

TIMELINE OF GOVERNMENTAL ATTACKS AGAINST HUNGARIAN NGO SPHERE

12 AUGUST 2015

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 are 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”.

<i>14-15 August 2013</i>	NGOs “serving foreign interests” are listed by government-friendly newspapers; it is alleged that the “crew” of György Soros has an “outstanding role” in distributing the money in the framework of the EEA/Norway Grants NGO Fund. Allegations are declined both by the Ökotárs Foundation (which leads the Hungarian consortium of fund operators) and the Norwegian government.
<i>17 August 2013</i>	The spokesperson of the governing party Fidesz echoes the newspapers’ above allegations. Later on, in a civil procedure launched against the spokesperson and the Fidesz by an NGO, they do not even try to substantiate the spokesperson’s statements.
<i>8 April 2014</i>	The head of the Prime Minister’s Office claims in a letter to the Norwegian government that the Ökotárs is in his view closely linked to an opposition party. Allegations of political influence are again rejected by the Ökotárs and Norway.
<i>11 April 2014</i>	It turns out that Századvég Foundation, an important background institution of the government , also participated in the tender for the position of fund operator with regard to the NGO Fund, but was not considered impartial and was not selected .
<i>30 April 2014</i>	Senior representative of the Prime Minister’s Office calls the operators of the Hungarian NGO Fund “party-dependent, cheating nobodies”.
<i>6 May 2014</i>	The head of the Prime Minister’s Office requests from Norway in vain that the NGO Fund in Hungary is “suspended” , and indicates that the government wishes to enter into negotiations as to the new fund operator.
<i>21 May 2014</i>	The government requests the Government Control Office (GCO), a state agency vested with the right to audit state money, to launch an audit into how the NGO Fund is managed. The secretariat of the donor countries (the Financial Mechanism Office, FMO)

	<p>states that the audit is in breach of the respective agreements.</p>
<i>28 May – 1 June 2014</i>	<p>It comes to light that a governmental list has been prepared about potentially “problematic” NGO projects under the EEA/Norway Grants, corresponding with the list of NGOs cited by newspapers in August 2013. A governmental list of “left wing” and “incompatible” evaluators also emerges.</p>
<i>2 June 2014</i>	<p>The GCO carries out an on-site audit at three members of the consortium of fund operators and demands that certain documents are handed over. The Norwegian authorities express their strong concern about Hungary’s actions.</p>
<i>12 June 2014</i>	<p>After a high-level state meeting, Norway expresses that halting the GCO’s audit is one of the preconditions for lifting the earlier suspension of the EEA and Norway Grants. (Payments to Hungary under the EEA and Norway Grants scheme were suspended in May 2014 because Hungary has breached the respective agreements.)</p>
<i>16 June 2014</i>	<p>Even though the FMO asked the GCO earlier to address further requests to the FMO instead of the fund operators, the GCO requests another set of documents from the Ökotárs, which does not comply with the request after the FMO asks it not to.</p>
<i>25-27 June 2014</i>	<p>A government-friendly newspaper falsely states that an audit report prepared by Ernst & Young supports the state’s accusations. The government refers for the first time to the possibility that the Ökotárs may have committed a criminal offence.</p>
<i>June 2014</i>	<p>The GCO requests, with a very short deadline, project documentation and organizational materials from 58 NGOs supported by the NGO Fund. Some of the NGOs question the legal basis of the audit, but comply with the request (taking also into account that the GCO may suspend their tax numbers in case of non-cooperation). Four NGOs decide to make project documentation available on their websites instead of submitting it to the GCO.</p>
<i>21 July 2014</i>	<p>The GCO sends another request for documents to Ökotárs, now threatening to impose fines and/or to suspend the organization’s tax number in case of non-cooperation. The new documents concern also the NGOs supported. The Ökotárs questions why these documents are necessary to achieve the stated goal of the investigation.</p>
<i>23 July 2014</i>	<p>Upon the complaints of NGOs the Ombudsperson of Hungary concludes 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.</p>
<i>26 July 2014</i>	<p>In the speech declaring that he and his government build an “illiberal state”, the Prime Minister says that their efforts in that regard are obstructed by civil society organizations, and refers to NGOs as “paid political activists who are trying to help foreign interests”.</p>
<i>August 2014</i>	<p>A criminal procedure is launched against the Ökotárs on the suspicion of fraud by an individual; the underlying criminal offence is altered to fraudulent misuse of funds later on.</p>

	<p>It is announced that the GCO initiated a criminal procedure on the suspicion of “unauthorized financial activities”, supposedly against the Ökotárs, which states that it has indeed given loans to NGOs from its own capital to help with the financing of their EU-projects, but did not derive any benefit from it, this activity was included in its public reports, and is not related to the EEA/Norway Grants NGO Fund.</p>
3 September 2014	<p>The Hungarian DPA obliges the Ökotárs to disclose the list of non-supported applicants and the justification for not supporting them to a government-friendly television channel.</p>
8 September 2014	<p>Offices of fund operators Ökotárs and DemNet are raided by the police, who show up in disproportionately high numbers; homes of certain staff members are searched. The police especially seize documents concerning the 13 “blacklisted” NGOs, giving rise to suspicions that the criminal procedure was used to access documents the GCO could not. The Norwegian Minister of EEA and EU Affairs states that the police raid was “completely unacceptable”.</p>
11 September 2014	<p>The scope of the GCO’s audit is extended to funds received by the Ökotárs in the framework of the Swiss-Hungarian Cooperation Programme and from other state budget sources.</p>
15 September 2014	<p>In his speech delivered at the opening of the autumn session of the Parliament Prime Minister Viktor Orbán suggests that NGOs apply double standards.</p>
18-24 September 2014	<p>The tax number of fund operators is suspended. Later, fund operators request a judicial review of the decision suspending their tax numbers.</p>
23-24 September 2014	<p>U.S. President’s statement on Hungary intimidating NGOs is labelled as being without any factual basis by the Ministry of Foreign Affairs and Trade.</p>
1 October 2014	<p>A representative of the Prime Minister’s Office says that the reason behind the U.S. President’s above statement is that American political circles fear for their “network” in Hungary.</p>
22 October 2014	<p>The GCO publishes its audit report, containing generalized and highly questionable critical conclusions. Later on, Norway states that the NGO Fund donors will not accept the GCO’s audit report and engage in discussions based on it, and will base their evaluation of the NGO Fund on an independent audit instead.</p>
12 November 2014	<p>The GCO initiates criminal procedure on the basis of the report and requests an extraordinary tax audit on the basis of its findings.</p>
15 December 2014	<p>The Prime Minister states in an interview that he would back legislation to force NGOs funded from abroad to be specially registered, because it’s important to know “who’s in the background” of such groups.</p>
16 December 2014	<p>The Prime Minister’s Office decides to carry out an own investigation regarding the use of the Swiss NGO Fund, and that until that investigation is over, no payments can be realized from the Swiss NGO Fund.</p>

19 January 2015	The Ökotárs informs the press that state investigations are extended to NGOs only receiving grants from the NGO Fund : two such NGOs are investigated by the national tax authority, while the prosecutor's office investigates the lawfulness of the operations of another two such NGOs (these are not criminal investigations).
23 January 2015	A court decision concludes with regard to the police raid of consortium members in September 2014 that the ordering of the searches and seizures conducted in the offices of consortium members and homes of Ökotárs representatives has been unlawful .
11 February 2015	An independent evaluation , conducted by a consulting company commissioned by the FMO concludes e.g. that the “selection of the current Fund Operator in Hungary has been an excellent one” and 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”.
20 February 2015	The head of the Prime Minister's Office states that NGOs should not only account for where their money comes from, but also for their leaders' personal assets .
23 February 2015	The court sets a date for the hearing in the case of the suspension of three consortium members' tax numbers, and suspends the application of the tax authority's respective decision until the end of the court procedure, allowing the NGOs to continue their operation.
28 May 2015	The court proceeding in the tax number case of the fourth consortium member decides to suspend the court procedure and files 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 .
28 May 2015	An independent accounting company commissioned by Norway to review the NGO Fund's distribution in Hungary concludes that the handling of the fund and the evaluation mechanisms in place complied with the respective regulations .
28 May 2015	The National Anti-Corruption Program for 2015–2018 is published, which foresees severing rules on NGOs regarding their transparency and examining the possibilities of widening the scope of civil society leaders obliged to submit a declaration of property.
30 June 2015	The prosecutorial investigation into the lawfulness of the operation of seven NGOs who received funding from the NGO Fund is concluded and finds only administrative irregularities regarding three NGOs (others have ceased to operate or the legal basis of the investigation ceased).

For FAQ in English regarding the EEA/Norway Grants and the NGO Fund in Hungary, see the information issued by the Royal Norwegian Embassy:

<https://norwayportal.mfa.no/Norvegia--hivatalos-honlapja-Magyarorszagon/Norsk/EEA-and-Norway-Grants1/EEA-and-Norway-Grants/Frequently-Asked-Question-about-the-EEA-and-Norway-Grants-/#.VBnOpVekPgF>