

## PRESS RELEASE - THE OBSERVATORY

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### **HUNGARY: New bill hampers NGOs' access to funding and seriously threatens civil society**

**Paris-Geneva, April 14, 2017. The draft law 'on the Transparency of Organisations Receiving Foreign Funds' recently tabled in Hungary threatens civil society by imposing unnecessary additional administrative burdens on organisations receiving foreign donations above a fixed amount, says today the Observatory for the Protection of Human Rights Defenders, an FIDH-OMCT partnership. Expected to be voted by parliament in the coming weeks, the new bill is yet another move by the Hungarian government to delegitimise civil society organisations and obstruct their work.**

The bill represents a new low in a series of attacks conducted by the Hungarian government against independent civil society. NGOs active in the defence of the rule of law and human rights have especially been targeted in recent years, including through smear campaigns, politically motivated audits, administrative and criminal procedures.

***"What should be a straightforward and independent process between donors and receiving organisations is transformed into unjustified State interference to stifle NGOs and undermine their work, said FIDH Secretary-General Dan Van Raemdonck. "This latest move echoes Putin's Russia "Foreign Agents Law", which has marginalised and intimidated hundreds of NGOs and exposed them to serious risks, and is unprecedented in an EU country".***

The draft law, which was submitted to Parliament on April 7, 2017, introduces a set of new administrative hurdles for associations and foundations, which receive annual foreign donations amounting to or exceeding 7.2 million HUF (24,000 EUR). It provides that such associations and foundations shall be re-registered as organisations "receiving foreign funding", and that their websites and publications shall bear this label. The label will only be removed in the event that the organisation does not receive foreign funding above this threshold for three consecutive years. The law would apply to direct European Union (EU) support, as only EU funds administered by the Hungarian authorities shall be excluded from its scope. The bill goes further and establishes sanctions for non-compliant organisations. These include warnings, fines and, ultimately, dissolution through cancellation from the register of civil society organisations and other organisations not regarded as companies.

***"This bill, which is reminiscent of authoritarian regimes, puts independent civil society voices under siege in Hungary. The Hungarian State must refrain from moving into a system where the State assumes the right to control and restrict civil society's action by tightening control over it and withdraw the draft law", OMCT Secretary General Gerald Staberock concluded.***

The law would affect a wide range of civil society organisations, including organisations working to protect the rule of law, human rights and transparency, but also service providing and environmental organisations, whereas sport associations, associations pursuing religious activities and other associations and foundations shall be exempt.

By imposing new and unnecessary<sup>1</sup> administrative burdens on civil society organisations, the bill actually seeks to further and publicly stigmatise them and obstruct their work. By labelling

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<sup>1</sup> Under existing legislation (Law CLXXV of 2011 on the Right to Association, Public Benefit Status and the Operation and Funding of Civil Society Organisations), civil society organisations already have to publicly report on their funding, including foreign funding, on an annual basis. These provisions already ensure transparency and accountability for NGOs, thus rendering the new law's stated objective baseless.

NGOs to which the bill shall apply as 'organisations receiving foreign funds', it only aims at branding them as 'foreign agents' thus assimilating them to 'State enemies', a serious offence in an increasingly nationalist regime. It also discriminates without grounds between civil society organisations, as the law would only apply to some of them.

The Observatory urges the EU and member states to promptly and strongly react in order to immediately halt this attack and ensure respect by Hungary of civil society's fundamental role in a democratic society and of the EU's founding values of respect for democracy, the rule of law and human rights.

### **Violations of international human rights standards:**

The Observatory reminds the Hungarian authorities that the UN Declaration on Human Rights Defenders provides that everyone has the right, individually and in association with others, "at the national and international levels [...] to form, join and participate in non-governmental organizations, associations or groups" (Article 5) and "to solicit, receive and utilise resources for the express purpose of promoting and protecting human rights and fundamental freedoms through peaceful means" (Article 13). This includes the ability for civil society organisations "to access funding and other resources from domestic, foreign and international sources", which is an essential element of the right to freedom of peaceful assembly and association. Although limitations can be imposed on this right in order to prevent crime, including money laundering and terrorism financing, these "should not be used as a pretext to control NGOs and restrict their ability to carry out their legitimate work".

The introduction of re-registration requirements for already registered civil society organisations also runs contrary to the recommendations made by the United Nations Special Rapporteur on Human Rights Defenders in his report [A/HRC/34/52/Add.2](#) that the government avoid adopting new laws requiring already registered organisations to re-register and that registration of associations be made simpler, non-onerous and expeditious.

The draft law has been submitted in a climate of increasing intimidation and stigmatisation of civil society organisations, which is reflected in the wording of the questions submitted in the context of a national consultation launched by the government on March 31, 2017. Indeed, some questions imply that foreign funded organisations could interfere in the country's internal affairs by conducting "risky activities". The consultation also hints at the role that such organisations would play in assisting "illegal immigration", which is in turn and consistently linked to terrorism, in encouraging "illegal immigrants to commit illegal acts and conducting other illegal activities including human trafficking". It is accompanied by a public campaign which, under the slogan 'Let's stop Brussels!', aims at providing a response to alleged EU steps that, according to the Hungarian government, would be contrary to Hungarian interests.

### **Background information:**

The submission of the new draft law to Parliament follows a series of actions and legislative reforms undertaken by the Hungarian Government over the past seven years since it first took power in 2010 aimed at systematically and progressively undermining democratic checks and balances and shrinking the space of civil society and independent critical voices in Hungary. This included a series of constitutional and other legislative reforms, which progressively undermined the role of independent institutions and fundamental human rights. They are part of the government's plan to establish an 'illiberal State' in Hungary, in clear contravention of international and European standards on the rule of law and Hungary's obligations under the EU Treaties, particularly Article 2 of the TEU.

The bill follows the adoption of another law on April 4, 2017<sup>2</sup>, which restricts academic freedom and disproportionately affects the Central European University (CEU). The law, which significantly undermines the CEU's capacity to operate and jeopardises its very existence, has sparked reactions and protests across Europe and the US.

*The Observatory for the Protection of Human Rights Defenders (the Observatory) was created in 1997 by FIDH and the World Organisation Against Torture (OMCT). The objective of this programme is to prevent or remedy situations of repression against human rights defenders. FIDH and OMCT are both members of ProtectDefenders.eu, the European Union Human Rights Defenders Mechanism implemented by international civil society.*

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Bill T/14686 amending Act CCIV of 2011 on National Higher Education.