



Mr Martin Schulz
President of the European Parliament
PHS 9B11

Brussels, 11 September 2014

Dear President Schulz,

We are writing on behalf of the Greens/EFA group in the European Parliament to express our grave concern regarding the following:

As you are aware, since 2010 the Hungarian government has undermined the independence of the judiciary, the power of the constitutional court, media freedom and pluralism, and taken control of state institutions such as the Office of the Ombudsman. Despite a European Parliament resolution following a detailed LIBE report and a number of infringement proceedings against Hungary by the Commission, the situation continues to deteriorate.

A consortium of four independent organisations in Budapest assists EEA/Norway Grants to distribute grants to NGOs: Ökotárs Foundation in cooperation with Autonomia Foundation, Foundation for Development of Democratic Rights (DemNet) and the Carpathian Foundation-Hungary.

You may be aware that in April, Hungary's Secretary of State Janos Lazar wrote to Norway's EU affairs minister Vidar Helgesen, alleging that Norway was interfering in Hungarian domestic politics using the money of the EEA/Norway Grants distributed to Hungarian NGOs. The Hungarian government claimed that funding distributed in Hungary through the EEA/Norway Grants by the consortium of four foundations was being channelled to left-leaning NGOs with apparent political affiliations. The NGOs, which work to promote human rights and democracy, include the Hungarian Civil Liberties Union, Transparency International, investigative journalism portal atlatszo.hu, and NaNE Women's Rights Association. Norway firmly denied the accusations, stopping all payment to the Hungarian Government, and in an open letter dated 28 August, the European Affairs Minister stated that the fund's aim is to promote basic European values and that the Hungarian government's behaviour shows they do not adhere to these principles. The Minister went on to call for EU sanctions against Hungary.

In June the Hungarian government began an audit of the four members of the consortium to investigate the allegations of political bias in funding decisions could be substantiated. The government auditors subsequently required various documents from these organisations and threatened them with the withdrawal of their VAT number if they failed to provide the documents on time. A few weeks later the auditors widened the scope of their investigations to include the NGO grantees themselves, although the Norwegian Government and the Ökotárs Foundation have both previously made clear that the Norwegian Funds are not public money in Hungary and that the Hungarian authorities therefore have no jurisdiction to control the legality of the procedures connected to the funds' distribution.



Unfortunately, on Monday, 8 September 2014, the Hungarian state launched a full frontal attack against Ökotárs and Demnet Foundation, two of the four NGOs responsible for the distribution of Norway's NGO Grants in Hungary.

The National Investigation Bureau (NBI), accompanied by special police forces, raided the offices of the Ökotárs Foundation and the Demnet Foundation and confiscated the Foundations' laptops and computers. The police then escorted Vera Móra, chairwoman of the Ökotárs Foundation, to her home and took her laptop and searched the homes of several colleagues. According to the NBI, this procedure is part of an investigation by the police of an unknown suspect for fraud and misappropriation of funds.

These developments are broadly understood to constitute harassment of civil society in Hungary, and have been accompanied by a media smear campaign aimed at damaging the reputation and credibility of NGOs working to promote human rights, women's rights, democracy, LGBTI rights and ethnic minority groups. As you are aware from the EP report on the situation of fundamental rights in Hungary, this development constitutes just one among many measures that undermine the rule of law, human rights and democracy in the country. We think that this is a significant development in the dismantling of the rule of law in Hungary and is also a clear case of abuse of power as well as a threat to the entire NGO sector. Given these actions' wider repercussions, we assume that the government's underlying aim was to stop the last independent source of funding for NGOs present in the country and block independent, civil control. The procedure in itself is unusual and the involvement of the special police forces clearly disproportionate. At the same time, we would like to draw your attention to the fact that the OSCE report on the general elections earlier this year highlighted that NGOs close to FIDESZ financed the FIDESZ electoral campaign in a non-transparent way.

President Schulz, we urge you to investigate the facts as briefly described above; furthermore, we encourage you, in the spirit of the Tavares report, to explore building a consensus within the EP in order to refer the issue to the Commission, asking for the application to Hungary of the new rule of law mechanism. At the very least, we request that you raise the subject with the EPP, given that this group includes members who are associated with this kind of anti-democratic behaviour.

We assure you of our commitment to safeguarding democracy, the rule of law and human rights in EU member states, and remain at your disposal for further action on this issue.

Yours faithfully,

Rebecca Harms

Philippe Lamberts

Co-Presidents

Greens/EFA Group in the European Parliament