# Procedure file

## Basic information

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| RSP - Resolutions on topical subjects 2023/2691(RSP) | Procedure completed |
| Resolution on the breaches of the Rule of Law and fundamental rights in Hungary and frozen EU funds<br><br>Subject<br>1.10 Fundamental rights in the EU, Charter<br>8.30.10 Principles common to the Member States, EU values<br><br>Geographical area<br>Hungary | |

## Key players

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| European Parliament | |

## Key events

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| 31/05/2023 | Debate in Parliament | | |
| 01/06/2023 | Results of vote in Parliament | | |
| 01/06/2023 | Decision by Parliament | T9-0216/2023 | Summary |

## Technical information

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| Procedure reference | 2023/2691(RSP) |
| Procedure type | RSP - Resolutions on topical subjects |
| Procedure subtype | Resolution on statement |
| Legal basis | Rules of Procedure EP 136-p2 |
| Stage reached in procedure | Procedure completed |

## Documentation gateway

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| Motion for a resolution | | B9-0257/2023 | 24/05/2023 | EP | |
| Text adopted by Parliament, single reading | | T9-0216/2023 | 01/06/2023 | EP | Summary |
| Commission response to text adopted in plenary | | SP(2023)377 | 20/09/2023 | EC | |

## Resolution on the breaches of the Rule of Law and fundamental rights in Hungary and frozen EU funds

The European Parliament adopted by 442 votes to 144, with 33 abstentions, a resolution on the breaches of the Rule of Law and fundamental rights in Hungary and frozen EU funds.

The text adopted in plenary was tabled by the EPP, S&D, Renew, Greens/EFA and the Left groups.

For several years, the rule of law has been deteriorating in Hungary as a result of the systematic actions of its government. This is having a negative impact on the EUs image, as well as its effectiveness and credibility in the defence of fundamental rights, human rights and democracy globally. The application of special legal regimes has enabled the Hungarian Government to legislate by emergency decrees for over three years, under the pretext of different exceptional circumstances. The Government continues to issue numerous emergency decrees, which have little to do with the grounds under which the state of danger was introduced. For instance, on 27 April 2023, it issued an emergency decree stipulating that local governments were not obliged to ensure that citizens participate in person at municipal public hearings. Also in 2023, it proposed a draft law drastically restricting teachers right to freedom of expression and their labour and social rights. The Hungarian Government also initiated the stepping down of several government ministers from the boards of public interest trusts overseeing the operation of key universities. These ministers were replaced by other political appointees with close links to the current ruling party in a non-transparent process.

Moreover, from 2017 to 2021, a total of 1 993 irregularities were identified, both fraudulent and non-fraudulent, in relation to European Structural and Investment Funds and agriculture and rural development funds, ranking Hungary as the sixth highest in terms of such cases detected among EU Member States.

Parliament condemned the deliberate and systematic efforts of the Hungarian Government to undermine the founding values of the EU enshrined in Article 2 TEU. It is strongly concerned about the further deterioration of the rule of law and the fundamental rights situation in the country since 2022 and expressed concern about the repeated and abusive invocation of the state of danger, the misuse of whistleblower protections to undermine LGBTIQ+ rights and freedom of expression, and the restriction of teachers status and the infringement of their social and labour rights, which is threatening academic freedom. According to the resolution, academic freedom should be fully restored in Hungarian universities by removing all possibilities for politically motivated intervention into independent operations by public authorities or asset management structures, such as public interest trusts.

Given that the rule of law is key for a functioning single market in the EU, Parliament underlined that the Hungarian authorities must guarantee equal opportunities to access EU funding for individuals, companies and local and regional authorities, and must ensure independent judicial oversight, as well as impartial and effective complaints mechanisms for companies. Parliament further condemned the reported systemic discriminatory practices against companies in Hungary in certain sectors, politically motivated business practices that give an unfair advantage to competitors, non-transparent and manipulated public procurement procedures, takeover bids by the government and entities with ties to the Prime Minister, and the use of EU funds to enrich political allies of the government in contradiction to EU competition and public procurement rules.

While welcoming the adoption of measures under the Rule of Law Conditionality Regulation, the Commission and the Council are expected to lift the adopted measures only after concrete evidence is presented that guarantees that the reasons for the adoption of the measures have been addressed comprehensively.

Parliament expects the Commission to ensure that the milestones and targets linked to the first payment request from Hungary under the Recovery and Resilience Facility are satisfactorily fulfilled as demanded in the RRF Regulation. The Commission should also closely monitor any reversal of the measures linked to the fulfilment of any milestone or target and to take immediate action should evidence be found pointing to the contrary.

Insisting that adequate control and audit measures are key for the protection of the financial interests of the EU, Parliament is of the opinion that the current audit and control arrangements put in place by the Hungarian authorities must show concrete results in practice, particularly as regards addressing systemic issues and guaranteeing sufficient reliability of its accounts, before EU funds can be disbursed.

Parliament stated that the implementation of the Rule of Law Conditionality Regulation as regards the Hungarian case will define the efficiency of the mechanism itself and set a precedent on how EU institutions ensure the protection of the financial interests of the EU.

Lastly, while stressing the important role the Presidency of the Council has in driving forward legislation, ensuring the continuity of the EU agenda and representing the Council in relations with the other institutions, Parliament is concerned how Hungary will be able to fulfil this task credibly in 2024, given its lack of compliance with EU law and values, and the principle of sincere cooperation. Therefore, the Council is asked to find a proper solution and if a solution is not found then Parliament could take appropriate measures.