

Standing and operational space of non-governmental organisations (NGOs) in contributing to respecting and promoting fundamental rights in EU Member States

Hungary 2017

Contractor's name: Milieu Limited

Author(s) name: Dr. Júlia Mink

Reviewed by: Balázs Majtényi

DISCLAIMER: This document was commissioned under contract as background material for a comparative analysis by the European Union Agency for Fundamental Rights (FRA) for the report 'Challenges facing civil society organisations working on human rights in the EU'. The information and views contained in the document do not necessarily reflect the views or the official position of FRA. The document is made publicly available for transparency and information purposes only and does not constitute legal advice or legal opinion.

Table of contents

1. Regulatory environment for the work of non-governmental organisations	3
Title of legislation	3
and reference.....	3
2. EU Member State government funding for non-governmental organisations – trends and developments 2011-2016	22
a) Overall amount of government funding.....	22
i. Trends in direct government funding	24
ii. Indirect government funding	27
b) Distribution of government funding.....	29
c) Restrictions (or other changes) on NGO funding from other sources ..	32
3. Access to the decision-making process for non-governmental organisations working on fundamental rights.....	33

1. Regulatory environment for the work of non-governmental organisations

Several NGOs mentioned that the cardinal legislative changes affecting the constitutional system, rule of law, checks and balances and democratic processes in Hungary had a major effect on their work. The Eötvös Károly Policy Institute (*Eötvös Károly Intézet, EKINT*),¹ the Hungarian Helsinki Committee (*Magyar Helsinki Bizottság, HHC*)² and the Hungarian Civil Liberties Union (*Társaság a Szabadságjogokért, HCLU*)³ between 2010 and 2013 issued a number of fact sheets and analyses on the constitutional changes in Hungary.⁴

Major legislative changes constituted major challenges in various fields of human rights protection for the respective organisations. Chance for Children Foundation (*Esélyt a Hátrányos Helyzetű Gyerekeknek Alapítvány, CFCF*)⁵ mentioned, as a major source of confrontation, governmental endeavours to make segregation of Roma children legally possible in church schools, while HHC was confronted with the accrued politicisation of issues related to migration and asylum law, which resulted in a constantly degrading regulatory climate.⁶

Title of legislation and reference	Topic (please make reference to categories A-F see guidelines)	Effect on civil society (positive or negative) Please include reference to source of information
Act CLXXV of 2011	Relevant changes	Content of the

¹ Eötvös Károly Policy Institute was created in January 2003 by the Soros Foundation, its main purpose is "to raise professional and general public awareness and to shape the political agenda in issues with an impact on the quality of relations between citizens and public power. The Institute is deeply committed to the liberal interpretation of constitutionality, constitutional democracy, and individual rights, and labors to support initiatives instrumental in bringing about a civil political culture inspired by the spirit of solidarity." Available at: <http://www.ekint.org/en/about>.

² The Hungarian Helsinki Committee is a "non-governmental watchdog organisation that protects human dignity and the rule of law through legal and public advocacy methods". Available at: <http://www.helsinki.hu/en/>.

³ The Hungarian Civil Liberties Union is "active in protecting the rights of citizens against undue interference by those in position of public power. The HCLU monitors legislation, pursues strategic litigation, conducts public education and launches awareness raising media campaigns". Available at: <http://tasz.hu/>.

⁴ Hungarian Helsinki Committee (HHC), Eötvös Károly Policy Institute (EKINT) and Hungarian Civil Liberties Union (HCLU), Analyses on the Constitutional Changes in Hungary 2010–2013. Available at: <https://sites.google.com/site/ruleoflawinhungary/>.

⁵ Chance for Children Foundation aims at fighting for equal rights in education for Romani and marginalised children, focusing on school desegregation. Available at: <http://www.cfcf.hu/>.

⁶ Chance for Children Foundation (CFCF), telephone interview, 23 February 2017.; Hungarian Helsinki Committee, telephone interview, 10 February 2017.

<p>on the rights to association, non-profit status, and the operation and funding of civil society organisations (<i>Act CLXXV. of 2011</i>)⁷ repealed Act II of 1989 on the right to association.⁸</p> <p>Act V of 2013 on the Civil Code (Act V of 2013)⁹ repealed Act IV of 1959 on the Civil Code, (Act IV of 1959).¹⁰</p> <p>Act CLVI of 1997 on public utility organisations (Act CLVI of 1997)¹¹ was repealed by Act CLXXV of 2011.</p> <p>Government Decree 350/2011 (XII. 30) on certain issues related to the economic operation, the collection of donations, and non-profit status of civil</p>	<p>primarily affected from topics A-F</p> <p>Topic C: freedom of association</p> <p>Topic D: charitable (non-profit) status</p>	<p>legislative changes introduced (establishment, dissolution of civil organisations, and public utility status):</p> <p>The new legislative acts brought about changes concerning the establishment and dissolution of civil organisations e.g. on the compulsory content of the founding documents, on the conception and termination of membership to an association, on the competence of the general assembly of associations, and to the conditions of public utility (non-profit) status (<i>közhasznúsági státus</i>). The new conditions of public utility status required non-governmental organisations (NGOs) to prove that they have adequate public support and resources to fulfil a public utility activity, as prescribed by law. The responsibility for damages of the leading officials of</p>
--	--	--

⁷ Act CLXXV. of 2011 on the right of association, non-profit status, and the operation and funding of civil society organisations (*2011. évi CLXXV. törvény az egyesülési jogról, a közhasznú jogállásról, valamint a civil szervezetek működéséről és támogatásáról*).

Available at: http://njt.hu/cgi_bin/njt_doc.cgi?docid=139791.323137.

⁸ Act II of 1989 on the right to association (*1989. évi II. törvény az egyesülési jogról*). Relevant version not available online, upon demand accessible from *Nemzeti Jogszabálytár* (njt.hu).

⁹ Act V of 2013 on the Civil Code (new Civil Code) (*2013. évi V. törvény a Polgári Törvénykönyvről*). Available at: http://njt.hu/cgi_bin/njt_doc.cgi?docid=159096.323416.

¹⁰ Act IV of 1959 on the Civil Code (*1959. évi IV. törvény a Polgári Törvénykönyvről*). Available at: http://njt.hu/cgi_bin/njt_doc.cgi?docid=481.255464.

¹¹ Act CLVI of 1997 on public utility organisations (*1997. évi CLVI. törvény a közhasznú szervezetekről*), Relevant version not available online, upon demand accessible from *Nemzeti Jogszabálytár* (njt.hu).

<p>organisations (GD 350/2011).¹²</p>		<p>NGOs has also been extended.¹³ (see e.g. Articles 3.1–3.38, 3.48; Articles 3.63–3.87; Articles 3.378–3.404, new Civil Code. Chapter I, II, IIA, Article 3–10 F); Chapter VII, Articles 31–50, Act CLXXV of 2011. Article 12, Appendix, GD 350/2011; Articles 61–64, Act IV of 1959).</p> <p>By 1 June 2014, NGOs had to initiate the re-registration of their public utility status (Article 75 (5), Act CLXXV of 2011). NGOs also had to adjust their operational activities and amend their founding documents according to the new Civil Code until March 2017. Formerly, in order to receive public utility status, civil organisations needed to designate as their sphere of interest a public utility activity listed in Act CLVI of 1997. Under the new rules, associations aspiring for this status have to designate an exact legal provision of any related acts, which underscores</p>
--	--	--

¹² Government Decree 350/2011 (XII. 30) on certain issues related to the economic operation, the collection of donations and non-profit status of civil organisations (350/2011. (XII. 30.)) (Korm. rendelet a civil szervezetek gazdálkodása, az adománygyűjtés és a közhasznúság egyes kérdéseiről). Available at: http://njt.hu/cgi_bin/njt_doc.cgi?docid=142946.261455.

¹³ Civil Információs Portál, *Segédlet a civil szervezetekre vonatkozó anyag áttekintéséhez*, available at: <http://civil.info.hu/documents/10179/6e2b94c3-b629-493e-935e-93bca8d0ff7a>; Civil Információs Portál, EMMI Civil Kapcsolatok Főosztálya, *Az új Polgári Törvénykönyv és a Civil törvény civil szervezeteket érintő rendelkezéseinek hatása a létesítő okiratra*, 10 April 2014, available at: <http://civil.info.hu/documents/10179/185b033b-223c-40c7-b0bc-08ff31491b25>; OBH: *Jelentősen változik a civil szervezetek szabályozása*. Available at: <http://birosag.hu/media/aktualis/jelentosen-valtozik-civil-szervezetek-szabalyozasa>.

		<p>that the activity concerned is a state task and is of public utility.</p> <p>Main effects of the legislative changes introduced: as a consequence of the new regulations, NGOs have been compelled to change their founding documents and to undergo a lengthy judiciary amendment registration procedure (<i>változás-bejegyzési eljárás</i>). NGOs, as a minimum, had to delete references to legislative acts which lost their force (see e.g. Act IV of 1959) from their founding documents and refer to new ones instead (e.g. Act V of 2013) as a result of this change.¹⁴</p> <p>It was also necessary to prove compliance with the new conditions that have been introduced in relation to public utility status.¹⁵ Patent Association lost its public utility status and had to regain it.¹⁶</p> <p>Smaller NGOs, such as</p>
--	--	---

¹⁴ CFCF, telephone interview, 23 February 2017.

¹⁵ CFCF, telephone interview, 23 February 2017.

¹⁶ Patent Association, telephone interview, 08 February 2017.

		<p>Patent Association (<i>Patent Egyesület</i>)¹⁷ or CFCF found the related procedures to be cumbersome, constituting considerable 'administrative burden' even though the amendments required were of a 'formal' nature. The approximately one-year long procedure was perceived as both money- and time-consuming, taking a great deal of time and energy from their professional work.¹⁸</p> <p>The HHC and the HCLU also maintained that, despite being organisations composed of legal professionals, it took them several 'rounds' to comply with the new requirements.¹⁹ Case law: The Curia of Hungary²⁰ issued a summary opinion on the responsibility of leading officials of, among others, associations, in view of the new Civil Code (Act V of 2013).²¹</p> <p>Concerning issues related</p>
--	--	--

¹⁷ The Patent Association provides legal aid and psychological assistance to victims of violence against women and to those whose reproductive rights are limited. Available at: <http://www.patent.org.hu/en/>

¹⁸ Patent Association, telephone interview, 08 February 2017. CFCF, telephone interview, 23 February 2017.

¹⁹ Hungarian Helsinki Committee, telephone interview, 10 February 2017.

²⁰ Available at: www.lb.hu/hu.

²¹ Kúria, „A vezető tisztségviselők hitelezőkkel szembeni felelőssége” tárgykörben felállított joggyakorlat-elemző csoport összefoglaló véleménye, A Kúria Polgári Kollégiuma Joggyakorlat-elemző Csoport, 6 February 2017, 2016.El.II.JGY.G.2. Available at: http://www.kuria-birosag.hu/sites/default/files/joggyak/osszefoglalo_velemenye_6.pdf.

		<p>to the establishment, dissolution and public utility status of NGOs, no major case has been reported.</p> <p>In Háttér Society's (<i>Háttér Társaság</i>)²² experience, courts were rather reluctant to accept exact legal provisions Háttér Society designated as grounds of public utility status, even if governmental guidance explicitly referred to the same provisions to this end. Similarly, while most provisions of the Civil Code are of dispositive nature and allow deviation the court regarded them compulsory elements of founding documents.²³</p> <p>The Registry of Civil Organisations, a public registry kept by the county courts, makes, as of 2017, court decisions on civil organisations concerning these issues available online.²⁴</p>
Act CLXXV. of 2011, Act L of 2003 on the	Relevant changes primarily affected	Content of the legislative changes

²² Háttér Society (*Háttér Társaság*) aims among others "to protect the human rights of lesbian, gay, bisexual, transgender (LGBTQI) people and to reduce the fear and ignorance about homosexuality", available at: <http://www.hatter.hu/>.

²³ Háttér Society, telephone interview, 08 March 2017.

²⁴ Registry of Civil Organisations, *Civil Szervezetek Országos Névjegyzékének közzététel keresője*, available at <http://birosag.hu/allampolgaroknak/civil/civil-szervezetek-orszagos-nevjegyzekenek-kozzetetel-keresoje>.

<p>National Civil Fund (abrogated).²⁵</p>	<p>from topics A-F</p> <p>Topic C: freedom of association (state funding)</p>	<p>introduced (state funding): Act CLXXV of 2011 established the National Cooperation Fund (<i>Nemzeti Együttműködési Alap</i>),²⁶ which replaced the former National Civil Fund (<i>Nemzeti Civil Alapprogram</i>).²⁷ Central budget funding for the operation of NGOs may only be provided through the NCF, which allocates funding through tenders, decided upon by its chambers and, ultimately, by its director. The main issue arises in connection with the composition of the NCF's management board, which have changed over time. At present, three members of the board of the NCF are delegated by the parliament, three members are appointed by the minister(s) responsible (Ministry of Public Administration and Justice (<i>Közigazgatási és Igazságügyi Minisztérium</i>, MPAJ), then the Ministry of Human Resources (<i>Emberi Erőforrások Minisztériuma</i>, MHR)),²⁸ and only three members of the board are delegated by NGOs. In</p>
--	---	--

²⁵ Act L of 2003 on the National Civil Fund (*2003. évi L. törvény a Nemzeti Civil Alapprogramról*). Relevant version not available online, upon demand accessible from Nemzeti Jogszabálytár (njt.hu).

²⁶ Available at: <http://civil.info.hu/web/nea/home>.

²⁷ Act L of 2003 on the National Civic Funds (*2003. évi L. törvény a Nemzeti Civil Alapprogramról*). Relevant version not available online, upon demand accessible from Nemzeti Jogszabálytár (njt.hu).

²⁸ Available at: <http://www.kormany.hu/hu/emberi-eroforrasok-miniszteriuma>

		<p>contrast from the 17 members of the Council of the former National Civil Fund, two were appointed by the parliament, three by the minister responsible, and twelve members (civil delegates) were elected through the civil candidate-naming system. The regional and country-wide civil organisations could send electors to the regional or country-wide candidate-naming system, which gave a notice of their intention to participate in the candidate-naming process, upon the request of the minister. The task of the electors was to elect the civil delegates of the Council. (Chapters IX–X., Articles 53–72, Act CLXXV. of 2011: Article 1, Article 4, Article 12–13, Act L of 2003 on the National Civil Fund).²⁹</p> <p>Main effects of the legislative changes introduced: the operation of the NCF has been criticised for its politically biased tendering system and its allocation of funding to government related NGOs or to NGOs</p>
--	--	--

²⁹ Act L of 2003 on the National Civil Fund (*2003. évi L. törvény a Nemzeti Civil Alapprogramról*). Relevant version not available online, upon demand accessible from Nemzeti Jogszabálytár (njt.hu).

		that openly support government policies. ³⁰ Related case law: Concerning state funding no major case has been reported. ³¹
Act CLXXV. of 2011 Government Decree 224/2000. (XII. 19.) on the specificities of reporting and book-keeping duties of certain other organisations under the act on accounting (GD 224/2000 (XII.19), ³² as amended by Article 24, Government Decree 114/2012 (VI. 8.)) on the modification of government decrees containing specific rules on accounting in relation to the act on accounting (GD 114/2012 (VI.8.)). ³³	Relevant changes primarily affected from topics A-F Topic C: freedom of association (auditing, accounting and transparency rules)	Content of the legislative changes introduced (auditing, accounting and transparency rules): With the aim of enhancing transparency of civil organisations, new accounting and auditing rules as of 1 January 2012 required NGOs holding public utility status to switch to double-entry book-keeping, where previously many could use the single-entry book-keeping system. ³⁴ These NGOs are required to submit their yearly report to the court and they also have to make their reports available on their websites. See Chapter VI, Articles 27–30; Article

³⁰ András Becker, *Itt a civil támogatások listája: a kormány mellett demonstrálni menő*, 22 October 2012., available at: <https://atlatszo.hu/2012/10/22/itt-a-civil-tamogatások-listaja-a-kormány-mellett-demonstrálni-meno/>

³¹ Registry of Civil Organisations, *Civil Szervezetek Országos Névjegyzékének közzététel keresője*, available at <http://birosag.hu/allampolgaroknak/civil/civil-szervezetek-orszagos-nevjegyzekenek-kozzetétel-keresoje>.

³² Government Decree 224/2000. (XII. 19.) on the specificities of reporting and book-keeping duties of certain other organisations under the act on accounting (224/2000. (XII. 19.) *Korm. rendelet a számviteli törvény szerinti egyes egyéb szervezetek beszámoló készítési és könyvvizelési kötelezettségének sajátosságairól*). Available at: http://njt.hu/cgi_bin/njt_doc.cgi?docid=50260.324917#foot125.

³³ Government Decree 114/2012. (VI. 8.) on the modification of government decrees containing specific rules on accounting in relation to the act on accounting (114/2012. (VI. 8.) *Korm. rendelet a számviteli törvényhez kapcsolódó, sajátos számviteli szabályokat*

		<p>75 (4), Act CLXXV. of 2011; Article 24, GD 224/2000 (XII. 19.) as amended by Article 24, GD 114/2012 (VI. 8.).</p> <p>Main effects of the legislative changes introduced: amongst the NGOs interviewed, Ökotárs Foundation (<i>Ökotárs Alapítvány</i>)³⁵ and Háttér Society considered that it enhanced transparency.³⁶</p> <p>The Registry of Civil Organisations, a public registry kept by the county courts makes basic data on NGOs and as of 2010–2011 their accountancy reports available and searchable online.³⁷ In response to governmental accusations from 2013 claiming that civil society organisations do not operate in a transparent manner, 14 civil society organisations, including major NGOs (e.g. Háttér Society, CFCF,</p>
--	--	---

tartalmazó kormányrendeletek módosításáról), available at: http://njt.hu/cgi_bin/njt_doc.cgi?docid=149330.218690.

³⁴ According to the system of double-entry book-keeping every entry to an account requires a corresponding and opposite entry to a different account.

³⁵ The Ökotárs Foundation aims at contributing to the development of a democratic, sustainable and equitable society and an institutional system based on citizen participation. The foundation promotes the development of the environmental movement through providing grants, training, fellowships and technical assistance where necessary. More information is available at: <http://okotars.hu/en/about>.

³⁶ Háttér Society, telephone interview, 08 March 2017.

³⁷ Registry of Civil Organisations, *Civil Szervezetek Országos Névjegyzéke*, available at <http://birosag.hu/allampolgaroknak/civil-szervezetek/civil-szervezetek-nevjegyzeke-kereses>.

		<p>Legal Defence Bureau for National and Ethnic Minorities (NEKI, <i>Nemzeti Etnikai Kissebbségi Jogvédő Iroda</i>)³⁸, the HHC and the HCLU) issued a statement in 2015, which deemed auditing and accounting to be responsibilities necessary but in their present form, and also that it was an extensive and inefficient way to achieve the objective of genuine transparency.³⁹</p> <p>In particular, the NGOs concerned maintained that the present rules fall short on ensuring genuine transparency and the accessibility of relevant data to the general public, due to the nature (annual simplified double-entry book-keeping account), length, and complexity of the yearly reports that NGOs are required to submit.</p> <p>Therefore, they suggested that either a summary of the annual simplified double-entry account, containing only the most relevant facts, should be repeated on a main sheet</p>
--	--	--

³⁸ Legal Defence Bureau for National and Ethnic Minorities (NEKI) was founded by Otherness Foundation (*Másság*) to promote the protection of the rights of minorities, available at: <http://dev.neki.hu/>.

³⁹ *A civil szervezetek átláthatóságáról*, 03 June 2015, <http://www.helsinki.hu/a-civil-szervezetek-atlathatosagarol/>. Similarly, Patent Association, telephone interview, 08 February 2017.

		<p>in the accounts or that these summaries should be made available on the website of the judicial database of civil organisations in a highlighted and transparent manner, e.g. attached to the relevant NGOs' data sheets. The database could also make it possible to search through NGOs on the basis of the most relevant data contained in these summaries.</p> <p>They also maintained that guidance or training provided by the authorities could greatly enhance the quality of the reports.⁴⁰</p> <p>During the telephone interviews, Háttér Society and HCLU reinforced that reports submitted by NGOs are not 'user friendly', not informative for the average citizen with basic or no financial or business background.⁴¹ Many organisations reinforced that NGOs received little or no guidance on how to best comply with the rules and how to do their (public utility) reports in a</p>
--	--	---

⁴⁰ *A civil szervezetek átláthatóságáról*, 03 June 2015, <http://www.helsinki.hu/a-civil-szervezetek-atlathatosagarol/>. Similarly, Patent Association, telephone interview, 08 February 2017.

⁴¹ Háttér Society, telephone interview, 08 March 2017.

		<p>uniform, transparent manner. This was particularly cumbersome for smaller NGOs that lacked sufficient legal and financial support.⁴² Regarding this point, it should be noted that considering the complex nature of taxation and accounting rules, even for professionals, guidelines are generally provided by the authorities. Note too, however, that some guidance, as to deadlines and procedural actions to be taken, were provided by courts on their websites, while a compilation of the Ministry of Human Resources was also available as of 2014 on the major amendments.⁴³</p> <p>Related case law: Concerning state funding no major case has been reported. The Registry of Civil Organisations, a public registry kept by the county courts, makes, as of 2017, court decisions on civil organisations</p>
--	--	--

⁴² Ökotárs Alapítvány, telephone interview, 09 February 2017.

⁴³ Civil Információs Portál, *Segédlet a civil szervezetekre vonatkozó anyag áttekintéséhez*, available at: <http://civil.info.hu/documents/10179/6e2b94c3-b629-493e-935e-93bca8d0ff7a>; Civil Információs Portál, EMMI *Civil Kapcsolatok Főosztálya, Az új Polgári Törvénykönyv és a Civil törvény civil szervezeteket érintő rendelkezéseinek hatása a létesítő okiratra*, 10 April 2014, available at: <http://civil.info.hu/documents/10179/185b033b-223c-40c7-b0bc-08ff31491b25>; OBH, *Jelentősen változik a civil szervezetek szabályozása*, available at: <http://birosag.hu/media/aktualis/jelentosen-valtozik-civil-szervezetek-szabalyozasa>.

		concerning these issues available online. ⁴⁴
<p>Act CXXIX of 2015 on the modification of Act CXII of 2011 on informational self-determination and freedom of information (Act CXXIX. of 2015)⁴⁵</p> <p>Government Decree 301/2016. (IX. 30). on the amount of reimbursement of costs of public data demand requests (GD 301/2016 (IX. 30))⁴⁶</p>	<p>Relevant changes primarily affected from topics A-F</p> <p>Topic A: Freedom of expression/freedom of access to information, public data</p>	<p>Content of the legislative changes introduced (freedom of expression/freedom of access to information, public data): the amendments extended the grounds for refusal of public data demand if:</p> <ul style="list-style-type: none"> - it concerns a request repeated within a one-year period; - it is anonymous; - the data concerned forms the basis of an ongoing decision-making process, so it is of a preparatory nature; - the data concerned is under copyright protection, e.g. the document was prepared by private contractors. <p>The amendments also introduced potentially high reimbursement costs for the working hours of public employees if the</p>

⁴⁴ Registry of Civil Organisations, *Civil Szervezetek Országos Névjegyzékének közzététel keresője*, available at <http://birosag.hu/allampolgaroknak/civil/civil-szervezetek-orszagos-nevjegyzekenek-kozzetettel-keresoje>.

⁴⁵ Act CXXIX. of 2015 on the modification of Act CXII of 2011 on Informational Self-determination and Freedom of Information (*2015. évi CXXIX. törvény az információs önrendelkezési jogról és az információszabadságról szóló 2011. évi CXII. törvény, továbbá egyes más törvények módosításáról*), available at: http://njt.hu/cgi_bin/njt_doc.cgi?docid=176692.296390.

⁴⁶ 301/2016. (IX. 30). on the amount of reimbursement of costs of public data demand requests (*301/2016. (IX. 30.) Korm. rendelet a közérdekű adat iránti igény teljesítéséért megállapítható költségtérítés mértékéről*), available at: http://njt.hu/cgi_bin/njt_doc.cgi?docid=197704.327435.

		<p>data holder considers the work needed to fulfil the data demand to be excessive or requires a disproportionate effort from the authorities. Previously, the reimbursement of the cost of data carriers (such as photocopies of the required documents) for example, provided by the data holder could be requested from the data demander. The data demander had to reimburse costs to the data provider concerned. This does not increase the salaries of the public employees working on the data demand (Article 5, Act CXXIX. of 2015 amending Article 29 of Act CXII of 2011 on informational self-determination and freedom of information,⁴⁷ GD 301/2016 (IX. 30)).</p> <p>Main effects of the legislative changes introduced:</p> <p>According to the HCLU, the amendments that have restricted access to information and access to public data considerably, were in fact adopted in response to public data</p>
--	--	--

⁴⁷ Act CXII of 2011 on informational self-determination and freedom of information (2011. évi CXII. törvény az információs önrendelkezési jogról és az információszabadságról), available at: http://njt.hu/cgi_bin/njt_doc.cgi?docid=139257.322945#foot5.

		<p>demand cases won by e.g. HCLU or Átlátszó.hu.⁴⁸ The HCLU emphasised the arbitrary nature of the new refusal grounds. They maintained, in particular for example, that the exclusion of anonymous data demand requests (e.g. via email) may have a deterrent effect on data demanders, especially in local, smaller communities. They also claimed that any data may be deemed preparatory, serving the basis of further decision making and also found that the data holder may decide in an arbitrary manner whether the data demand request is excessive or how many working hours of public employees it took to be a problematic issue.⁴⁹ The HCLU also claimed that the reimbursement of the fee of working hours of public employees by the data demander is absurd, since providing public data to citizens for free is part of public service; this is also true for the duties of the authorities for which public employees already receive their</p>
--	--	--

⁴⁸ See for example, *Így múlik ki a magyar információszabadság*, 21 July 2015, available at: <https://444.hu/2015/07/21/igy-mulik-ki-az-informacioszabadsag-magyarorszagon/>.

⁴⁹ TASZ, *Igényelj közérdekű adatot, amíg lehet!*, 29 June 2015, available at: <http://tasz.hu/informacioszabadsag/igenyelj-kozerdeku-adatot-amig-lehet>. HCLU, telephone interviews, 16 February 2017 and 17 February 2017.

		<p>salaries. Moreover, the amount of the fee determined by Article 4 (4) of GD 301/2016 (IX. 30) is rather high, in view of the monthly salary of public employees.⁵⁰</p> <p>The Hungarian National Authority for Data Protection and Freedom of Information (<i>Nemzeti Adatvédelmi és Információszabadság Hatóság</i> (NAIH))⁵¹ maintained in a statement that an email address and a name attached to it should fulfil the criteria of non-anonymity and any control of the identity of the person demanding access to public data is unlawful. They also stated that a repeated public data request cannot be rejected if the authority has not fulfilled the previous request.⁵²</p> <p>Related case law: Átlátszó.hu submitted a constitutional complaint against judicial decisions upholding the refusal of public data demands, regarding a report</p>
--	--	---

⁵⁰ HCLU, telephone interviews, 16 February 2017 and 17 February 2017.

⁵¹ Available at: <https://www.naih.hu/>.

⁵² Statement of Hungarian National Authority for Data Protection and Freedom of Information (*Nemzeti Adatvédelmi és Információszabadság Hatóság*, NAIH/2015/4710/2/V.; *Vaktöltények az infotörvény módosításában: itt a NAIH állásfoglalás*, 25 August 2015, Atlátszó.hu, <https://atlatszo.hu/2015/08/25/vaktoltenyek-az-infotorveny-modositasaban-itt-a-naih-allasfoglalasa/>).

		<p>assessing the State Opera's economic operation.⁵³ The authorities claimed that the report serves as the basis for an ongoing decision-making process, without indicating exactly which decision it would substantiate. The Constitutional Court squashed the former judicial decisions and established that access to public data is a precondition for the effectuation of freedom of expression, which renders citizens capable of controlling the authorities. It also maintained that public data should, in principle, be accessible and authorities should interpret any restrictions on their accessibility narrowly. Anyone may submit a public data demand, without asserting his or her specific interest and it is the authorities' decision to give substantive justifications for any refusal thereof. The Constitutional Court refused to accept the application of uncertain, unclarified legal criteria as grounds for refusal. If the authorities decide to refuse the provision of public data, claiming that it serves as the basis of further decision making, then they should indicate the ongoing decision-</p>
--	--	--

⁵³ Budapest Court of Appeal (*Fővárosi Ítéltábla*) 2.Pf.22.200/2011/3., Municipal Court (*Fővárosi Bíróság*) 8.P.23.480/2011/3.

		making process for which they are using the aforementioned data and in what respect the provision of the public data concerned would impair that decision-making process. ⁵⁴
--	--	---

⁵⁴ Constitutional Court decision, ABH IV/02881/2012.

2. EU Member State government funding for non-governmental organisations – trends and developments 2011-2016

a) Overall amount of government funding

Sources of government funding may comprise:

a) Central budget: direct allocation from the central budget, as specified in the relevant legal acts, in the form of for example, per capita support of certain services, contribution to operational costs, or complementary support to projects financed by EU Funds, which are administered and distributed by the Hungarian Government. Occasionally, support arriving from other foreign funds, such as the Swiss-Hungarian NGO and Scholarship Funds,⁵⁵ are also channelled through the central budget.⁵⁶

b) Central (government) funds: managed by the NCF, form part of the central budget and operate under the auspices of the minister responsible for the development of social and civic relations. The NCF may support the operation and activity of civil organisations (see also above).

c) Local government support;⁵⁷

d) 1% of personal income tax : directly offered by the tax payers during their tax declaration and which is then automatically transferred by the tax authority.

NGOs may receive funding through tendering procedures. The NCF in its response to a public data demand noted that NGOs are not requested to indicate their main fields of activities while applying for public money. Instead they can apply to any tender which designated human rights protection as its main objective. NGOs involved in human rights protection could submit applications to the National Unity Chamber. Information provided by the NCF shows that the NCF distributed the following amount of support between 2012 and 2016:⁵⁸

⁵⁵ The Swiss Confederation, on the basis of an agreement concluded with the European Commission in 2006, provided a total of CHF 1 billion to the ten countries accessing the European Union since 2004. The strengthening and capacity building of NGOs was one of the main objectives of the programme. Available at: <http://svajcivil.hu/hu/in-english>.

⁵⁶ Ökotárs Foundation, telephone interview, 09 February 2017; HHC, telephone interview, 10 February 2017.

⁵⁷ Local governments enjoy some autonomy and have separate local budgets.

⁵⁸ National Cooperation Fund, Response to public data demand, 28 February 2017.

Year	Total	Total funding of applications granted by the National Unity Chamber ⁵⁹	Total funding granted by the National Unity Chamber on projects related to Human Rights Protection
2012	HUF 2,863,630,285 (cc. € 9,209,838)	cc. HUF 483,000,000 (cc. € 1,568,181)	cc. HUF 23,277,084 (cc. € 75,574)
2013	HUF 3,224,459,384 (cc. € 10,469,023)	cc. HUF 602,748,000 (cc. € 1,956,974)	cc. HUF 12,501,730 (cc. € 40,590)
2014	HUF 2,887,493,305 (cc. € 9,374,978)	cc HUF 510,797,000 (cc. € 1,658,431)	cc. HUF 8,279,000 (cc. € 26,879)
2015	HUF 11,019,315,023 (cc. € 35,776,996)	cc. HUF 909,037,000 (cc. € 2,951,418)	cc. HUF 21,359,848 (cc. € 69,350)
2016	HUF 4,307,659,330 (cc. € 13,985,906)	---	cc. HUF 8,918,800 (cc. € 28,957)

Information provided by the Ministry of Justice (*Igazságügyi Minisztérium*, MJ)⁶⁰ showed that from the central budget the MJ allocated funding only to

⁵⁹ Report of the National Unity Chamber, 2012 (*Nemzeti Összetartozás Kollégium, 2012. évi beszámoló*) available at: http://civil.info.hu/documents/14322/226133/Nemzeti_osszetartozas_kollegium_2012.evi_beszamolo.pdf; Report of the National Unity Chamber, 2013 (*Nemzeti Összetartozás Kollégium, 2013. évi beszámoló*), available at: http://civil.info.hu/documents/14322/226133/Nemzeti_osszetartozas_kollegium_2013.evi_beszamolo.pdf; Report of the National Unity Chamber, 2014 (*Nemzeti Összetartozás Kollégium, 2014. évi beszámoló*), available at: http://civil.info.hu/documents/14322/226133/Nemzeti_osszetartozas_kollegium_2014.evi_beszamolo.pdf; Report of the National Unity Chamber, 2015 (*Nemzeti Összetartozás Kollégium, 2015. évi beszámoló*), available at: http://civil.info.hu/documents/14322/226133/Nemzeti_osszetartozas_kollegium_2015.evi_beszamolo.pdf.

⁶⁰ Available at: <http://www.kormany.hu/hu/igazsagugyi-miniszterium>.

the Fehér Gyűrű Victim Support Public Utility Association,⁶¹ which received funds for activities which may be related to human rights protection (cc. HUF 10,000,000 (€ 32,467) – HUF 16,000,000 (€ 51,948) per year between 2013 and 2016). The funds were allocated within the framework of the ministry's victim protection strategy.⁶²

i. Trends in direct government funding

Civil organisations maintained that while the available funding increased between 2011 and 2016, its distribution is highly 'ideologised', 'politicised' and lacks transparency.⁶³ EKINT maintained that while government-related NGOs, like the Századvég Political School Foundation (*Századvég Politikai Iskola Alapítvány*, see also the section on Indirect funding)⁶⁴ receive considerable funding, whereas those NGOs which are critical of the system and fight for rule of law are subject to constant attacks.⁶⁵

The operation of the NCF has been criticised for its politically biased tendering system and its allocation of funding to government-related NGOs or to NGOs that openly support government policies.⁶⁶

Háttér Society maintained that it is ambiguous how and to what funds human rights protection NGOs may apply for. This is mainly due to the shortcomings of the NCF's structure. The chambers of the NCF (chambers directly in charge of the evaluation the tenders) are sometimes responsible for unrelated fields. This is particularly the case in relation to the chamber dealing with tenders of relevance in the context of human rights protection. The chamber in charge deals with e.g. human rights protection and the promotion of the Hungarian diaspora in neighbouring states at the same time. Also, human rights protection may be dealt with by more than one chambers of the NCF, depending on the specific angle of human rights protection concerned by the tender. Háttér Society noted that their work may fall under the chambers on education, health care or national unity.

⁶¹ Fehér Gyűrű Victim Support Public Utility Association (*Fehér Gyűrű Közhasznú Egyesület a Bűnözés Áldozatainak Támogatására*) offers – among others – free legal assistance to crime victims.

⁶² Ministry of Justice response to data demand request, 6 March 2017; Government Decree of 212/2010 on the tasks and competences of ministers and the state secretary heading the Prime Minister's Office (212/2010 (VII.1)212/2010. (VII. 1.) Korm. rendelet az egyes miniszterek, valamint a Miniszterelnökséget vezető államtitkár feladat- és hatásköréről), available at: http://njt.hu/cgi_bin/njt_doc.cgi?docid=133396.262809.

⁶³ Háttér Society, telephone interview, 08 March 2017; EKINT, telephone interview, 23 March 2017.

⁶⁴ According to its accountancy report for 2013, Századvég Political School Foundation (*Századvég Politikai Iskola Alapítvány*) received for example cc HUF 60,000,000 indirect and direct state funding for its research and activities. Available at <http://szazadveg.hu/hu> and <http://birosag.hu/allampolgaroknak/civil-szervezetek/civil-szervezetek-nevjegyzeke-kereses>.

⁶⁵ EKINT, telephone interview, 23 March 2017.

⁶⁶ *Itt a civil támogatások listája: a kormány mellett demonstrálni menő*, 22 October 2012., available at: <https://atlatszo.hu/2012/10/22/itt-a-civil-tamogatások-listaja-a-kormány-mellett-demonstrálni-meno/>.

As a consequence of this, Háttér Society noted that in their view, obtaining state funding in relation to LGBTQ rights is not wholly blocked, though its distribution may be 'accidental'. Despite Háttér Society submitting applications for funding, the organisation has never received any support; however, the Hungarian LGBT Society⁶⁷ did in 2015.⁶⁸

Based on data contained in the Registry of Civil Organisations⁶⁹ and in the legislative acts on the central budget,⁷⁰ the government funding to leading NGOs⁷¹ (such as for example HHC, Patent and the Háttér Society), which deal with litigation and advocacy in relation to politically sensitive issues (asylum and migration, domestic violence and women's reproductive rights, protection of Roma, LGBTQI rights) remained negligible between 2011 and 2016. It is important to note that some NGOs, such as the HCLU, the EKINT or the CFCF have never applied for any government funding to preserve their independence.⁷² In particular, EKINT wished not to become the "constructive opposition of the system" by accepting governmental funds.⁷³

⁶⁷ Hungarian LGBT Society (*Magyar LGBT Szövetség*), available at: <http://www.lmbtszovetseg.hu/>. See also National Cooperation Fund, Response to public data demand, 28 February 2017.

⁶⁸ Háttér Society, telephone interview, 08 March 2017.

⁶⁹ Associations as legal persons come to exist by registration. The registration of associations is the task of county courts. The Registry of Civil Organisations is a public registry kept by the county courts, which contains authentically the name and basic data of all registered NGOs and is available online at: <http://birosag.hu/allampolgaroknak/civil-szervezetek/civil-szervezetek-nevjegyzeke-kereses>. See Article 4 (2) of Act CLXXV of 2011 and Article 1 (1) of Act CLXXXI of 2011 on the judicial registry of non-governmental organisations and on related procedural rules (*2011. évi CLXXXI. törvény a civil szervezetek bírósági nyilvántartásáról és az ezzel összefüggő eljárási szabályokról*), available at: http://njt.hu/cgi_bin/njt_doc.cgi?docid=139831.327937.

⁷⁰ Act CLXIX of 2010 on the 2011. Budget of the Republic of Hungary (*2010. évi CLXIX. törvény a Magyar Köztársaság 2011. évi költségvetéséről*), available at: http://njt.hu/cgi_bin/njt_doc.cgi?docid=133125.192544; Act CLXXXVIII. of 2011 on the 2012. Central Budget of the Republic of Hungary (*2011. évi CLXXXVIII. törvény Magyarország 2012. évi központi költségvetéséről*); Act CCIV. of 2012 on the 2013. Central Budget of the Republic of Hungary (*2012. évi CCIV. törvény Magyarország 2013. évi központi költségvetéséről*), available at: http://njt.hu/cgi_bin/njt_doc.cgi?docid=157592.254167; Act CCXXX. of 2013 on the 2014. Central Budget of the Republic of Hungary (*2013. évi CCXXX. törvény Magyarország 2014. évi központi költségvetéséről*), available at: http://njt.hu/cgi_bin/njt_doc.cgi?docid=165756.285827; Act C. of 2014 on the 2015. Central Budget of the Republic of Hungary (*2014. évi C. törvény Magyarország 2015. évi központi költségvetéséről*), available at: http://njt.hu/cgi_bin/njt_doc.cgi?docid=173417.314086; Act C. of 2015 on the 2015. Central Budget of the Republic of Hungary (*2015. évi C. törvény Magyarország 2015. évi központi költségvetéséről*), available at: http://njt.hu/cgi_bin/njt_doc.cgi?docid=176535.323599.

⁷¹ The examined NGOs comprised: CFCF, HCLU, HHC, Háttér Society, Másság Foundation, NANE, Patent Association Available at: <http://birosag.hu/allampolgaroknak/civil-szervezetek/civil-szervezetek-nevjegyzeke-kereses>.

⁷² HCLU, telephone interview, 17 February 2017; CFCF, telephone interview, 23 February 2017; EKINT, telephone interview, 23 March 2017.

⁷³ EKINT, telephone interview, 23 March 2017.

These NGOs did not receive any per capita support from the central budget for fulfilling state tasks⁷⁴ and rarely ever obtained support from central government funds or from local governments. Their very limited government funding during this period was based primarily upon the 1 % offerings of the personal income tax and, in some cases, government funding awarded as complementary support to projects financed mainly by EU Funds, which are administered and distributed by the Hungarian government.⁷⁵ The actual amount of total government funding (from all sources) varied between HUF 1,000,000 (€ 3,247) and HUF 4,000,000 (€ 12,988) per NGO in most cases in 2011. Since 2012, the actual amount of total government funding decreased further: NGOs receive an average of between HUF 1,000,000 and HUF 3,000,000 (€ 3,247 and € 9741) annually.

As mentioned above, the main source of governmental funding for NGOs was the 1 % offering from personal income tax. The presence of the 1 % offerings from personal income tax indicates the public's embeddedness in these NGOs, though its amount generally did not exceed HUF 1,000,000 (€ 3,247) per NGO. The HCLU constitutes an exception in this regard, and, depending on the year concerned, collected between HUF 6,800,000 and HUF 8,200,000 (€ 22,080 and € 26,626). As opposed to the HCLU, other NGOs received considerably less from the 1 % offerings. The CFCF only received around HUF 300,000 (€ 974) from 1 % offerings from personal income tax in 2014. Like the HCLU, the CFCF did not receive any government funding between years 2011 and 2013.

⁷⁴ See e.g. under Article 20 (1) of Directive 2013/32/EU of the European Parliament and of the Council of 26 June 2013 on common procedures for granting and withdrawing international protection (recast), Member States have to ensure free legal assistance to asylum seekers at least in the appeal procedure. This state task is not financed by the central budget on a permanent basis but it is financed year after year through EU funds and was for many years carried out by the HHC. This implies also limited accessibility to free legal aid. Available at: <http://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:32013L0032&from=en>.

⁷⁵ Based on Registry of Civil Organisations. Available at: <http://birosag.hu/allampolgaroknak/civil-szervezetek/civil-szervezetek-nevjegyzeke-kereses> and telephone interviews: Hungarian Helsinki Committee, 10 February 2017.

ii. Indirect government funding

Indirect government funding covers cases for which public money is allocated to NGOs through intermediaries. Thus, government organised non-governmental organisations or even 'pseudo' civil organisations (not registered as civil organisations but established, e.g. as corporate entities), allegedly dealing with human rights protection, may receive financial support from such registered civil organisations (patron organisations),⁷⁶ who operate in various fields exclusively or almost exclusively from public money and may also be under government control, see for example the Foundation for a Civic Hungary (*Polgári Magyarországért Alapítvány*, FCH). The FCH was founded in 2003 by FIDESZ as a 'party foundation' and, as such, is entitled – like other party foundations – to support from the central budget in proportion to the results of the general elections. Its curatorium is led the Minister of Human Resources.

On the basis of the relevant legislative acts of the central budget,⁷⁷ the FCH, as the party foundation (*pártalapítvány*)⁷⁸ of the largest party, received government funding from the central budget. The amount of funding was between HUF 538,000,000 and HUF 612,000,000 (€ 1,987,228 and € 1,746,942) per year between 2011 and 2016.

In 2013, a 'pseudo civil organisation', the Center for Fundamental Rights (*Alapjogokért Központ*)⁷⁹ began its operation through support obtained from the FCH. The Center for Fundamental Rights promotes views in line with the government's standpoint and is regarded by stakeholders and experts alike as a pseudo civil organisation created to support government policies in this field.⁸⁰ The Center for Fundamental Rights issued a number

⁷⁶ *Álcivil áltudomány, de ki állja a cechet?*, 19 November 2013.

https://oktatas.atlatszo.hu/2013/11/19/alcivil_altudomany_de_ki_allja_a_cechet/.

⁷⁷ Act CLXIX of 2010 on the 2011. Budget of the Republic of Hungary (2010. évi CLXIX. törvény a Magyar Köztársaság 2011. évi költségvetéséről), available at:

http://njt.hu/cgi_bin/njt_doc.cgi?docid=133125.192544; Act CLXXXVIII. of 2011 on the 2012. Central Budget of the Republic of Hungary (2011. évi CLXXXVIII. törvény Magyarország 2012. évi központi költségvetéséről), available at:

http://njt.hu/cgi_bin/njt_doc.cgi?docid=139871.209315; Act CCIV. of 2012 on the 2013. Central Budget of the Republic of Hungary (2012. évi CCIV. törvény Magyarország 2013. évi központi költségvetéséről), available at:

http://njt.hu/cgi_bin/njt_doc.cgi?docid=157592.254167; Act CCXXX. of 2013 on the 2014. Central Budget of the Republic of Hungary (2013. évi CCXXX. törvény Magyarország 2014. évi központi költségvetéséről), available at:

http://njt.hu/cgi_bin/njt_doc.cgi?docid=165756.285827; Act C. of 2014 on the 2015.

Central Budget of the Republic of Hungary (2014. évi C. törvény Magyarország 2015. évi központi költségvetéséről), available at:

http://njt.hu/cgi_bin/njt_doc.cgi?docid=173417.314086; Act C. of 2015 on the 2015.

Central Budget of the Republic of Hungary (2015. évi C. törvény Magyarország 2015. évi központi költségvetéséről), available at:

http://njt.hu/cgi_bin/njt_doc.cgi?docid=176535.323599.

⁷⁸ Foundation established by political parties with specific aims, such as the development of political culture, educational and research activities.

⁷⁹ Available at: <http://alapjogokert.hu/>.

⁸⁰ For example, Telephone interview with the HHC, 10 February 2017.

of reports in support of government policies, for example in the field of migration or asylum, in relation to the so-called 'quota referendum'⁸¹ or to rebut international organisations' reports on the deteriorating level of the human rights protection in Hungary.⁸² On 27 February 2017 the Center for Fundamental Rights could participate in support of the government's policies in the committee meeting of the Committee on Civil Liberties, Justice and Home Affairs of the European Parliament on the situation of fundamental rights in Hungary.⁸³ In relation to the judgment rendered by the European Court of Human Rights (ECtHR) in the case of *Ilias and Ahmed v. Hungary*.⁸⁴ There they stated that the judgment of the ECtHR violates the sovereignty of Hungary and in case Hungary's appeal would not be granted, Hungary should consider its withdrawal from the European Convention of Human Rights. This opinion was echoed by government officials and FIDESZ politicians.⁸⁵ The ECtHR in this case established in relation to the asylum seeker applicants that their expulsion to Serbia violated Article 3 of the European Convention on Human Rights (ECHR) and their unlawful detention in the so-called transit zone in Röszke also violated Article 5 of the ECHR.

The Center for Fundamental Rights' legal standing was deemed controversial. The Átlátszónet Foundation (*Átlátszónet Alapítvány*), which is a "watchdog NGO and investigative journalism outlet to promote transparency, accountability, and freedom of information in Hungary"⁸⁶ dealt with the Center for Fundamental Rights in a series of reports that revealed that there is no registered civil organisation behind it, so the strict transparency rules on civil organisations do not apply in its case.

⁸¹ Center for Fundamental Rights, *About the introduction of a state of emergency due to mass migration*, 29 March 2016, available at: <http://alapjogokert.hu/about-the-introduction-of-a-state-of-emergency-due-to-mass-migration/>; Center for Fundamental Rights, *The plan of mandatory quotas has long been under preparation*, 16 February 2016, available at: <http://alapjogokert.hu/the-plan-of-mandatory-quotas-has-long-been-under-preparation/>; Center for Fundamental Rights, *Facts about the referendum*, 9 September 2016, available at: <http://alapjogokert.hu/facts-about-the-referendum/>.

⁸² Center for Fundamental Rights, *Amnesty International's analysis is a complete mistake*, 11 February 2016, available at: <http://alapjogokert.hu/amnesty-internationals-analysis-is-a-complete-mistake/>.

⁸³ Available at: <http://www.europarl.europa.eu/ep-live/en/committees/video?event=20170227-1500-COMMITTEE-LIBE&ms=1488207300#managehelp>. See also: European Parliament, *Programtervezet: Meghallgatás Az alapvető jogok helyzete Magyarországon*, LIBE (2017)0227, available at: http://www.europarl.europa.eu/meetdocs/2014_2019/plmrep/COMMITTEES/LIBE/DV/2017/02-27/1118107HU.pdf.

⁸⁴ ECtHR, *Ilias and Ahmed v. Hungary*, judgment of 14 March 2017, Application No. 47287/15.

⁸⁵ Baranya, R., *Magyar Hírlap*, Szánthó: Súlyosan sérti a szuverenitást a strasbourgi ítélet, 17 March 2017, available at: http://magyarhirnap.hu/cikk/82821/Szantho_Sulyosan_serti_a_szuverenitast_a_strasbourgi_itelet#sthash.Hoa7v2GW.dpuf; *Magyar Narancs*, A kormánypartok halál komolyan beszélnek arról, hogy kilépünk az Emberi Jogok Európai Egyezményéből, 24 March 2017, available at: <http://magyarnarancs.hu/belpol/a-kormanyparok-halal-komolyan-beszelnak-arrol-hogy-kilepunk-az-emberi-jogok-europai-egyezmenyebol-103138>.

⁸⁶ Available at: <https://atlatszo.hu/>.

While checking the Centre's financial background, the Átlátszó Foundation also found some controversies. For example, they found that the Director of the Centre for Fundamental Rights established a company called 'Rule of Law and Justice Ltd.' (*Jogállam és Igazság Ltd*)⁸⁷ in 2013. The company received HUF 31,000,000 (€ 100,660) in 2013 and HUF 49,000,000 (€ 159,108) in 2014 from the FCH. It seems, based on the accounting reports of the Rule of Law and Justice Ltd, that the association's main activity was to provide financial support to the Center for Fundamental Rights.⁸⁸ Therefore, it seems that the Center for Fundamental Rights received indirect funding from the government through the FCH and the Rule of Law and Justice Ltd.

Another form of indirect support is to channel public money to government-related organisations via government controlled state corporate entities such as the Paks Nuclear Power Plant PLC (*Paksi Atomerőmű Zrt*)⁸⁹ or Lottery PLC (*Szerencsejáték Zrt*),⁹⁰ which for example, donated HUF 50,000,000 (€ 162,337) to the Századvég Foundation in 2013. Similarly, state organs may accord state commissions to respective NGOs (e.g. the Századvég Foundation was accorded consulting agreements of value of around. HUF 5,000,000,000 (€ 16,233,700) between 2011 and 2013 by the Ministry of National Development (*Nemzeti Fejlesztési Minisztérium*).⁹¹

b) Distribution of government funding

According to data provided by the NCF, between 2012 and 2016, the *Tribunus Legal Aid Service (Tribunus Jogsegélyszolgálat)*, which provides legal aid in matters related to labour law, consumer protection or

⁸⁷ Jogállam és Igazság Kft, Registration number: 01-09-174001, available at:

<https://www.e-cegjegyzek.hu/?cegadatlap/0109174001/TaroltCegkivonat>.

⁸⁸ Mihány Kálmán, *Így pénzel a Fidesz egy álcivil szervezetet, ami aztán „független civilként” védi a kormányt*, *atlatszo.hu*, 07 May 2015, available at:

<https://oktatas.atlatszo.hu/2015/05/07/alcivilbebukottak/>. See also: *Beszámoló a Jogállam és Igazság Nonprofit Kft (Alapjogokért Központ) 2013. évi működéséről*, available at: <http://kimittud.atlatszo.hu/request/4521/response/7504/attach/2/ISO%208859%202%20Jogallam%20s%20Igazsq%20Nonprofit%20Kft.Beszmol%202013..pdf>; *Beszámoló a Jogállam és Igazság Nonprofit Kft (Alapjogokért Központ) 2013. évi működéséről a Szövetség a Polgári Magyarorszáért Alapítvány részére*, available at: <http://kimittud.atlatszo.hu/request/4521/response/7504/attach/3/ISO%208859%202%20Jogallam%20s%20Igazsq%20Nonprofit%20Kft.Beszmol%202014..pdf>.

⁸⁹ Available at: <http://www.atomeromu.hu/en/AboutUs/Lapok/1default.aspx>.

⁹⁰ Available at: <http://www.szerencsejatek.hu/>.

⁹¹ *Közel ötmilliárdra hízott a Századvég állami megbízása*, *napi.hu*, 31 March 2013, available at:

http://www.napi.hu/magyar_vallalatok/kozel_otmilliardra_hizott_a_szazadveg_allami_megbijasa.549414.html. National Development (*Nemzeti Fejlesztési Minisztérium*) available at: <http://www.kormany.hu/hu/nemzeti-fejlesztési-miniszterium>.

environment protection, received cc. HUF 1,500,000 – HUF 4,000,000 (€4,870 –€ 13,000) of financial support per year.⁹²

The provided data also shows that the National Unity Chamber accorded funding under the notion of human rights protection to projects submitted by civil organisations whose main profile is far from human rights protection (see for example, Civic Circle Association of Csillaghegy (*Csillaghegyi Polgári Kör Egyesület*)⁹³ in 2012, "For Catechism" Foundation⁹⁴ in 2012 and Tiszafüred Library Support Foundation⁹⁵ in 2012).

According to the accountancy report for 2012 of the Civic Circle Association of Csillaghegy, the association received cc. HUF 4,000,000 (€ 13,000) from NCF for the project 'Community programmes and strengthening community life in Csillaghegy', which comprised the organisation of local farmers' markets, health protection days, arts and crafts and "free architectural (construction) and legal advice".⁹⁶ The accountancy report of the Tiszafüred Library Support Foundation for 2012 does not mention any human rights protection activities in relation to the NCF support.⁹⁷ Others, such as the Hungarian Human Rights Foundation,⁹⁸ which received cc. HUF 2,000,000–HUF 5,000,000 (€ 6,500–€ 16,233) yearly, are dedicated to protect Hungarians living in the diaspora.⁹⁹

Each year, at least one (regional) Roma civil interest group has received funding of between HUF 800,000 and HUF 2,000,000 (€ 2,597 and € 6500) (see, for example, Roma Civil Rights Movement of Tiszaújváros (*Tiszaújvárosi Roma Polgárjogi Mozgalom*) in 2013¹⁰⁰ or Folklore Regional Roma Foundation¹⁰¹ (*Folklór Regionális Roma Alapítvány*) in 2014).

⁹² Available at: <http://www.tribunus.hu/node/21>.

⁹³ Civic Circle Association of Csillaghegy (*Csillaghegyi Polgári Kör Egyesület*)'s main profile is community building and organisation of tradition preserving community programmes, available at: <http://www.csipke.info/nevjegy>. The 'civic circles' conservative mass movement initiated in 2002 to support FIDESZ, the civic circles were politically most active between 2002 and 2006. On civic circles see, for example, Enyedi, Zsolt, and Gábor Tóka, 2007. "The Only Game in Town: Party Politics in Hungary." in *Party Politics in New Democracies*, edited by Webb, P. and White, S., Oxford University Press, pp. 147–178.

⁹⁴ The main objective of the "For Catechism" Foundation (*"Hitoktatásra" Alapítvány*) is to ensure the material conditions and personnel for catechism.

⁹⁵ Tiszafüred Library Support Foundation (*Tiszafüredi Könyvtár Pártoló Alapítvány*).

⁹⁶ Accountancy report of the Civic Circle Association of Csillaghegy for 2012, available at: <http://birosag.hu/allampolgaroknak/civil-szervezetek/civil-szervezetek-nevjegyzeke-kereses>.

⁹⁷ Available at: <http://birosag.hu/allampolgaroknak/civil-szervezetek/civil-szervezetek-nevjegyzeke-kereses>.

⁹⁸ Hungarian Human Rights Foundation (*Magyar Emberi Jogok Alapítvány*), available at: <http://portal.hhrf.org/>.

⁹⁹ National Cooperation Fund, Response to public data demand, 28 February 2017.

¹⁰⁰ Roma Civil Rights Movement of Tiszaújváros (*Tiszaújvárosi Roma Polgárjogi Mozgalom*).

¹⁰¹ Folklore Regional Roma Foundation (*Folklór Regionális Roma Alapítvány*) is based in Zala County, available at: <http://zalacivil.hu/?p=6547>.

The accountancy report of Folklore Regional Roma Foundation on 2014 shows that although the foundation lists human rights protection amongst its main activities and received HUF 240,000 (€ 780) of operational funding in that year under this notion from the NCF, it did not pursue any human rights protection activities in 2014.¹⁰² The accountancy report of Roma Civil Rights Movement of Tiszaújváros for 2013 showed that the funding was not used for providing legal aid for example, but was rather spent on organising and distributing donations within the community.¹⁰³

Between the period of 2011 and 2016 (and even before that), organisations involved in litigation and advocacy in the fields of domestic violence, women's rights and gender equality did not receive any direct government funding apart from the 1 % contributions from the personal income tax.¹⁰⁴ NANE maintained that before 2011, for many years it received funding 'quasi automatically' for its operation from the National Civil Fund. As of 2011, even tenders related to EU Operative Programmes are formulated in a way that hinders NANE from participating in them.¹⁰⁵

During the reporting period, many NGOs experienced a decline in governmental support, especially those working in fields which gained political sensitivity (such as migration, asylum).¹⁰⁶ Where previously the HHC was repeatedly awarded financial support from EU Funds administered by the government, as of 2012, the related financial resources were awarded to the Office of Justice (*Közigazgatási és Igazságügyi Hivatal*).¹⁰⁷ In 2013, the Hungarian Helsinki Committee was even informally advised not to apply for financial support for the legal representation of asylum seekers available from EU Funds, which are administered by the government,¹⁰⁸ while other government sources were not available to this end, neither before 2011 nor after. The HHC maintained that, due to a loss of trust in the government, they would not even submit a tender since those NGOs which do should grant the government with the right to collect amounts directly from their bank account (*korlátlan inkasszó*).¹⁰⁹

Funding available for the Háttér Society declined considerably between 2011 and 2016. Before 2011 the organisation could attain roughly HUF 1,000,000 (€ 3,246) for its operation and between 2007 and 2009 roughly

¹⁰² Available at: <http://birosag.hu/allampolgaroknak/civil-szervezetek/civil-szervezetek-nevjegyzeke-kereses>.

¹⁰³ Available at: <http://birosag.hu/allampolgaroknak/civil-szervezetek/civil-szervezetek-nevjegyzeke-kereses>.

¹⁰⁴ Patent Association, telephone interview, 08 February 2017. See also Judicial Registry of Civil Organisations, available at: <http://birosag.hu/allampolgaroknak/civil-szervezetek/civil-szervezetek-nevjegyzeke-kereses>.

¹⁰⁵ NANE, telephone interview, 28 February 2017.

¹⁰⁶ Hungarian Helsinki Committee, telephone interview, 10 February 2017.

¹⁰⁷ EMA, Nyertes Pályázatok, available at: http://solidalapok.hu/solid/nyertes_palyazatok/16.

¹⁰⁸ Hungarian Helsinki Committee, telephone interview, 10 February 2017.

¹⁰⁹ Hungarian Helsinki Committee, telephone interview, 10 February 2017.

HUF 4,000,000–HUF 5,000,000 (€ 13,000–€16,233) support for projects related to EU funds administered by the Hungarian government. As of 2011 the Háttér Society has not received any funding from NCF despite submitting applications and issues related to LGBTQ rights do not form part of available EU funds administered by the government any longer.¹¹⁰

c) Restrictions (or other changes) on NGO funding from other sources

In principle, NGOs may accept support from foreign (international) sources, although it is not clear what is meant by 'foreign support'. Under the auditing and accountancy rules, established in 2011, the annual simplified double-entry accounts and public utility reports contain information on the source, amount and use of such support specifically (see for example, Act CLXXV. of 2011, GD 350/2011).

The Minister of Justice, was reported to outline planned legislative amendments in relation to foreign funding at the FIDESZ fraction meeting held in Visegrad mid-February 2017. According to these plans, civil organisations, which receive more than HUF 3,600,000 (€ 11,688) per year from foreign sources, would have to register themselves as 'NGOs funded from abroad'. MPs found the limit too low for fear that it could also cause disturbance in the operation of 'real' civil organisations (that is to say in the operation of NGOs "not supported by George Soros").¹¹¹

Further information was requested from the authorities.¹¹²

NGOs maintained that attacks on the Norwegian Civic Funds (*Norvég Civil Támogatási Alap*) or attacks directed against them for other reasons (such as the running for presidency of the leader of EKINT¹¹³ in 2017¹¹⁴) already had a deterrent effect on prospective international (national) donors.¹¹⁵ It is to be feared that further government plans to stigmatise NGOs funded from abroad would enhance this effect.

¹¹⁰ Háttér Society, telephone interview, 08 March 2017.

¹¹¹ Joó, H., *A civilek elleni terv kész, de még számolnak, hogy a mérég csak Sorosékat érje*, hvg.hu, 21 February 2017, available at: http://hvg.hu/itthon/20170221_civilek_soros_kormany_nemeth_szilard.

¹¹² Public data demand submitted on 23 March 2017.

¹¹³ László Majtényi, the director of EKINT was nominated for the post of Hungary's president. More information is available at: <http://www.ekint.org/bejegyzes/2017-03-05/majtényi-laszlo-koztarsasagi-elnok-jeloltsege>.

¹¹⁴ The first and second NGO Fund of the EEA/Norway Grants, launched in 2009 and 2013 respectively, aimed to strengthen Hungarian NGOs. See also: <http://eeagrants.org/Who-we-are>; <https://norvegcivilalap.hu/en/about-the-fund>.

¹¹⁵ EKINT, telephone interview, 23 March 2017.

3. Access to the decision-making process for non-governmental organisations working on fundamental rights

Articles 5–13 of Act 2010 of CXXXI on public participation in the preparation of legislative acts (Act CXXXI of 2010)¹¹⁶ establishes a public consultation procedure. The public consultation procedure may take the form of a general consultation – for which the relevant legislative draft is published on the homepage of the authority concerned – and direct consultation, where the minister responsible for the preparation of the draft can involve institutions, organisations or persons in the consultation (Article 7, Act CXXXI of 2010).

Though the general forms of public consultation remained intact between 2011 and 2016, a new form of cooperation has been introduced:

Title of legislation/policy	Reference	Short summary (max 500 characters)
Government Decision 1039/2012. (II. 22.) on the Human Rights Working Group (Government Decision 1039/2012 (II.22.)) ¹¹⁷	See column on the left	Under the auspices of the Ministry of Human Resources, the Human Rights Working Group was established, inter alia, to monitor human rights protection in Hungary and to conduct consultations with both NGOs and constitutional institutions that monitor human rights protection in Hungary.

Under the general public consultation procedure, any person may make comments on the legislative drafts made public by the relevant ministries. The authority should send a confirmation about the receipt of the opinions submitted. Legislative drafts should be made public in a way that they provide stakeholders with sufficient time to conduct a meaningful assessment, submit their opinions, and to provide adequate time for the ministry concerned to take the opinions submitted into consideration. The

¹¹⁶ Act 2010 of CXXXI on public participation in the preparation of legislative acts (2010. évi CXXXI. törvény a jogszabályok előkészítésében való társadalmi részvételről), available at: http://njt.hu/cgi_bin/njt_doc.cgi?docid=132784.245135#foot_2_place.

¹¹⁷ Government Decision 1039/2012. (II. 22.) on the Human Rights Working Group (1039/2012. (II. 22.) Korm. határozat az Emberi Jogi Munkacsoportról), available at: http://njt.hu/cgi_bin/njt_doc.cgi?docid=146229.319636.

minister responsible for the preparation of the legislative acts concerned has to make a summary of the opinions received available to the public, in which it indicates the grounds for refusal applied, and the list of contributors thereto (Article 9–11, 2010 of CXXXI).

The Háttér Society maintained that Act CXXXI of 2010 clarified the process of public consultation, thereby making it theoretically more transparent (e.g. made feedback of the authorities on opinions received obligatory). In practice, however these amendments have not been duly implemented.¹¹⁸ NGOs complain that general public consultations tend to be ineffective, given that the lengthy drafts or conceptions are generally published on the relevant ministries' homepages at a very late stage of their adoption with absurdly short time intervals (one day, half a day) open to consultation or for the submission of the opinion or statement by the NGOs. The NGOs also found the lack of transparency throughout the consultation process to be problematic, for example, there is no guarantee that the opinions submitted are duly taken into consideration or are even read.¹¹⁹ In relation to the ratification process of the Optional Protocol to the Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment,¹²⁰ the HHC maintained that the relevant legislative act was submitted to the parliament in October 2011 without any prior public consultation.¹²¹ The EKINT explicitly refuses to participate in the flawed public consultation procedures so as not to legitimise them and rather reacts to proposals on its own public channels.¹²²

Under Government Decision 1039/2012 (II.22.), leading government officials such as the parliamentary state secretary of the Ministry of the Interior, the state secretary responsible for church and civil relations of the MHR, the state secretary responsible for social affairs and social integration of the MHR, the state secretary responsible for family and youth of the MHR, the state secretary responsible health care of the MHR, the state secretary responsible for education of the MHR, the parliamentary state secretary and the secretary of state responsible for EU and international cooperation of the MJ, among others, are members of the Working Group on Human Rights. Government Decision 1039/2012 (II.22.) also prescribed that the Working Group shall set up a Human Rights Roundtable. The main objective of the Human Rights Roundtable is to provide for consultation with non-governmental, professional and lobby organisations monitoring

¹¹⁸ Háttér Society, telephone interview, 08 March 2017.

¹¹⁹ HHC, telephone interview, 10 February 2017; Ökotárs Foundation, telephone interview, 09 February 2017; Patent Association, telephone interview, 08 February 2017; Háttér Society, telephone interview, 08 March 2017.

¹²⁰ Available at: <http://www.ohchr.org/EN/HRBodies/OPCAT/Pages/OPCATIndex.aspx>.

¹²¹ Magyar Helsinki Bizottság, *A kínzás elleni ensz egyezmény fakultatív jegyzőkönyvének (opcat) ratifikációja és a nemzeti megelőző mechanizmus (npm) működése (2008)*, available at: <http://www.helsinki.hu/az-opcat-ratifikacioja-2008/>.

¹²² EKINT, telephone interview, 23 March 2017.

the effectuation of human rights in Hungary and to draw up proposals in relation to the tasks of the Working Group. Members of the Working Group, the Commissioner for Fundamental Rights, the president of the Equal Treatment Authority (*Egyenlő Bánásmód Hatóság*) and the president of the National Authority for Data Protection and Freedom of Information (*Nemzeti Adatvédelmi és Információszabadság Hatóság*) are members of the Human Rights Roundtable too. Civil organisations invited by the president and vice-president of the Working Group may also be members of the Human Rights Roundtable. The Human Rights Roundtable holds a meeting when it is deemed necessary.

NGOs generally find the operation of the Human Rights Roundtable, set up by the Human Rights Working Group, to be largely ineffective given that no substantive work is being done by it. Therefore, the HHC withdrew from it in 2014.¹²³ The CFCF maintained that they have not been invited to participate; their demand to join the Human Rights Roundtable was also denied. Once they succeeded to 'get in' with the help of the HHC to a session of the relevant section of the Roundtable, but they were not allowed to present their views.¹²⁴

In contrast, the Háttér Society claimed that there have been no formalised cooperation on issues related to LGBTQ rights protection before the Roundtable and it also deemed the consultations at its relevant meetings meaningful. However, Háttér Society also mentioned that this was not the case in other fields of human rights protection like women's rights or child protection, etc.¹²⁵

Many NGOs maintain that the channels of direct consultation have either been blocked or diminished within the reporting period, particularly after 2013 when the government launched its attack against the EEA/Norway Grants' NGO Fund (Norwegian Civic Funds, *Norvég Civil Támogatási Alap*)¹²⁶ and against NGOs receiving grants therefrom (see the section on 'Further information' below). This is particularly the case in relation to issues that gained political sensitivity. For instance, Ökotárs Foundation, which was the operator of the NCF, was invited to participate in the direct consultation procedure of the new Act LCXXV of 2011 on civil organisations in 2011. By 2014, all communication channels ceased to exist between Ökotárs and the authorities and since then the Ökotárs Foundation has not sought to restore them.¹²⁷

¹²³ HHC, telephone interview, 10 February 2017, Ökotárs Foundation, 09 February 2017; Patent Association, telephone interview, 08 February 2017.

¹²⁴ CFCF, telephone interview, 23 February 2017.

¹²⁵ Háttér Society, telephone interview, 08 March 2017.

¹²⁶ The first and second NGO Fund of the EEA/Norway Grants, launched in 2009 and 2013 respectively, aimed to strengthen Hungarian NGOs. See also: <http://eeagrants.org/Who-we-are>; <https://norvegcivilalap.hu/en/about-the-fund>.

¹²⁷ Ökotárs Foundation, telephone interview, 09 February 2017.

EKINT maintained that contrary to years preceding 2010, it had no impact whatsoever on government policies in the examined period.¹²⁸ Up until 2014, the HHC, which was otherwise not affected by the government's attacks against Norwegian Civic Funds given that it had not obtained Norwegian Civic Funds funding, received the legislative drafts or amendments on matters related to asylum or migration by post. Since 2014, this practice has ceased and they may only participate in the ineffective general consultation procedure. **However, the HHC maintained that its communication channels, cooperation, and lobbying opportunities remained much stronger with authorities responsible for** matters relating to criminal law or criminal procedure.¹²⁹

Similarly, the Patent Association or NANE¹³⁰ could actively participate in the modification process of the Criminal Code in 2012, which led to the criminalisation of domestic violence as a separate criminal offence. The process of criminalising this behaviour started by a public initiative made by them.¹³¹ NANE and Patent Association, however, attributed this practice to widespread public support and sympathy which arose after the initiative was first quashed and a FIDESZ MP stated during the parliamentary debate that women would not be subject to domestic violence if they gave birth to enough (at least two or three) children before they engage in self-realisation.¹³² However, the aforementioned organisations were not invited by the Ministry of Public Administration and Justice and the Ministry of Human Resources¹³³ to the working group set up in 2013 to prepare the ratification of the Council of Europe Convention on preventing and combating violence against women and domestic violence, which has been ongoing (without success) since 2011.¹³⁴ NANE maintained that before 2011 the Ministry of Justice and Law Enforcement (*Igazságügyi és Rendészeti Minisztérium*, MJLE) had a department responsible for equality between women and men. NANE also led a working group on women's rights under the auspices of MJLE and participated in the training of experts. Though NANE qualified the operation of this working group

¹²⁸ EKINT, telephone interview, 23 March 2017.

¹²⁹ HHC, telephone interview, 10 February 2017.

¹³⁰ NANE (*Nők a Nőkért Együtt az Erőszak Ellen Egyesület*) is a Hungarian civil society organisation with a remit of preventing violence against women and children. More information on the said organisation is available at: <http://nane.hu/egyesuletunk>.

¹³¹ Patent Association, NANE, *Háttéranyag a családon belüli erőszak önálló büntetőjogi tényállásként történő szabályozásához*, available at: <https://nokjoga.hu/sites/default/files/filefield/2012-nane-patent-sui-generis.pdf>.

¹³² Patent Association, telephone interview, 08 February 2017; NANE, telephone interview, 28 February 2017.

¹³³ OGY – Balog, *a kapcsolati erőszak törvényi tényállása jelentős előrelépés*, Borsod online, 04 June 2017. Available at: <http://www.boon.hu/ogy-balog-a-kapcsolati-eroszak-torvenyi-tenyallasa-jelentos-elorelepes/2284112>.

¹³⁴ Council of Europe Convention on preventing and combating violence against women and domestic violence, 11 April 2011, available at: <https://rm.coe.int/CoERMPublicCommonSearchServices/DisplayDCTMContent?documentId=090000168046031c>. Telephone interview, 08 February 2017.

'formal' and the cooperation with the MJLE not without hindrances, it claimed that as of 2011 its only way of communication remained to be through demonstrations. NANE maintained that "professionally acceptable training programmes are not launched, NANE is not involved in what is organised [by the Ministry]" and the Ministry even 'strives' to exclude NANE's involvement in other stake-holders' projects.¹³⁵

The CFCF reported the lack of meaningful communication channels with MHR, which is competent in matters related to discriminative practices in schools (the CFCF represented a number of anti-segregation cases successfully at courts and prevented the government from introducing the segregation of Roma children in church schools). The CFCF maintained that they are not involved in consultations and do not receive legislative drafts. Instead, the CFCF attempted to exercise influence by using the press or by combining civil efforts and gaining public support. The CFCF also turned to the European Commission when it considered the proposed amendments would violate relevant EU anti-discrimination legislation.¹³⁶

Háttér Society maintained that between 2010 and 2012, when major amendments related to LGBT rights, such as the exclusion of same-couple marriages by the Fundamental Law¹³⁷ or severe restrictions on the definition of family under the Family Code were introduced¹³⁸, there were no consultations whatsoever with LGBT communities. As of 2012/2013 communication channels have been restored with the Ministry of Justice and some of their observations have even been accepted. In contrast, they described the Ministry of Human Resources as a 'black hole', as it does not provide any response to their observations or questions.¹³⁹

The relationship between the government and many leading NGOs working in the field of human rights protection became rather strained during the reporting period, especially since August 2013, when the government-related magazine *Heti Válasz* issued an article on certain NGOs, claiming that they are sponsored by Soros-related sources, including the Norwegian Civic Funds, to conspire against the country. The article listed 11 NGOs, including leading human rights groups and watchdog NGOs, such as the HCLU, the Patent Association, the Mona Association, and the Háttér Society. This marked the beginning of a communication campaign aimed at

¹³⁵ NANE, telephone interview, 28 February 2017.

¹³⁶ CFCF, telephone interview, 23 February 2017.

¹³⁷ Article L (1), Fundamental Law (*Magyarország Alaptörvénye*), 25 April 2011. Available at: http://njt.hu/cgi_bin/njt_doc.cgi?docid=140968.322953.

¹³⁸ Article 7, Act CCXI of 2011 on the protection of families (*2011. évi CCXI. törvény a családok védelméről*) excluded same-sex couples from the notion of family. The Constitutional Court abrogated Article 7 in 2012 (43/2012. (XII. 20.) AB határozat) as of 21.12.2012.

¹³⁹ Háttér Society, telephone interview, 08 March 2017.

the defamation of these organisations.¹⁴⁰ On 17 August 2013, the spokesperson of the government party FIDESZ, echoed these accusations. The HHC asked the spokesperson for an apology; when this was denied, the matter went to court. In July 2014, the court of first instance found that the spokesperson and FIDESZ had “violated the right of the organisation to 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 organisation.”¹⁴¹

The allegations were also strongly refused by the ambassador of Norway in October 2013 and by the Ökotárs Foundation as well.¹⁴² In 2014, the government also tried to take control over the distribution of funding provided by the NCF, which aimed to support NGOs specialised in the promotion of matters concerning, for example, democracy, human rights, gender and equal opportunity, youth and child protection, environment protection or the rights of minority groups such as the Roma. On 8 April 2014, the Vice-Prime Minister, Head of the Prime Minister’s Office, accused Norway of interfering in Hungary’s domestic affairs by falsely claiming that the Ökotárs Foundation, the fund operator of the NCF, channelled funds to opposition party “Politics Can Be Different”¹⁴³ in a letter addressed to the Norwegian government. The suspension of payments to Hungarian NGOs and the renegotiation of the government’s role in the distribution of NCF was also called for on 5 April 2014.¹⁴⁴ Considering the government’s actions to be a part “of a general assault against NGOs in general”, these became the victims of “a deliberate political strategy” aimed at their elimination.¹⁴⁵

¹⁴⁰ András Bódis, *Soros, nyiss nekem tért!*, *Heti Válasz*, 08 April 2014. Available at: http://valasz.hu/itthon/soros-nyiss-nekem-tert-67199/?cikk_ertekel=1&ertekeles=4; Transparency International, TASZ, EKINT, HHC, *Timeline of Governmental Attacks Against Hungarian NGO Sphere*, 21 September 2014. Available at: http://tasz.hu/files/tasz/imce/timeline_of_gov_attacks_against_hungarian_ngos_20140921.pdf.

¹⁴¹ Transparency International, TASZ, EKINT, HHC, *Timeline of Governmental Attacks Against Hungarian NGO Sphere*, 21 September 2014. Available at: http://tasz.hu/files/tasz/imce/timeline_of_gov_attacks_against_hungarian_ngos_20140921.pdf.

¹⁴² Transparency International, TASZ, EKINT, HHC, *Timeline of Governmental Attacks Against Hungarian NGO Sphere*, 21 September 2014. Available at: http://tasz.hu/files/tasz/imce/timeline_of_gov_attacks_against_hungarian_ngos_20140921.pdf.

¹⁴³ Benjamin Novak, *Janos Lazar accuses Norway of interfering in Hungary’s domestic affairs*, *Budapest Beacon*, 10 April 2014, available at: <http://budapestbeacon.com/public-policy/janos-lazar-accuses-norway-of-interfering-in-hungarys-domestic-affairs>.

¹⁴⁴ *Lázár felfüggesztené a norvég civil alap támogatásait*. *Index*, 2014. május 9, available at: http://index.hu/belfold/2014/05/09/lazar_felfuggesztene_a_norveg_civil_alap_tamogatasait/.

¹⁴⁵ *Hungarian Spectrum*, *The War Between the Hungarian Government and the NGOs Continues*, 30 May 2015, available at: <http://hungarianspectrum.org/2015/05/30/the-war-between-the-hungarian-government-and-the-ngos-continues/>. See also: Veronika Móra, *‘A kormány szalámitaktikája visszafelé sült el’*, 08 April 2015, available at: http://hvg.hu/velemeney/20150408_Civilek_kontra_magyar_allam_egy_nehez_ev.

Norway refused to comply with the demands of the government.¹⁴⁶ On 21 May 2014, the Hungarian government ordered the Government Control Office (*Kormányzati Ellenőrzési Hivatal*, GCO)¹⁴⁷ to audit Ökotárs and other suspicious NGOs, such as the HCLU and Transparency International. During June 2014, 58 NGOs were called upon to submit documents related to projects financed by NCF. Some NGOs complied with the request like the Háttér Society, though it disputed the lawfulness of the operation,¹⁴⁸ others – such as, for example, HCLU or Krétakör Foundation – questioned the legal basis for the audit and chose to make the project documentation available on their websites. On 28 May 2014, the secretariat of the EEA/Norway Grants donor states and the Financial Mechanism Office protested, claiming that this conduct violated international agreements, which gave the donor states the exclusive right to audit its civil funds operator.¹⁴⁹

On 23 July 2014, the Ombudsperson of Hungary,¹⁵⁰ in a letter sent to the Head of the Prime Minister's Office, maintained that the Hungarian government should take into consideration the interpretation of Norway regarding the audit of the funds but took no further action.¹⁵¹

On 26 July 2014, the Prime Minister in his speech on 'illiberal democracy', delivered at Tusnádfürdő, referred to certain NGOs as 'paid political activists' who hinder the reorganisation of the state. He maintained, specifically, that "these political activists are" not "civilians coming against us" but are political activists "paid by foreigners", who "promote foreign interests." He also said that, "[I]deally a civil politician, as opposed to a

¹⁴⁶ Richard Field, *Norway tells Janos Lazar to go jump in a Fjord*, Budapest Beacon, 30 April 2014. Available at: <http://budapestbeacon.com/economics/norway-tells-janos-lazar-to-go-jump-in-a-fjord-in-a-fjord/7515>.

¹⁴⁷ Available at: <http://kehi.kormany.hu/>.

¹⁴⁸ Háttér Society, telephone interview, 08 March 2017.

¹⁴⁹ Transparency International, TASZ, EKINT, HHC, Timeline of Governmental Attacks Against Hungarian NGO Sphere, 21 September 2014. Available at: http://tasz.hu/files/tasz/imce/timeline_of_gov_attacks_against_hungarian_ngos_20140921.pdf.

¹⁵⁰ Office of the Commissioner for Fundamental Rights (*Alapvető Jogok Biztosának Hivatala*), available at: <http://www.ajbh.hu/hu>.

¹⁵¹ Transparency International, TASZ, EKINT, HHC, Timeline of Governmental Attacks Against Hungarian NGO Sphere, 21 September 2014. Available at: http://tasz.hu/files/tasz/imce/timeline_of_gov_attacks_against_hungarian_ngos_20140921.pdf; see also: *Az ombudsman levelet írt Lázár Jánosnak KEHI/Norvég Civil Alap ügyben!*, Transparency International, 28 July 2014, available at: <https://webcache.googleusercontent.com/search?q=cache:7br8J4g5xyMJ:https://transparency.atlatszo.hu/2014/07/28/az-ombudsman-levelet-irt-lazar-janosnak-kehinorveg-civil-alap-ugyben/+&cd=1&hl=hu&ct=clnk&gl=de>.

professional, is an individual who is organising from the bottom up, financially independent, and the nature of his work is voluntary".¹⁵²

On the basis of false accusations in August 2014, the Ökotárs was also accused of embezzlement (even though Norwegian Civic Funds money is paid from Norway to the beneficiary NGOs directly).¹⁵³

On 8 September 2014, Government Control Office (GCO) auditors, accompanied by some 50 police officers, conducted a house search of offices and in the homes of several colleagues. The director of Ökotárs was not arrested, but was, nonetheless, photographed being led away by police.¹⁵⁴ On the motion of the GCO, the National Tax and Customs Administration (*Nemzeti Adó és Vámhivatal*)¹⁵⁵ also suspended the tax numbers of those foundations that were responsible for managing the Norwegian Civic Funds in Hungary in September 2014.¹⁵⁶

The GCO's final executive report issued in October 2014 contains a number of unsubstantiated, general allegations, which, however was not followed by further official proceedings.¹⁵⁷ Yet, the executive report and the whole proceedings were capable of generating a defamatory effect according to Háttér Society¹⁵⁸ for example, and for those organisations which cooperated it generated a lot of work.¹⁵⁹ While the GCO should have sent the final draft to the NGOs concerned so that they could submit their opinion, it did not happen.¹⁶⁰

In 2015, many Norwegian Civic Funds supported civil organisations, such as the Patent Association, underwent auditing conducted by the National Tax and Customs Administration.¹⁶¹ These procedures were closed given

¹⁵²Csaba Tóth, *Full text of Viktor Orbán's speech at Băile Tuşnad (Tusnádfürdő) of 26 July 2014*, Budapest Beacon, 29 July 2014. Available at: <http://budapestbeacon.com/public-policy/full-text-of-viktor-orbans-speech-at-baile-tusnad-tusnadfurdo-of-26-july-2014/10592>.

¹⁵³Transparency International, TASZ, EKINT, HHC, *Timeline of Governmental Attacks Against Hungarian NGO Sphere*, 21 September 2014. Available at: http://tasz.hu/files/tasz/imce/timeline_of_gov_attacks_against_hungarian_ngos_20140921.pdf.

¹⁵⁴ Nikolaj Nielsen, *Hungary raids Norway-backed NGOs*, 10 September 2014, euobserver, available at: <https://euobserver.com/political/125537>.

¹⁵⁵ Available at: <https://www.nav.gov.hu/>.

¹⁵⁶ Ökotárs: *Statement: the Prime Minister's Office is not telling the truth*, 05 October 2015, available at: <http://okotars.hu/en/statement-prime-ministers-office-not-telling-truth>.

¹⁵⁷ KEHI, *Ellenőrzési jelentés: Az EGT és a Norvég Finanszírozási Mechanizmusok intézményrendszerének és a Finanszírozási Mechanizmusokból, továbbá a Finanszírozási Mechanizmusok támogatásaiból részesülő kedvezményezettek és a lebonyolító szervezetek részére juttatott egyéb hazai és nemzetközi támogatások felhasználásának ellenőrzése Norvég Civil Támogatási Alap*, 15 October 2014, available at: http://kehi.kormany.hu/download/a/51/c0000/NCTA_jelentes.pdf.

¹⁵⁸ Háttér Society, telephone interview, 08 March 2017.

¹⁵⁹ NANE, telephone interview, 28 February 2017.

¹⁶⁰ Háttér Society, telephone interview, 08 March 2017.

¹⁶¹ Patent Association, telephone interview, 08 February 2017.

that it could not be determined that a crime had taken place.¹⁶² However, many NGOs, who decided to cooperate with the GCO or the National Tax and Customs Administration complained about the length of these procedures and claimed they were time- and energy-consuming,¹⁶³ to such an extent that in the case of smaller NGOs they could jeopardise their very operation. Roma Press Centre (*Roma Sajtóközpont*) mentioned that, due to the administrative burden of these procedures, they had to abandon their fund-raising activities for a while, which then put them in a rather precarious situation financially.¹⁶⁴

In December 2015, the Minister of State, announced that Hungary had reached an agreement with the Norwegian Fund and payments would continue. The investigation into several NGOs were closed following the agreement. However, the relevant government statement still considered that the Ökotárs Foundation was not “suitable for the management of public funds, and abused the trust of the Norway Grants benefactors” and maintained that the parties reached an agreement that “in the future, foreign governments cannot distribute funds without the consent or the supervision of the Hungarian Government”.¹⁶⁵ The Hungarian government restated that “financial resources provided to civil society organisations cannot be used for political purposes and that no NGO will be exempt from the requirements of transparency and regular, orderly reporting to the appropriate regulatory authorities.”¹⁶⁶

The deteriorating relationship between the government and the relevant NGOs greatly affected the lobbying capacity of the latter, especially in relation to issues deemed ‘politically sensitive’ and could also affect their financial standing (see also above). Even the CFCF, which only received support in the second round from the Norwegian Civic Funds, and thus did not undergo official control procedures, reported considerable psychological pressure and stress.¹⁶⁷ Considering that the government controls the public media and large sectors of the private media too, NGOs find it more and more difficult to reach out to the general public.¹⁶⁸

In September 2016, a Member of Parliament and the political party FIDESZ, the Parliament’s National Security Committee’s Deputy Chairman, also stated that a list of 22 Soros-related NGOs to be ‘screened’ was

¹⁶² Ökotárs, *Ökotárs welcomes the decision of the tax authority*, 22 October 2015. available at: <http://okotars.hu/en/okotars-welcomes-decision-tax-authority>.

¹⁶³ Patent Association, telephone interview, 08 February 2017.

¹⁶⁴ Roma Sajtóközpont, telephone interview, 22 February 2017.

¹⁶⁵ The Case of the Norway Grants and NGOs in Hungary, 21 February 2016, available at: <http://abouthungary.hu/issues/the-case-of-the-norway-grants-and-ngos-in-hungary/>.

¹⁶⁶ The Case of the Norway Grants and NGOs in Hungary, 21 February 2016, available at: <http://abouthungary.hu/issues/the-case-of-the-norway-grants-and-ngos-in-hungary/>.

¹⁶⁷ CFCF, telephone interview, 23 February 2017.

¹⁶⁸ EKINT, telephone interview, 23 March 2017.

compiled and submitted to the National Security Committee.¹⁶⁹ He claimed: “the Soros empire’s quasi-civil organisations are maintained so that global capital and the world of political correctness can be imposed on national governments. These organisations have to be pushed back with every possible tool, and I think they should get out of here”.¹⁷⁰

The government-related portal 888.hu published an interview with the Prime Minister who claimed that 2017 would be the year of elimination of Soros-related NGOs.¹⁷¹ On 10 January 2017, the government announced plans to further control civil organisations.¹⁷² The proposed law placed on the 2017 spring legislative agenda¹⁷³ would require leaders of NGOs to declare their personal financial assets as well as the further control on foreign funding.¹⁷⁴ Government plans also involve the compulsory registration of such civil organisations which receive more than HUF 3,600,000 (€ 11,688) per year from foreign sources as ‘NGOs funded from abroad’. MPs found the limit too low for fear that it could cause disturbance in the operation of ‘real’ civil organisations.¹⁷⁵ No relevant drafts have been submitted to Parliament to date, and an information request is still pending with the authorities.¹⁷⁶ According to EKINT’s information, preparatory works of parts of the amendments were retained by the FIDESZ fraction from the competent ministries so as to avoid the involvement of the administration and the public consultation procedure and to make it possible to submit proposals to the parliament as individual MP motions.¹⁷⁷

¹⁶⁹ Senior Fidesz official calls for investigation into NGOs supported by Soros, Budapest Beacon, 27 September 2016, available at: <http://budapestbeacon.com/featured-articles/senior-fidesz-official-calls-for-investigation-into-ngos-supported-by-soros/39849>.

¹⁷⁰ Justin Spike, *Government poised to launch next wave of attacks on Hungarian civil society*, Budapest Beacon, 10 January 2017, available at: <http://budapestbeacon.com/featured-articles/government-poised-to-launch-next-wave-of-attacks-on-hungarian-civil-society/43677>.

¹⁷¹ *Beszélgetés Orbán Viktorral, Magyarország miniszterelnökével*, 888.hu, 16 December 2016, available at: <http://888.hu/article-orban-2017-a-lazadas-eve-lesz>.

¹⁷² Justin Spike, *Government poised to launch next wave of attacks on Hungarian civil society*, Budapest Beacon, 10 January 2017, available at: <http://budapestbeacon.com/featured-articles/government-poised-to-launch-next-wave-of-attacks-on-hungarian-civil-society/43677>.

¹⁷³ Available at: http://www.parlament.hu/documents/10181/56621/Tvalk_program_2017_tavasz.pdf/77d69862-7613-4fe1-a490-d15975f5e81f.

¹⁷⁴ Justin Spike, *Government poised to launch next wave of attacks on Hungarian civil society*, Budapest Beacon, 10 January 2017, available at: <http://budapestbeacon.com/featured-articles/government-poised-to-launch-next-wave-of-attacks-on-hungarian-civil-society/43677>.

¹⁷⁵ Joó, H., *A civilek elleni terv kész, de még számolnak, hogy a mérge csak Sorosékat érje*, hvg.hu, 21 February 2017, available at: http://hvg.hu/itthon/20170221_civilek_soros_kormany_nemeth_szilard.

¹⁷⁶ Ministry of Human Resources, Public data demand submitted on 23 March 2017.

¹⁷⁷ EKINT, telephone interview, 23 March 2017.

According to the magazines hvg.hu and Heti Válasz, the government may initiate a so-called 'national public consultation' to ask people's opinions on the fight against 'Brussels' and about whether Soros-related NGOs should be transparent.¹⁷⁸ Recently, EKINT has stood in the forefront of government attacks, as its president upon request of civil groups and supported by opposition parties in the parliament, ran for the presidency elections held in March 2017. Despite the EKINT president's endeavours to separate his work in the EKINT from the presidential campaign, for which EKINT's public spaces were not used either, the government controlled media portrayed him and EKINT as an agent of foreign interests and accused the organisation of receiving accrued funding from Soros-related sources. EKINT maintained that this negative propaganda has already damaged their reputation and had a deterrent effect on possible national or international donor organisations.¹⁷⁹

¹⁷⁸ *Nemzeti konzultációt indít a kormány Sorosról, hogy elterelje a figyelmet az olimpiáról*, hvg.hu, 15 February 2017; *Bálint Ablonczy, A Fidesz nemzeti konzultációval verné le az olimpiaellenes mozgalmat*, 18 February 2017, available at: <http://valasz.hu/itthon/a-fidesz-nemzeti-konzultacioval-verne-le-az-olimpiaellenes-mozgalmat-122547>.

¹⁷⁹ EKINT, telephone interview, 23 March 2017.