

The impact of the activities of Ökotárs on Hungarian sovereignty

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SUMMARY

The Sovereignty Protection Office (hereinafter referred to as "the Office") has carried out an analysis of the mission and role of the Ökotárs Foundation. The reason for the analysis is that in the Office's previous reports, Ökotárs has been regularly mentioned as a partner of several of the organisations under inquiry and as a participant and shaper of events affecting Hungary's sovereignty. The picture that has emerged as a result of the Office's research is that Ökotárs is a member of the US civil society network of influence and political pressure, which, in addition to its role in the public life of some EU Member States, has infiltrated and gained key positions in the alliance's distribution of civil society funds and the related strategic decisions. The phenomenon is presented from the creation of the Ökotárs Foundation to the present day.

The main findings of the Office's analysis are as follows:

- 1. The Ökotárs Foundation, registered in Hungary in 1994, dates back to 1991. Initially under direct American control, the organisation was set up to take over the allocation of foreign funds and networking tasks in the field of environmental protection in Hungary from the Autonómia Foundation as part of the American political influence and pressure network.
- 2. The Autonómia Foundation was the pilot project for US networking in Hungary. Autonómia's creation was based on the preparatory work of the Soros Foundation since 1984 (with US grants to the actors shaping the sector and funding for civil society initiatives assisting the Roma, which became Autonómia's main focus). After the regime change, US private foundations and their US governmental non-profit partners, such as the German Marshall Fund of the United States (GMF), still directly supported Autonómia, taking advantage of the lack of regulation. The foundation helped them to adopt the American model of civil society organisation and to introduce a funding model that guaranteed their influence in the civil society sector.
- 3. By the time Ökotárs took over the funds allocation and networking tasks in 1994, an Eastern and Central European networking centre, the Environmental Partnership Association (EPA), had already been established. Ökotárs is also a member of the association, and a significant part of the foundation's funding has come through the EPA. The EPA's grant programme in Hungary started in 1992 and operated as a separate project of the Autonómia Foundation. The dual funding of the Hungarian network was necessary due to US tax laws. The private US foundations that maintain the network are prohibited from directly funding political activities if they wish to maintain their tax-exempt status. Therefore, they channel their money through an international network hub, the EPA, to distance themselves from organisations that exert direct pressure. Moreover, through the EPA, which initially

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operated as a consortium of four and then six national organisations, the actors financing the activity to gain influence can coordinate their activities throughout the region. In addition to sub-allocating funding, the EPA has also directly led projects: in the 1990s, it funded academic-political research institutes that helped members of the political pressure network to formulate local and national policy objectives.

- 4. The political pressure network created in Eastern and Central Europe, which includes Ökotárs, is similar in structure and operation to the environmental lobbying system exposed in 2014 by the US Senate Committee on Environment and Public Works. The Senate inquiry found that far-left civil society activists campaigning for restrictions on the overseas use of fossil fuels were not in reality protecting the environment, but representing the interests of a narrow group of businessmen through advocacy that spiralled into political activism. Members of the activist network are funded by a well-defined circle of private foundations linked to the US liberal political and financial elite. Billionaires use part of their wealth to fund, through their private foundations, a network of civil society activists who, in return for their support, carry out political lobbying on behalf of the funders and make public policy recommendations in the interests of the financiers, in an attempt to influence US elections, legislation and public opinion. These activist organisations are thus ultimately engaged in political activity in the interests of the financiers under civil disguise, giving the appearance of acting independently in the interests of the community.
- 5. As a result of a collaboration involving influential leaders of the US Democratic Party, namely former US President and his wife, as well as George Soros and the Norwegian government, the funds of the Norway Grants were awarded to the Ökotárs Foundation and its consortium partners through the Clinton Foundation, by circumventing the Hungarian government in the first cycle, in violation of the rules of the intergovernmental treaty, and by excluding other applicants for the management of the fund in the second cycle, so that Ökotárs was awarded the contract without any real competition. In moves that were detrimental to Hungary, the European Union's designated responsible institution conspired with Hungarian organisations belonging to the US network and the Norwegian party.
- 6. Ökotárs and its consortium partners, as fund managers of the Norway Grants, violated a number of laws on the management and allocation of public funds, failed to ensure the elimination of conflicts of interest, transparency of operations, cost-effectiveness, accountability and equal rights. The evaluation and decision-making mechanisms for applications were designed in such a way that applying organisations that were important to them were awarded funding with ex-post re-scoring even if the evaluators had initially judged their project idea to be weak and awarded them low scores. The evaluation and decision-making process involved senior staff from the George Soros-led Open Society

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Foundations (OSF, formerly the Open Society Institute – OSI) and others linked to the US political pressure network.

- 7. Because of the conflicts over the Norway Grants, leading politicians in the US Democratic Party, including the US President in office, Barack Obama, and the staff of George Soros's OSF, sought to intervene against the Hungarian government through intimidation and pressure. At a Clinton Foundation event, Obama attacked the Hungarian government for persecuting civil society activists who disagree with it, even to the point of ordering political assassinations. And in 2012, OSF staff took action against Hungary's ambassador to Oslo, who was representing Hungarian interests in the case, on charges of racism.
- 8. Throughout the process of some nine years of intergovernmental negotiations and international conflicts, the Norwegian government held onto the members of the US influence and political pressure network and their role in the distribution of the Norway Grants, despite the evidence of abuses and serious irregularities presented to it. In doing so, it not only breached the treaty between the two states, which ultimately deprived Hungarian society of the funds it was entitled to, but it also became complicit by transferring the institutions involved in the case to network members controlled by US government agencies to use the funds of the Norway Grants for their operational purposes. The Norwegian government thus bears clear responsibility for the fact that the funds it provided could have been used by the beneficiary organisations of the Norway Grants to interfere in Hungarian domestic politics. The Norwegian party tried to shift the responsibility for the conflict in this case onto the Hungarian government and the governmental and state institutions involved in the fact-finding.
- 9. The Hungarian government's sovereignty protection actions in the Norway Grants case and the resulting conflicts, including extreme statements by the US and Norwegian party, showed that the US government, in its influence-gathering activities, has made conscious moves to seize the allocation of the European Union's civil society funds and control over European funds, using key actors in the civil society network it has developed in Eastern and Central Europe since the mid-1980s, including the Ökotárs Foundation. This ambition promised a step up in gaining European influence, not only in terms of operational infiltration into EU decision-making, but also in terms of the ability to fund the civil society network controlled by them from the EU budget if they were successful.
- 10. 2017 therefore marked not only the end of the second cycle of the Norway Grants, but also the first steps towards a new level of occupation of the allocation mechanism for civil society funds managed by the European Commission. This was the beginning of intense negotiations between George Soros and his associates and EU leaders. Through their

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lobbying, they have gained the leverage to win and distribute sums of money that were orders of magnitude larger than the Norway Grants.

- 11. Using a new strategy, they have taken the funding method tried and tested with the Norway Grants to a higher level, and have achieved free, cross-border access to funds without national control. Since 2017, they have infiltrated the European Commission, the highest decision-making body of the European Union, with their lobbying and their continuous presence. They had two clearly identifiable objectives in hindsight: to force a system of allocation that was designed directly around the demands of the network, bypassing national sovereignty and resistance, and to use so-called rule of law reports against Member States that were politically and socially at odds with the interests of US pressure groups.
- 12. Tailored to the internal needs of the network, the Citizens, Equality, Rights and Values (CERV) programme, coordinated by the European Commission, has created an opportunity for US interest groups to channel internal EU funds to their political pressure groups in Hungary and across Europe through the occupation of the European Commission since 2021. Through their personal interconnections, network of contacts and aggressive intervention strategies, the members of the network control the entire decision-making chain regarding the allocation of funds, both formally and informally. This is how the anomaly of sovereignty at alliance level has developed, with EU public funds paying for the growth and maintenance costs of the US influence machine through the Commission.
- 13. The Sovereignty Protection Office draws the attention of the Hungarian state authorities to the fact that the presence and operation of the Ökotárs Foundation and with it the network structure covering the whole region poses a serious sovereignty risk to Hungary.