from the Hungarian state budget are at stake and the donors will not accept discussions based on this report. The donors will base their evaluation of the NGO-fund on an independent audit. We find the actions taken by the Hungarian government against the fund operator of the NGO-fund, Ökotárs to show a troubling lack of respect for the independence of civil society. As such, we believe the Hungarian government is challenging basic democratic values underpinning European co-operation. (...) A solution of the situation would require that the signed agreements and the agreed framework for implementation of the EEA and Norway grants are honoured and respected. As soon as the Hungarian government express commitment to resolve the open issues, including a satisfactory solution for the NGO fund, Norway is willing to resume discussions to find solutions within the frame of existing agreements.”⁶⁰</p> <p>→ On 31 October 2014, the Norwegian Minister of EEA and EU Affairs said with regard to the GCO’s audit report: “We don’t attach a lot of credibility to that report to put it mildly.”⁶¹</p> <p>→ On 4 November 2014 the Ambassador of Norway announced that the respective Norwegian minister had not accepted the invitation by the head of the Prime Minister’s Office to discuss the GCO’s audit report, since Norway considers the state audit unlawful.⁶²</p>

⁵⁶ See e.g.: http://magyarhirlap.hu/cikk/6335/Politikai_befolyas_alatt_allo_halozatot_feltenek_biraloink.

⁵⁷ The audit report is available in English at: <http://kehi.kormany.hu/download/2/b2/c0000/Audit%20Report.pdf>.

⁵⁸ See e.g.: <http://abcug.hu/kehi-feljelenti-az-okotars-alapitvanyt/>.

⁵⁹ See in English: <http://budapestbeacon.com/featured-articles/kehi-reports-okotars-for-financial-malfeasance-and-fraud/>.

⁶⁰ For the full statement in English, see: <http://www.norvegia.hu/Norsk/EEA-and-Norway-Grants1/EEA-and-Norway-Grants/The-Norwegian-response-to-the-KEHI-report/>.

⁶¹ See in English: <http://www.thelocal.no/20141101/norway-fronts-up-to-hungary-in-political-aid-row>.

<p>22 October 2014</p> <p>Association tied to the governing party demands new rules on foreign funding of NGOs</p>	<p>→ On 22 October 2014, a Hungarian NGO named “Civil Unity Forum” called upon the Minister of Justice to take legislative steps to enhance the transparency with regard to the funds received by Hungarian NGOs from abroad, and suggested e.g. that NGOs should be obliged to submit their agreements with their donors to the government, and the parties to these agreements should acknowledge the universal supervisory power of the Hungarian state.⁶³ (The Civil Unity Forum undeniably has very close ties with the governing parties, organizes marches in support of the governing party Fidesz and the government, installed public billboards and posters in the value of HUF 500 million to criticize opposition leaders during the 2014 national elections campaign, and received altogether 60 million HUF from the party foundation of the Fidesz in the last two years.⁶⁴)</p>
<p>12 November 2014</p> <p>GCO launches criminal procedure and requests tax audit</p>	<p>It was reported on 12 November 2014 that the GCO made a formal complaint to the police to initiate a criminal procedure, claiming that the consortium led by the Ökotárs violated the rules on incompatibility, and contributed to the irregular payment of 250 million HUF (€ 813,147.55) by the illicit amendment of grant agreements and accepting non-eligible project costs. It was also reported that the GCO requested the National Tax and Customs Administration to conduct an extraordinary tax audit on the basis of the findings of the report.⁶⁵</p>
<p>15 December 2014</p> <p>PM on registering NGOs funded from abroad</p>	<p>The Prime Minister of Hungary stated in an interview given to Bloomberg in December 2014 that he would back legislation to force non-government organizations funded from abroad to be specially registered, because it is important to know “who’s in the background” of such groups.⁶⁶</p>
<p>16 December 2014</p> <p>Audit by the Prime Minister’s Office in relation to the Swiss NGO Fund</p>	<p>After the GCO’s audit started, payments were suspended by Switzerland under the Swiss-Hungarian Cooperation Programme. In November 2014 Switzerland decided to proceed with the payments, since they were of the view that it was proven that the Ökotárs was trustworthy. However, the Prime Minister’s Office decided that it would carry out an investigation/audit regarding the use of the Swiss NGO Fund itself, and it was reported on 16 December 2014 that until the 45-day governmental investigation procedure is over, no payments can be realized from the Swiss NGO Fund.⁶⁷</p> <p>→ At the end of 2014 a tripartite agreement was concluded between Switzerland, the Hungarian government and the Ökotárs in order to ensure that the NGOs supported receive their grant moneys. (Payments had not been realized from the Swiss NGO Fund since August 2014, affecting almost 30 projects, several of which had to be suspended.⁶⁸) The agreement was a provisional one (applying only to the period of the investigation), and set out that payments shall be made through the governmental Széchenyi Program Office.</p>

⁶² See e.g.: http://index.hu/belfold/2014/11/04/beintett_a_norveg_kormany_lazarnak_nem_fogadjak_el_a_meghivasat/. The related letter of Minister Helgesen is available here in English: <http://www.norvegia.hu/Norsk/EEA-and-Norway-Grants1/EEA-and-Norway-Grants/Helgesens-response-to-Mr-Lazar-on-the-KEHI-report/>.

⁶³ See: <http://civilosszefogas.hu/felkeres-jogszabaly-alkotasra/>.

⁶⁴ See: <http://atlatso.hu/2014/06/06/20-millio-forint-partpenz-290-millio-forint-maganadomany-a-kormany-civiljeinek/>.

⁶⁵ See e.g.: <http://nol.hu/belfold/feljelentett-civilek-1497967>.

⁶⁶ See in English: <http://www.bloomberg.com/news/articles/2014-12-15/hungary-premier-orban-sticks-to-maverick-path-as-u-s-ties-sour>.

⁶⁷ See e.g.: <http://444.hu/2014/12/16/svajc-mar-utalna-az-okotarsnak-a-civil-alapba-de-nem-hagyjuk/>.

⁶⁸ See e.g.: <http://www.hir24.hu/belfold/2014/12/16/lazar-a-norveg-utan-a-svajci-alapra-is-raszall/>.

	However, in-merit coordination of the Swiss NGO Fund is still carried out by the consortium. ⁶⁹
<i>19 January 2015</i> Prosecutorial and tax authority investigation of supported NGOs	On 19 January 2015 the Ökotárs informed the press that the National Tax and Customs Administration investigates two NGOs which received support from the EEA/Norway Grants NGO Fund, while the prosecutor's office investigates the lawfulness of the operations of another two such NGOs (these are not criminal investigations). Thus, state investigations not only focus on consortium members any more, but also the NGOs supported by the NGO Fund. ⁷⁰
<i>23 January 2015</i> Court decision labels police raid of NGOs unlawful	→ On 23 January 2015, the Buda Central District Court ruled on the complaint submitted by the Ökotárs to challenge the lawfulness of the police raid of the consortium's offices and the searches conducted in the offices and in the homes of Ökotárs representatives in September 2014. The court stated that the ordering of the searches and seizures was unlawful, since there was no well-founded suspicion that the criminal offence of embezzlement had been committed and there was no investigation in place into "unlicensed financial activities" (the other offence that the police referred to as the basis of its actions). ⁷¹
<i>28 January 2015</i> GCO informs the Government about terminating state audit	The head of the GCO informed the President of the Governmental Round Table of Equal Opportunities in a letter in January 2015 that the state audit of the EEA/Norway Grants had been completed and the audit report has been published on the GCO's website. This letter is the sole official document that states or provides information about completing and terminating the state audit.
<i>11 February 2015</i> Independent audit report in favour of fund operators	→ In February 2015, the results of an independent evaluation, conducted by a consulting company commissioned by the FMO, were published. The evaluators found e.g. that the "selection of the current Fund Operator in Hungary has been an excellent one", that "the selection process in all components of the programme ha[s] been organized in a professional and transparent way", and that it was "competitive with high standards". The report also concluded that it is "of critical importance that the NGO Programme in Hungary continues its implementation independently from the Government and operated by the current consortium". ⁷²
<i>20 February 2015</i> PM's Office: NGO leaders should account for personal assets	On 20 February 2015, during a sitting in the Parliament the head of the Prime Minister's Office stated that NGOs are important for the Government, but it requires transparency from the civil organizations, and elaborated that NGOs should not only account for where their money comes from, but also for their leaders' personal assets. ⁷³

⁶⁹ See e.g.: <http://vs.hu/kozelet/osszes/lazarek-kiturtak-az-okotarsat-az-alapitvany-cafol-1230>.

⁷⁰ See e.g.: http://hvg.hu/itthon/20150119_Okotars_Mar_a_tamogatott_civileket_is_viz.

⁷¹ See e.g.: http://hvg.hu/itthon/20150129_A_birosag_helyt_adott_az_Okotars_panaszan.

⁷² The country report on Hungary prepared in the framework of the mid-term evaluation of the of the NGO programmes under the EEA and Norway Grants is available here in English: <http://www.ngonorway.org/images/OutOftheBoxPart2COUNTRYREPORTS-1.pdf>, pp 28-47. The main evaluation report is available here: <http://www.ngonorway.org/images/OutOftheBoxPart1MAINREPORT-3.pdf>.

⁷³ See e.g.:

http://index.hu/belfold/2015/02/20/lazar_a_civil_szervezetek_vezetoinek_a_szemelyes_vagyonukkal_is_el_kell_szamolniuk#.

<p>23 February and 28 May 2015</p> <p>Court turns to Constitutional Court regarding the suspension of tax numbers</p>	<p>→ On 23 February 2015, after members of the consortium distributing the EEA/Norway Grants NGO Fund requested a judicial review of the decision suspending their tax numbers, the competent court set a date for the hearing in the case of the Ökotárs, the DemNet and the Autonómia Foundation, and suspended the application of the tax authority's decision until the end of the court procedure, allowing the NGOs to continue their operation.⁷⁴ In addition, on 28 May 2015 the court proceeding in the tax number case of the Kárpátok Foundation (the fourth consortium member) decided to suspend the court procedure and filed a request to the Constitutional Court for the constitutional review of the decision suspending the organization's tax number and of the government decree on the GCO.⁷⁵</p>
<p>23 March 2015</p> <p>NGO wins FOI lawsuit related to GCO audit</p>	<p>→ On 23 March 2015, the first instance court decided in a lawsuit launched by the Hungarian Civil Liberties Union that the GCO shall disclose whether the GCO's investigation was ordered upon the instruction of the Government, the Prime Minister and the respective Minister, whether the instruction was given in writing or orally, and if in writing, than the GCO should also disclose the document containing the instruction.⁷⁶</p>
<p>26 May 2015</p> <p>Letter of Norway about settling issues of suspended funds</p>	<p>According to the information released by the Prime Minister's Office, Vidar Helgesen, the Norwegian Minister of EEA and EU Affairs sent a letter to János Lázár, and offered an official meeting between Norway and Hungary to establish ways of cooperation and the settlement of issues that led to the suspension of Norwegian funds of Hungarian governmental projects in May 2014.</p>
<p>28 May 2015</p> <p>Independent company concludes that handling of the NGO Fund is appropriate</p>	<p>→The London-based PKF Littlejohn accounting company, after conducting the review of the distribution of the EEA/Norway Grants NGO Fund in Hungary upon the request of Norway, concluded that the handling of the fund and the evaluation mechanisms in place complied with the respective regulations. The company's report also referred to the efficiency of the NGO Fund. In addition, the PKF Littlejohn reviewed also some projects supported by the NGO Fund and these investigations also had a positive result in general, although some minor mistakes were revealed which were said to be addressed in the near future.⁷⁷</p>
<p>28 May 2015</p> <p>National Anti-Corruption Program foresees severing rules on NGOs</p>	<p>In May 2015, the Government published its National Anti-Corruption Program for the period between 2015 and 2018. The program has been weakened on several points, for example it does not address the declaration of assets by the Members of the Parliament. At the same time the program foresees the review of the regulation on civil society organizations regarding their transparency and examining the possibilities of widening the scope of civil society leaders obliged to submit a declaration of assets.⁷⁸</p>

⁷⁴ See e.g.: http://hvg.hu/itthon/20150224_Egyelore_visszakapta_adoszamat_az_Okotars.

⁷⁵ See e.g.: <https://norvegcivilalap.hu/hu/node/11451>, <http://444.hu/2015/05/28/az-alkotmanybirosag-ele-kerul-a-norveg-civil-penzek-sorsarol-donto-alapitvany-ugye/>.

⁷⁶ See e.g.: http://hvg.hu/itthon/20150323_Pert_vesztett_a_Kehi_a_civileknel_elrende.

⁷⁷ See e.g.:

http://www.norvegia.hu/News_and_events/EGT_%C3%A9s_Norv%C3%A9g_Finansz%C3%ADroz%C3%A1si_Mechanizmus/A-Norveg-Civil-Tamogatasi-Alap-vizsgalata/#.VctCkbXhr96.

⁷⁸ See e.g.: <http://vs.hu/kozelet/osszes/a-civileket-veszi-celba-a-nemzeti-korrupcioellenes-program-0528>. For the respective parts of the National Anti-Corruption Program in Hungarian, see:

<http://www.kormany.hu/download/5/e8/50000/Nemzeti%20Korrupci%C3%B3ellenes%20Program.pdf#IDocumentBrowse>, pp. 34-36.

<p>23 June 2015</p> <p>Official meeting of FMO and Hungarian government</p>	<p>The official meeting between the representatives of the Norwegian and Hungarian governments took place in Brussels and it was a first step towards a new cooperation and the settling of issues that led to the suspension of Norwegian funds of Hungarian governmental projects on 9 May 2014.⁷⁹</p>
<p>30 June 2015</p> <p>Prosecutorial investigation of supported NGOs finds only administrative mistakes</p>	<p>In June 2015, the investigation of the prosecutor's office into the lawfulness of the operation of seven organizations who received funding from the EEA/Norway Grants NGO Fund was concluded. The investigation revealed administrative irregularities with regard to three organizations (e.g. one of the foundations failed to publish its annual reports for 2012 and 2013 on its website, while another foundation remedied the violation of the rules after it became aware of the prosecution's investigation). Three organizations investigated have already ceased to operate, and in one instance the legal basis of the investigation ceased.⁸⁰</p>
<p>30 June 2015</p> <p>Court rules that the governing party violated an NGO's right to good reputation</p>	<p>→ On 30 June 2015, a final judgment was reached in the Hungarian Helsinki Committee's lawsuit against the governing party and its spokesperson. The court concluded that by stating at a press conference in August 2013 that NGOs including the Hungarian Helsinki Committee are "fake" and "paid extras", which regularly attack the Hungarian government's actions in return for "American money", the governing party and its spokesperson violated the Hungarian Helsinki Committee's right to good reputation. The decision obliged the respondents to apologize publicly for their statements.⁸¹</p>
<p>15 July 2015</p> <p>Court rejects NGOs' compensation claim</p>	<p>→ Two consortium members (the DemNet and the Kárpátok Foundation) sued the GCO for compensation because of the procedures conducted against them. However, on 15 July 2015 the Metropolitan Tribunal rejected their claims.⁸²</p>
<p>28 July 2015</p> <p>GCO discloses the list of NGOs subject to audit</p>	<p>→ On 28 July 2015, upon the request of Transparency International Hungary, the GCO disclosed the list of organizations supported by the EEA/Norway Grants NGO Fund which were subject to the GCO's audit earlier.⁸³</p>
<p>5 October 2015</p> <p>CC ruling on the law regarding tax number</p>	<p>On 5 October 2015, the Constitutional Court ruled that the legal provision on the basis of which the tax number of the consortium members distributing the EEA/Norway Grants NGO Fund was suspended was constitutional.⁸⁴ The decision was delivered with a 4-1 vote. In her dissenting opinion, Constitutional Court judge Ágnes Czine claimed that the challenged provision renders judicial review formal and void and therefore violates the right</p>

⁷⁹ <http://vs.hu/kozelet/osszes/lazarek-egy-ev-haboruzas-utan-bekulhetnek-norvegiaval-0610#!s5>

⁸⁰ See e.g.: <http://vs.hu/kozelet/osszes/a-kormany-igazolt-nak-latja-a-fellepeset-a-norveg-civil-alap-ugyeben-0630#!s0>.

⁸¹ See e.g.: <http://helsinki.hu/jogeros-a-hoppal-ugyben-hozott-itelet>, <http://budapesttimes.hu/2015/07/03/helsinki-committee-wins-libel-case-against-fidesz/>.

⁸² See e.g.: <http://kehi.kormany.hu/http-os-mti-hu-hirek-108953-a-kormanyzati-ellenorzesi-hivatal-kozlemenye>, http://index.hu/belfold/2015/07/15/nem_kapnak_karteritest_a_norveg_alapos_szervezetek/.

⁸³ See: <http://bit.ly/1LSvfoW> and <http://bit.ly/1Mz960D>.

⁸⁴ The respective decision of the Constitutional Court is available here in Hungarian:

<http://public.mkab.hu/dev/dontesek.nsf/0/5216BF6385013BEFC1257E8A00583B49?OpenDocument>.

suspension	to a fair procedure.
<i>7 October 2015</i> Criminal investigation terminated	In October 2015, the criminal investigation against Ökotárs and 17 other NGOs was terminated by the tax authority's investigative unit. ⁸⁵ The basis of the decision was partly that no criminal offence had been committed, and partly that the continuation of the investigation was unlikely to yield any result. The GCO submitted a complaint against the decision. ⁸⁶
<i>21 October 2015</i> PM's Office: consortium functioned unlawfully	Subsequently, on 21 October 2015, the head of the Prime Minister's Office, János Lázár claimed in an interview that despite the termination of the investigation, he was of the view that Ökotárs carried out its activities in an unlawful manner when it distributed the funds discriminatively. He claimed that his conviction was based on the fact that he had read all the documents of the case. ⁸⁷
<i>30 October 2015</i> PM on migrants and George Soros	In its weekly radio interview on 30 October 2015, Prime Minister Viktor Orbán said, among others, the following: the flooding in of migrants is enhanced by those activists "who support everything that weakens the nation states", and that this Western way of thinking and network of activists may best be hallmarked by the name of George Soros. ⁸⁸
<i>6 November 2015</i> Coalition party MP's letter to NGOs funded by OSF	István Hollik, an MP of the Christian Democratic People's Party (the coalition partner of Fidesz) sent an open letter to a number of NGO's supported by the Open Society Foundations (OSF), stating that George Soros regards it his task to eliminate – as obstacles – the borders of sovereign countries so that refugees could have an easier access to Europe, and stated that it is a well-known fact that the Soros Foundation's (sic!) board members decided to fund the Hungarian Civil Liberties Union, the Transparency International Hungary and the Hungarian Helsinki Committee with hundreds of millions of forints. The MP went on to say that on this basis it seems justified to presume that George Soros wishes to impose his opinions concerning the migration problems of Hungary through the organizations supported by the foundation hallmarked by his name. István Hollik asked the above NGOs to clarify whether it is fair to presume that they support George Soros's ideas, and stated that they should also make it clear whether they accept that by doing so they incite crowds of people to disregard fundamental values laid down in Hungarian and international law. ⁸⁹
<i>24 November 2015</i> Agreement between FMO and Hungarian Government	At the annual meeting of the EEA and Norway Financial Mechanism 2009–2014 for Hungary, officials of the FMO and representatives of the Hungarian government concluded an agreement about lifting the suspension of EEA/Norway Grants funds for government projects. It was an express condition of this agreement that the Hungarian government terminates all proceedings against organizations handling and receiving grants from the EEA/Norway Grants NGO Fund, and that it guarantees that it would not launch any more such proceedings against these NGOs. ⁹⁰

⁸⁵ See e.g.: http://hvg.hu/itthon/20151020_Megszuntettek_a_nyomozast_az_Okotars_elle.

⁸⁶ See e.g.: <http://nepszava.hu/cikk/1074232-a-kehi-nem-szall-le-az-okotarsrol>.

⁸⁷ See e.g.: http://hvg.hu/itthon/20151021_Lazar_kitart_amellett_hogy_az_Okotars_bun.

⁸⁸ See: <http://www.kormany.hu/hu/a-miniszterelnok/hirek/europa-nepei-kezdenek-felebredni>.

⁸⁹ See: <http://www.fidesz.hu/hirek/2015-11-06/hollik-istvan-nyilt-levelben-fordult-jogvedo-szervezetekhez/>.

⁹⁰ See in English: <http://www.politico.eu/wp-content/uploads/2015/12/Hungary-Annual-Meeting-24-November-20151.pdf>.

<p>9-11 December 2015</p> <p>Suspension of funds to Hungary under EEA/Norway Grants is lifted</p>	<p>In December 2015, the suspension of the disbursement of funds to Hungary under the EEA/Norway Grants scheme, aimed at reducing economic and social disparities in Hungary, was lifted, because the Hungarian authorities had fulfilled the conditions set by Norway regarding the control functions and implementation of the grants in Hungary. The Hungarian authorities had also guaranteed that they will respect the agreements on the management of the funds allocated by Norway to Hungarian NGOs.⁹¹</p>
<p>11 December 2015</p> <p>Anti-NGO statements at delegate congress of Fidesz</p>	<p>János Lázár, outgoing Vice President of the governing Fidesz party and head of the Prime Minister's Office, called the civil sector the third pole of politics at the party's delegate congress in December 2015. He also voiced his opinion that the reason why this third pole had not yet been incorporated into the political sphere was mainly that there were NGOs which were paid to demonstrate and advocate for certain causes and who enjoyed the support of George Soros.⁹²</p>
<p>22 December 2015</p> <p>Press release of MTI: negotiations with Norway ended with success and the "sovereignty of Hungary is guaranteed"</p>	<p>A Government press release issued through the Hungarian News Service (MTI) on 22 December 2015 said the following: "The negotiations with Norway about lifting the suspension of Norwegian Funds of governmental projects were deemed successful by the Hungarian Government. As a result of the agreement the sovereignty of Hungary is entirely guaranteed which means that in the future foreign governments will not be able to distribute grants in Hungary without the cooperation and control of the Hungarian government. Moreover, through this we achieved that Ökotárs Foundation will not be a party to the consortium that awards and distributes the grants in the next funding period. Our debate with Norway started because of the governmental concerns about the performance of Ökotárs, and these concerns are still valid."⁹³ However, the above cited Hungarian "control" is not mentioned at all in the memo of the Brussels meeting between the FMO and Hungarian Government representatives, which took place on 24 November 2016.</p>
<p>January–February 2016</p> <p>Tax authority investigations end without any result</p>	<p>Procedures launched by the National Tax and Customs Administration into NGOs were closed by January-February 2016 without any result. The written protocols closing the investigations all used the same wording, and the National Tax and Customs Administration stated in them that no further official proceedings would be launched on the basis of the investigations.</p>
<p>16 February 2016</p> <p>UN Special Rapporteur criticizes Hungary</p>	<p>The UN Special Rapporteur on the situation of human rights defenders pointed out in his end of mission statement issued on 16 February 2016, after his visit to Hungary, that human rights defenders in the country "are increasingly working in a rather polarised and politicised environment," while criticising attempts to de-legitimize defenders and undermine their peaceful and legitimate activities through criminal defamation and excessive administrative and financial pressure. The UN independent expert called on the Government of Hungary to</p>

⁹¹ See in English here: <https://www.regjeringen.no/en/aktuelt/suspension-of-eea-and-norway-grants-payments-to-hungary-lifted/id2467020/>, <http://www.reuters.com/article/us-norway-hungary-funding-idUSKBN0TT1YR20151210>, <http://www.politico.eu/article/orban-backs-down-in-battle-with-norwegian-ngos/>, <http://www.norvegia.hu/Norsk/EEA-and-Norway-Grants1/EEA-and-Norway-Grants/Lifting-of-suspension-of-payments-from-EEA-and-Norway-Grants-to-Hungary/#top>.

⁹² See e.g.: <http://nol.hu/belfold/visszaszamlalással-es-vastappsal-kezdozott-a-fidesz-kongresszusa-1579787>.

⁹³ See: <http://www.kormany.hu/hu/miniszterelnokseg/hirek/a-magyar-kormany-sikeresen-targyalt-norvegiaval>.

	refrain from stigmatising and intimidating human rights defenders, and ensure that they can conduct their work in an enabling legal and administrative environment. ⁹⁴
20 May 2016 PM: Soros-funded NGOs are a “background power”	On 20 May 2016, Prime Minister Viktor Orbán stated in an interview that organizations sponsored by Hungarian-American business executive George Soros are a “background power,” who were not elected by anyone, but “they still constantly aim to gain political influence”. ⁹⁵
25 May 2016 Listing of NGOs supported by George Soros	A news portal – enjoying state subvention – wrote about a “loud but minor human rights and civil activist network, whose media representation is much larger than their social support” and is supported by George Soros, and so was referred to as the “Soros-network”. The article also expressed concerns about the transparency of the listed NGOs’ financing. The list of NGOs corresponded to the earlier lists that appeared in relation to the government attacks against the NGOs receiving support through the EEA/Norway Grants NGO Fund. ⁹⁶
25 May 2016 PM’s Office refers to national security reports in relation to George Soros and supported NGOs	In one of his statements about the political activities of George Soros, János Lázár, head of the Prime Minister’s Office stated that the “entire domestic pro-migrant civil sector belongs to the sphere of influence of Soros,” and stated that his opinion is based on reports prepared by national security services. ⁹⁷ →As a result of this statement János Lázár had to clarify before the Parliament’s National Security Committee why and under which circumstances was George Soros and organizations allegedly linked to him under surveillance and why he revealed this confidential information in public. In his answer, the head of the Prime Minister’s Office stated that no civil organizations were under surveillance by national security services. ⁹⁸
8 June 2016 Suspicious device found in an NGO office	The Eötvös Károly Policy Institute (EKINT, one of the organizations listed earlier as part of the “Soros-network”), reported on 8 June 2016 that an electronic device had been found in its offices, which was attached to telephone and internet cables, and, according to an expert opinion, was suitable for data transmission. ⁹⁹
11 June 2016 Government spokesperson: Soros-NGOs use illicit measures	On 11 June 2016, the government-friendly online news portal, <i>Magyar Idők</i> , published an interview with Government spokesperson Zoltán Kovács, who stated that NGOs linked to George Soros had a positive role after the transition in the ‘90s, but nowadays they have crossed the line and try to intervene with the life of Central and Eastern European societies through illicit measures. ¹⁰⁰

⁹⁴ See in English: <http://www.ohchr.org/EN/NewsEvents/Pages/DisplayNews.aspx?NewsID=17037&LangID=E>.

⁹⁵ See: <http://www.miniszterelnok.hu/orban-viktor-interjuja-a-kossuth-radio-180-perc-cimu-musoraban-20160525/>.

⁹⁶ See: <http://888.hu/article-a-lista-a-soros-halozat-hazai-kitartottjai>.

⁹⁷ See e.g.: <http://www.atv.hu/belfold/20160525-lazar-titkosszolgalati-jelentesek-bizonyitjak-soros-magyarorszag-befolyasat>.

⁹⁸ See e.g.: http://hvg.hu/itthon/20160526_lazar_janos_soros_gyorgy_menekultek, <http://nepszava.hu/cikk/1096169-soros-ugy--lazar-a-bizottsag-elott-magyarazta/>.

⁹⁹ See e.g.: <http://index.hu/belfold/2016/06/08/professzionalis-poloskat-talaltak-az-eotvos-intezet-irodajaban/>.

¹⁰⁰ See: <http://magyaridok.hu/belfold/soros-gyorgy-hatalmi-kiserlete-740266/>.

<p>29 June 2016</p> <p>Court rules that Fidesz violated an NGO's right to good reputation</p>	<p>→ In June 2016, the lawsuit the Hungarian Helsinki Committee filed against Fidesz was concluded with a final judgment ruling that the Fidesz had violated the HHC's right to a good reputation. The lawsuit was launched by the Hungarian Helsinki Committee in 2015, after Fidesz had stated that the Hungarian Helsinki Committee is a "fake" NGO, which "executes the political orders" of international actors and tampers with data concerning asylum-seekers. The court obliged the Fidesz to refrain from such rights violations in the future, issue an apology and pay damages in the amount of HUF 1 million.</p>
<p>29 June 2016 and 6 October 2016</p> <p>Supreme Court ruling result: it is revealed that GCO audit was ordered by the PM</p>	<p>→ On 29 June 2016, the Supreme Court of Hungary decided in a lawsuit launched by the Hungarian Civil Liberties Union in 2014 that the GCO shall disclose on whose instruction the GCO's state audit and investigation into NGOs was launched, whether the instruction was given in writing or orally, and if in writing, then the GCO should also disclose the document containing the instruction.¹⁰¹ On 6 October 2016, the Hungarian Civil Liberties Union published the documentation received by them based on the above Supreme Court ruling, which showed that the state audit of the GCO into NGOs was launched on the basis of the instruction of the Prime Minister himself in May 2014.¹⁰²</p>
<p>26 September 2016</p> <p>Fidesz MP initiates national security inspection of NGOs</p>	<p>MP Szilárd Németh, Vice President of the Fidesz and of the Parliament's National Security Committee announced on 26 September 2016 in an interview that he requested the National Security Committee and the national security services to inspect the organizations "cooperating with the Soros-network". The MP stated that he identified 22 such organizations, and claimed that these organizations openly violate Hungarian and European laws, and participate in politics unlawfully, with "black money".¹⁰³</p>
<p>14 December 2016</p> <p>Spring legislative agenda foresees amendment of rules on NGOs</p>	<p>In 14 December 2016, the legislative agenda of the Parliament for 2017 spring was submitted to the Parliament by the Deputy Prime Minister, foreseeing the amendment of the law on civil organizations and the scope of those obliged to submit a declaration of assets.¹⁰⁴ The document refers to the National Anti-Corruption Program and a related Government resolution from 2015, which stated that in order to ensure the transparent operation of NGOs, the regulation on NGOs and the possibilities of widening the scope of those obliged to submit a declaration of assets should be examined.¹⁰⁵</p>
<p>10-11 January 2017</p> <p>Fidesz Vice President: "fake" NGOs supported by Soros have to be "swept out" from Hungary</p>	<p>MP Szilárd Németh, Vice President of the Fidesz and its parliamentary group stated at a press conference on 10 January 2017 that "the Soros empire's fake civil organizations are maintained so that global capital and the world of political correctness can be imposed on national governments. These organizations have to be rolled back with every means, and I think they have to be swept out of here." He added that he felt that the "international possibility" to do that had just emerged, referring to the election of Donald Trump as President of the United States, and that the Fidesz will support legislative efforts such as the</p>

¹⁰¹ See: <http://tasz.hu/informacioszabadsag/kuria-rabolintott-hogy-megismerhessuk-ki-rendelte-el-norveg-civilek-vegzasalat>.

¹⁰² See: <http://tasz.hu/informacioszabadsag/kideritettuk-hogy-orban-viktor-szemelyesen-rendelte-el-civilek-vegzasalat>.

¹⁰³ See e.g.: <https://444.hu/2016/09/26/nemeth-szilard-rakuldene-a-titkosszolgaltokat-a-sorossal-egyuttmukodo-szervezetekre>.

¹⁰⁴ The legislative program is available here:

http://www.parlament.hu/documents/10181/56621/Tvalk_program_2017_tavasz.pdf/77d69862-7613-4fe1-a490-d15975f5e81f (see item 37).

¹⁰⁵ Government Resolution 1336/2015. (V. 27.) on the Adoption of the National Anti-Corruption Program and the Plan on the Related Measures for 2015 and 2016, Paragraph 11, available here in Hungarian: http://njt.hu/cgi_bin/njt_doc.cgi?docid=175782.293609.

	<p>planned law prescribing that NGO leaders have to submit a declaration of assets, so that they can “see clearly”.¹⁰⁶ The next morning in a television interview he specifically named the Hungarian Civil Liberties Union, the Hungarian Helsinki Committee, and Transparency International Hungary as the NGOs that have to be “rolled back” and “swept out”. He also said that these NGOs want to have a say in politics without “legitimate participation”, i.e. having been elected.¹⁰⁷</p>
<p>11 January 2017 Coalition partner MP: obligation for NGO leaders to submit a declaration of assets may be justified</p>	<p>On 11 January 2017, István Hollik, MP of the Christian Democratic People’s Party stated at a press conference that there are NGOs which, even though they are registered as civil organizations, have primarily political goals, and even though they may not receive public funds, they may be corrupted, so the suggestion that NGO leaders should submit a declaration of assets may be justified. He added that the form for the declaration of assets will probably be the same as the one for MPs and Secretaries of State. He continued to say that there are NGOs who do not contribute at all to the economic and social development of Hungary, serve political aims, and are financed from abroad, thus, there is no point in their existence, and it is a natural reaction to place them under a stricter regulation.¹⁰⁸</p>
<p>12 January 2017 Controversial statements on Government plans regarding NGOs</p>	<p>At another press conference held on 12 January 2017, MP Szilárd Németh made controversial statements as to which NGOs are “fake” and which ones are “useful” in his view, referred to national security risks with regard to the activities of the Hungarian Civil Liberties Union and the Hungarian Helsinki Committee in relation to refugees, and said that even though they do not intend to “ban” the NGOs named, those about whom it turns out that “they serve the interests of foreign powers and the international big business as opposed to Hungarians, have nothing to do here”, and have to be stepped up against.¹⁰⁹</p> <p>Also on 12 January 2017, at the regularly held government press conference “Government Info”, János Lázár, head of the Prime Minister’s Office asked for “understanding” regarding the statements of MP Szilárd Németh, claiming that “the national wing” reacts sensitively to activities aimed at influencing public life, and claimed in relation to that that the appearance of “illegal migrants” at the border of Hungary was organized from abroad. He stated that “sweeping out” NGOs as such is not on the agenda of the Government, but he expressed his view that those who want to influence politics have to undertake publicity.¹¹⁰</p>
<p>13 January 2017 Government spokesperson also criticizes NGOs</p>	<p>On 13 January 2017, Government spokesperson Zoltán Kovács suggested in a television interview in relation to NGOs funded by George Soros that people calling themselves human rights defenders and civils fraternize or cooperate with terrorist and human trafficking organizations, willingly or unwillingly. He also stated that as far as its content goes, the Government agrees with the statements of MP Szilárd Németh, and went on to say that even though these NGOs were not elected by anybody, they still form opinions and try to take concrete political steps. The spokesperson also stated with regard to the Hungarian</p>

¹⁰⁶ See e.g.: <https://444.hu/2017/01/10/nemeth-szilard-minden-eszkozzel-el-kell-innen-takaritani-a-civil-szervezeteket>.

¹⁰⁷ See: <http://www.atv.hu/belfold/20170111-kiderult-ezektol-a-civil-szervezetektol-akar-megszabadulni-a-fidesz>.

¹⁰⁸ See e.g.: <https://444.hu/2017/01/11/hollik-istvan-a-civil-szervezetek-vezetoinek-olyan-vagyonnyilatkozatot-kell-majd-tenniuk-mint-a-kepviseloknek-es-az-allamtitkaroknak>.

¹⁰⁹ See e.g.:

http://hvg.hu/itthon/20170112_nemeth_szilard_civilek_tasz_soros_gyorgy_sajtotajekoztato_helsinki_bizottsag_transparency_international_al

¹¹⁰ See e.g.: <http://www.kormany.hu/hu/miniszterelnokseg/video/kormanyinfo-75-vissza-kell-allitani-az-idegenrendeszeti-orizetet>, <https://444.hu/2017/01/12/lazar-megertest-ker-nemeth-szilard-nyilatkozataihoz>.

	<p>Helsinki Committee that while in 2006 (when the Fidesz suggested that the NGO receives a decoration) it strived to restore elements related to the fundamental legal order and the concept of democracy, thus is not the case anymore: the NGO may say that its goal is the latter, but in reality, it wants to make politics.¹¹¹</p>
<p>10 February 2017 PM: Hungary needs to take up struggle against international organizations and their Hungarian branches</p>	<p>In his annual state of the nation speech on 10 February 2017, Prime Minister Viktor Orbán said the following: “in 2017 we will also need to take up the struggle against international organizations’ increasingly strong activists. [...] It is a problem that foreign funding is being secretly used to influence Hungarian politics. [...] [T]he question is whether we should yield to covert foreign attempts to exert influence. We are not talking about non-governmental organizations fighting to promote an important cause, but about paid activists from international organizations and their branch offices in Hungary. Are we going to do something to at least ensure transparency, and make these issues publicly known?” The Prime Minister continued by referring to the “transnational empire of George Soros, with its international heavy artillery and huge sums of money”, and stated that “the organizations of George Soros are working tirelessly to bring hundreds of thousands of migrants into Europe”.¹¹²</p>
<p>17 February 2017 Fidesz plans on submitting Bill on the transparency of NGO funding</p>	<p>The head of the Fidesz parliamentary group, Lajos Kósa said at a press conference on 17 February 2017 that the Fidesz parliamentary group plans to submit a Bill to the Parliament in March 2017 with the aim to ensure the transparency of the Hungarian branches of international organizations, stating that there are “many organizations who have an extensive network of agents in Hungary”. According to Lajos Kósa, the reason behind the planned Bill is that “the Hungarian voters should know if these organizations want to exert influence in Hungary by using foreign funding”. According to the plans, consequences of non-compliance will include revoking the organizations’ tax numbers, so that they cannot operate. He added that they do not plan to oblige NGO leaders to submit a declaration of assets.¹¹³ (It has to be added in this regard that it is an existing obligation for public benefit civil organizations in Hungary to publish their finances.)</p>
<p>20 February 2017 PM announces national consultation on “foreign influencing”</p>	<p>In his speech opening the Parliament’s spring session, Prime Minister Viktor Orbán announced that a “national consultation” will be held about five threats to Hungary, including “illegal migration” and the “foreign influencing attempts”.¹¹⁴</p>
<p>21 February 2017 Fidesz faction discusses planned rules on foreign</p>	<p>It was reported on 21 February 2017 by the media that at the parliamentary group meeting of Fidesz the NGOs supported by the Open Society Foundations and specifically the Hungarian Civil Liberties Union, the Hungarian Helsinki Committee, and Transparency International Hungary were named as the target group of the envisaged Bill on the foreign funding of NGOs. According to sources, the threshold for the sum of support from abroad</p>

¹¹¹ See: <http://www.atv.hu/belfold/20170113-kormanysovivo-a-civil-szervezetek-terrorszervezetekkel-cimboralnak>.

¹¹² The Prime Minister’s speech is available here in English: <http://www.miniszterelnok.hu/prime-minister-viktor-orbans-state-of-the-nation-address-2/>.

¹¹³ See e.g.: <http://index.hu/belfold/2017/02/17/folytatodik-a-fidesz-civil-szervezetek-elleni-arnyekbokszo-lasa/>, <http://www.atv.hu/belfold/20170217-kosa-marciusban-kerul-a-haz-ele-a-civilek-atlathatosagarol-szolo-javaslat>.

¹¹⁴ See e.g.: <http://www.origo.hu/itthon/20170220-orban-viktor-napirend-elott-ot-veszely-nemzeti-konzultacio.html>.

<p>funding of NGOs</p>	<p>to be reported is still to be established, and it seems that a new registry category, the “organization supported from abroad” will be introduced for those NGOs whose foreign funding exceeds a certain sum or proportion. Sources also claimed that it was voiced at the meeting that the real aim of these steps is to place the data acquired into the “political communication space”.¹¹⁵</p>
<p><i>21 February 2017</i> Norway: Hungary will have no veto over NGO Fund</p>	<p>On 21 February 2017, it was also reported by the media that even though the Prime Minister’s Office claimed that the Hungarian Government will have a veto power with regard to the selection of the Hungarian organization managing the funds from the EEA/Norway Grants NGO Fund, the spokesperson of the Norwegian Minister responsible for EU affairs stated that those managing the distribution of the NGO Fund will be selected by the donor countries instead.¹¹⁶</p>

For FAQ in English regarding the EEA/Norway Grants and the NGO Fund in Hungary, see the information issued by the Royal Norwegian Embassy [here](#).

A communication brief on the government attacks against Hungarian NGOs between 2013 and 2016 is available [here](#) in English.

¹¹⁵ See: http://hvg.hu/itthon/20170221_civilek_soros_kormany_nemeth_szilard.

¹¹⁶ See e.g.: <http://magyarnarancs.hu/belpol/jon-a-norveg-magyar-visszavago-a-civil-penzekert-102628>.