

#### INTERIM REPORT 05 March – 26 March 2018

#### 29 March 2018

## I. EXECUTIVE SUMMARY

- On 11 January 2018, President János Áder scheduled parliamentary elections for 8 April. All 199 seats in the unicameral parliament are being contested, with 106 members elected through majoritarian races and 93 through a national proportional representation system. These elections are taking place against a backdrop of legislative changes that have intensified antagonism between the government and its political and civil society critics.
- The electoral legal framework has been partly amended since the last elections but a number of important previous ODIHR recommendations are yet to be addressed. The National Election Commission (NEC) issued guidelines on party list registration requirements, during an interim period with no cross-party oversight, triggering stakeholders' concerns about the timing of the decision and the potential impact on co-ordination of candidacies from different parties.
- The elections are managed by three levels of election commissions, supported by a parallel set of election offices. Preparations for the elections are advancing within legal deadlines. Election commissions' sessions are public, minutes and decisions are publicized online. A voter information campaign, including tailored messaging for persons with disabilities, is ongoing.
- As of 22 March, there are 8,213,382 registered voters. Until 6 April voters can verify their data and ask for changes and corrections. The law does not provide for public scrutiny of the lists. A voter can request registration at a polling station accessible for persons with impaired mobility and apply for voting information in Braille.
- The NEC registered 23 lists with a total of 1,796 candidates for the national proportional contest, and 1,643 candidates for the majoritarian races, among them 31 per cent are women. Some 41 per cent of candidacies were rejected, mostly due to failure to collect the required support signatures.
- The campaign environment is characterized by deepening polarization. There is a close overlap between ruling party campaigning and government information campaigns, especially on migration. Many stakeholders expressed concerns about intimidating campaign rhetoric.
- Campaigns are financed by public and private funds. The law limits campaign expenditures but there are no explicit caps on individual donations. There are no reporting requirements until after the elections. Campaign financing by third parties is not regulated.
- The media landscape comprises a large number of outlets divided along party lines. The politicization of media ownership, coupled with a restrictive legislative framework, shrinks the space for critical reporting ahead of the elections. The law grants electoral contestants equal opportunities in the media, foresees free airtime, and bans paid political advertisements in broadcast media but permits them in print and online media. The ODIHR LEOM commenced qualitative and quantitative media monitoring on 13 March.
- Every citizen and legal entity has the right to challenge decisions and activities pertaining to the electoral process, yet there is no guarantee for public hearing at any level of the process. The NEC

has reviewed 348 cases thus far, including on allegedly forged support signatures and the media's coverage of the campaign.

#### II. INTRODUCTION

Following an invitation from the Ministry of Foreign Affairs of Hungary and based on the recommendation of a Needs Assessment Mission conducted from 29 January to 1 February 2018, the OSCE Office for Democratic Institutions and Human Rights (ODIHR) established a Limited Election Observation Mission (LEOM) on 5 March.<sup>1</sup> The ODIHR LEOM, headed by Douglas Wake, consists of nine experts based in Budapest and six long-term observers deployed on 14 March across Hungary. Observers are drawn from 13 OSCE participating States. In line with ODIHR's methodology, the LEOM will not carry out a comprehensive or systematic observation of election day proceedings but intends to visit a limited number of polling stations on election day.

## III. POLITICAL BACKGROUND

Hungary is a parliamentary republic with legislative powers vested in a unicameral parliament. The government has broad executive powers. The Fundamental Law (Constitution) provides for an independent judiciary, but many ODIHR LEOM interlocutors have expressed concerns that judicial reforms enacted since 2010 point to a piecemeal erosion of this independence.

The parliamentary elections are taking place against a backdrop of relatively robust economic performance and a low unemployment rate, but which is partly overshadowed by concerns about political corruption, as highlighted in studies and noted by ODIHR LEOM interlocutors.<sup>2</sup>

Since coming to power in 2010, the Hungarian Civic Alliance (*Fidesz*), together with its coalition partner the Christian Democrats (KDNP), has enjoyed political ascendancy and assertively pursued its political agenda.<sup>3</sup> A two-thirds parliamentary majority was used to pass a new Constitution, introduce a new electoral system and overhaul many other aspects of the legislative framework. Some of these legislative changes prompted the European Commission (EC) to launch infringement procedures against Hungary.<sup>4</sup> In April 2017, the parliament introduced changes to the Higher Education Act, setting out restrictions on the licensing and operation of foreign universities.<sup>5</sup> In June 2017 another law set forth extensive registration and disclosure requirements for certain types of foreign-funded civil society organizations (CSOs). In 2018, the government proposed the so-called "Stop Soros Legislative Package" which would place restrictions on CSOs that allegedly support illegal migration. ODIHR LEOM interlocutors voiced concerns that these restrictions could shrink civil society space.

Migration has been a central issue on the government's agenda since 2015. The government constructed a border fence to keep out would-be migrants and initiated a referendum on the right to reject the EU migrant quota. From 2016, the government has sponsored an extensive public information campaign highlighting its stance on migration and its determination to defend Hungary

<sup>&</sup>lt;sup>1</sup> See <u>previous ODIHR election reports on Hungary</u>.

<sup>&</sup>lt;sup>2</sup> <u>The European Commission's *Country Report Hungary 2018* identified the lack of transparency of policy-making as a "key challenge". See also <u>Special Eurobarometer on Corruption, December 2017.</u></u>

<sup>&</sup>lt;sup>3</sup> In 2010, *Fidesz-KDNP* won 263 seats out of 386 and, in 2014, 133 out of 199. The two-thirds majority was lost after two by-elections in 2015. *Fidesz* also controls most local assemblies. Other parties represented in the parliament include the Socialist Party of Hungary (MSzP, 28 seats), *Jobbik* (24), and Politics Can Be Different (LMP, 6). Ten seats are held by independents and those elected from parties with fewer than 5 seats.

<sup>&</sup>lt;sup>4</sup> Since 2010 the EC has opened 37 <u>infringement procedures against Hungary</u> in the policy area of "Justice, Fundamental Rights and Citizenship". According to the EU treaties, the EC may take legal actions – an infringement procedure – against an EU country that allegedly fails to implement EU law.

<sup>&</sup>lt;sup>5</sup> The new measure was seen by interlocutors as directed primarily against the Central European University. It prompted demonstrations in Budapest and <u>EC legal actions against the Higher Education Law</u>.

against external forces, including Brussels, the United Nations, and the US philanthropist George Soros.<sup>6</sup> This rhetoric has raised concerns nationally and internationally inasmuch as it potentially invokes ethnic and religious intolerance.<sup>7</sup>

On 25 February, an independent candidate backed by opposition from across the political spectrum defeated the *Fidesz*-KDNP candidate in the mayoral election in Hódmezővásárhely, one of the local strongholds of the ruling coalition. Some opposition parties have since broached the possibility of coordinating withdrawal of candidates in some single-member constituencies.<sup>8</sup>

# IV. LEGAL FRAMEWORK AND ELECTORAL SYSTEM

The legal framework for parliamentary elections is primarily comprised of the Constitution, the Act on the Elections of Members of Parliament (Elections Act), the Act on Election Procedures and the Act on the Transparency of Campaign Costs (Campaign Finance Act). The primary legislation is supplemented by non-binding guidelines of the National Election Commission (NEC).<sup>9</sup> Hungary is party to key international human rights treaties and conventions pertinent to democratic elections.

The electoral legal framework has been amended since the last parliamentary elections, including amendments to the Act on Election Procedures that introduced remuneration for appointed NEC members and provided limited access to personal data on candidate support sheets. The latter provision was unsuccessfully appealed to the Constitutional Court. Amendments to the Campaign Finance Act modified the requirements for the return of public campaign funding to the state budget. Both bills were submitted by individual *Fidesz* or KDNP members of parliament, thereby removing a requirement for public participation in the preparation of legislation.<sup>10</sup> A number of important previous ODIHR recommendations have not yet been addressed, including in respect of suffrage rights, a level playing field for campaigning, and freedom of the media.

Thus far the NEC has issued three guidelines, including on the applicability of party list registration requirements. This guideline was adopted on 26 January 2018, during an interim period when there were no political party appointed members on the NEC. Many ODIHR LEOM interlocutors were critical of the timing of its adoption and its potential impact on the co-ordination of candidacies from different parties.<sup>11</sup>

The parliament is elected through a mixed electoral system. Of 199 members, 106 are elected through one-round majoritarian contests in single-member constituencies and 93 through a nationwide proportional system. Political parties must pass a 5 per cent threshold (10 per cent for lists with two parties or 15 per cent for lists with more than two). Parties that pass the threshold have the surplus votes from single-member majoritarian contest added to the totals before the proportional seat allocation.<sup>12</sup> The surplus votes are the votes the party's losing single-member constituency candidates received and the votes of the party's winning candidates over and above those needed to win. The

<sup>&</sup>lt;sup>6</sup> The campaign is estimated to have cost at least HUF 24 billion in 2016-17, according to the CSO interlocutors and documents assessed by the ODIHR LEOM. EUR 1 is approximately HUF 310 (Hungarian Forint).

<sup>&</sup>lt;sup>7</sup> Including <u>the statement</u> of the UN High Commissioner for Human Rights, who called the prime minister's rhetoric "racist" and "delusional".

<sup>&</sup>lt;sup>8</sup> For example, between MSzP-Dialogue for Hungary and DK.

<sup>&</sup>lt;sup>9</sup> Such guidelines are only subject to judicial review once applied and are binding only if reviewed by a court.

<sup>&</sup>lt;sup>10</sup> The Act on Social Participation in Preparing Laws requires that drafts prepared by government ministers must be made available to the public for comments. This rule does not apply to the drafts proposed by individual members of parliament.

<sup>&</sup>lt;sup>11</sup> OSCE/ODIHR LEOM interlocutors expressed concerns that this guideline might pre-empt the opposition's coordination attempts.

<sup>&</sup>lt;sup>12</sup> Seats are allocated using the *d'Hondt* method.

threshold is not applicable to national minority lists, which only need one fourth of the electoral quota.<sup>13</sup>

#### V. ELECTION ADMINISTRATION

The elections are managed by a three-level administration: the NEC, 106 Constituency Election Commissions (CoECs) and 10,285 Polling Station Commissions (PSCs). In parallel, a set of election offices act as secretariats for the commissions, including, respectively, the National Election Office (NEO), 97 Constituency Election Offices (CoEOs) and 1,280 Local Election Offices (LEOs).

The NEC is a permanent independent body, comprising a president and six members, elected for a nine-year term by the parliament on the proposal of the President.<sup>14</sup> Political parties that form a political group in the parliament can appoint one additional member whose mandate ends upon announcement of the next parliamentary elections. Each registered national list is entitled to appoint one member with full voting rights.<sup>15</sup> The commissioners appointed by the national minority lists have voting rights only on national minority issues. The NEC is primarily tasked to ensure compliance with the law by lower-level commissions and electoral contestants.

ODIHR LEOM interlocutors expressed varying degrees of confidence in the work of the NEC. Some noted that the existing appointment system of NEC members favours the ruling party, in particular, in the interim period between the announcement of the elections and the appointment of the political parties' delegates when there is no cross-party oversight.

The CoECs and PSCs consist of three members elected by local government as proposed by the head of the CoEOs and LEOs respectively. Each electoral contestant in the constituency is entitled to appoint one member to the respective CoEO and two members in all PSCs. The PSCs were formed on 19 March.

The NEO is a government agency supervising the administrative part of the elections. Its president, currently a woman, is appointed by the President on the prime minister's proposal for a nine-year term. Each CoEO is headed by the municipal clerk of the settlement at the seat of the constituency, while LEOs are headed by the municipal clerk in the respective settlements.<sup>16</sup>

To date all legal deadlines have been met and all technical aspects of electoral preparations are ongoing.<sup>17</sup> Training sessions for the CoECs have been completed. The NEO has prepared a number of voter information activities, including sending individual voter notifications, producing posters and airing television and radio spots. This has included tailored messaging for persons with disabilities. In addition, the NEO maintains an informative and up-to-date website and operates an election information centre at the central level and at each LEO.

Election commissions' sessions are open to the public, including media. NEC meetings, minutes and decisions are publicized on its website. So far, the NEC issued three guidelines and adopted over 504 decisions, including on registration of national and minority lists, approval of ballot paper content and

<sup>&</sup>lt;sup>13</sup> If the quota is not reached, the national minority is entitled to a non-voting parliamentary spokesperson.

<sup>&</sup>lt;sup>14</sup> A two-thirds majority of the members of the parliament present is required to appoint the NEC members. The current NEC members were appointed in September 2013.

<sup>&</sup>lt;sup>15</sup> There is no deadline foreseen in the Act on Election Procedures regarding the appointment of additional members to the NEC. To date 12 national lists have appointed members to the NEC.

<sup>&</sup>lt;sup>16</sup> The municipal clerk is a professional head of the local administration, a civil servant appointed by the mayor and the representative body of the locality.

<sup>&</sup>lt;sup>17</sup> With the exception of 32 cases when the NEC slightly exceeded a three day deadline for review.

complaints. Most decisions are adopted unanimously with little debate. Most CoECs publicize their meetings, minutes and decisions on the official website of the respective municipality.

## VI. VOTER REGISTRATION

All citizens aged 18 years, as well as married citizens from the age of 16 years, have the right to vote, except for those disenfranchised by an individualized court decision due to limited mental capacity, convicted of a serious crime, or subject to additional punishment.<sup>18</sup>

Voter registration for those domiciled in Hungary is passive. The NEO maintains the voter register based on data extracted from the population and other relevant registers. From 11 January to 6 April, voters can verify the lists and request changes and corrections at LEOs in person, by mail or electronically. The law does not provide for public scrutiny of the lists. One day prior to elections LEOs will produce revised lists and deliver them to PSCs. As of 22 March, the list contains 8,213,382 voters.<sup>19</sup> Voters can request that their personal information will not be disclosed to political parties for campaign purposes.

Voters with a domicile in the country can vote in person at diplomatic missions for both single-member and national list contests, while those without domicile in Hungary can vote only for the national list by post or by delivering their voting package in person or by proxy to a diplomatic representation or a CoEC. Some 38,856 voters with a domicile in the country have applied to vote at one of the 118 diplomatic missions abroad.<sup>20</sup> Registration of voters abroad without an in-country domicile is active and it is an ongoing process.<sup>21</sup> Those voters will receive a voting package by post or in person.<sup>22</sup> Some ODIHR LEOM interlocutors raised concerns about the different voting procedures for out-of-country voters and the integrity and secrecy of postal voting.

Voters with a disability can request registration in an accessible polling station within their constituency, apply for accessible information materials or for materials in Braille such as the voter notification and a voting template. Mobile voting is provided to voters with disabilities, health issues or in detention. Voters may request to change a polling district while casting the ballot for a candidate of the constituency where they are registered.<sup>23</sup>

National minority voters can request to be included in the national minority voter list until 23 March. Those who do so can vote for candidates in their single-member constituencies and the respective national minority list.

<sup>&</sup>lt;sup>18</sup> As of 23 March there are 77,445 citizens (around one per cent of registered voters), who are deprived of the right to vote, including 49,259 persons with mental disability and 28,186 prisoners.

<sup>&</sup>lt;sup>19</sup> The central voter register is updated continuously and is interacting with other data bases: the population register, the register of disenfranchised citizens, and the registers from polling districts and constituencies.

<sup>&</sup>lt;sup>20</sup> Applications can be submitted by 31 March. The data in this foreign representation voter register will be deleted on 9 July 2018.

<sup>&</sup>lt;sup>21</sup> The cut-off date for registration is 24 March. As of 23 March, there are 368,103 voters without in-country domicile. For the 2014 elections 193,793 such voters were registered. Such voters must update their records in the register once every ten years.

<sup>&</sup>lt;sup>22</sup> Voting packages can be received in person during working hours on weekdays two weeks prior to elections in the single-member constituencies, in designated Hungarian municipalities close to the border, or at designated representations of Hungary.

 <sup>&</sup>lt;sup>23</sup> PSCs' members can transfer to the PSC they serve on election day if it is in the same constituency as their address.
As of 22 March, 66,217 voters requested to change a polling district.

## VII. CANDIDATE REGISTRATION

Any eligible voter can stand for election, except those disenfranchised by a court decision for mental incompetency or as part of a criminal conviction. There are no legal requirements for women's political participation, though some parties have made an effort to increase the number of female candidates on their national lists.

Candidates for single-member constituencies may be nominated by one or more political parties (nominating organizations) or stand independently.<sup>24</sup>Although a candidate may only compete in one single-mandate constituency, the same candidate may simultaneously be included in a national list. Each nomination should be supported with at least 500 signatures from eligible voters in the respective constituency on pre-approved templates. A voter may support more than one candidate. All signature sheets were to be returned to the relevant CoECs by 5 March.<sup>25</sup> The signature verification was conducted from 6 to 8 March. According to the law, the CoECs verify the name, address and personal identification number of the voter, but in practice they do not check the authenticity of the signatures.

The CoECs registered 1,643 candidates, including 504 women, and rejected 1,257 candidates; 100 withdrew their applications. <sup>26</sup> On average, there are 15 contenders per constituency; in two constituencies (Budapest 7 and 8) there are no women candidates. The grounds for most rejections was an insufficient number of valid support signatures. On several occasions, party representatives alleged cases of forged signatures but in many instances the CoECs did not allocate time to properly review them. Many cases of suspicious signatures were reported by voters who asked for their signatures in different signature sheets to be checked.<sup>27</sup> ODIHR LEOM interlocutors alleged that a number of new, unknown political parties used fraudulent methods to collect the required number of signatures and obtain registration in order to benefit from the public campaign funding. The CoECs referred those cases to the police for further investigation.

For a national list to be registered, political entities have to have candidates in at least 27 singlemember constituencies in at least 9 counties and Budapest. Out of the 40 national lists submitted to the NEC, 22 were initially registered and 18 denied registration for not meeting this requirement. One national list was deregistered based on the NEC's 26 January guidelines, and two lists were registered following appeals to the Supreme Court.<sup>28</sup> National list registration ended on 14 March, resulting in 23 lists fielding a total of 1,796 candidates, including 482 women.

The national minority self-governments can submit candidate lists that appear on a separate ballot paper for national minorities. They had to collect support signatures from at least one per cent of the voters included in the national minorities register as of 19 February but no more than 1,500 signatures. The NEC registered 13 national minority lists with a total of 89 candidates, including 48 women.

A nominating organization (NO) consists of one or more political parties listed with final effect in the court register of non-governmental organizations. To file candidates or lists in elections, the NO should be registered by the NEC, who, prior to registration, verifies that the NO is an active political party.

<sup>&</sup>lt;sup>25</sup> If not, the nominating entities face a fine of HUF 10,000 for each missing sheet.

<sup>&</sup>lt;sup>26</sup> A total of 3,001 applications were submitted with women representing 35 per cent of the total.

<sup>&</sup>lt;sup>27</sup> ODIHR LEOM LTOs were informed that 110 voters in constituencies Csongrad 1 and 2 asked for their signatures on different political parties' signature sheets to be checked and 10 cases of signatures without the consent of the voters given to different "smaller" parties were discovered. Likewise, some 100 voters had similar requests in constituency Budapest 8.

<sup>&</sup>lt;sup>28</sup> The Party for the Poor list was deregistered as the number of candidates dropped from 34 at the moment of registration to 12. The NEC had rejected the application of the Cooperation Party because its chairperson is under criminal investigation, and that of the Order Party as its name was misspelled in the application; both of which were permitted to register following appeal to the Supreme Court.

## VIII. CAMPAIGN ENVIRONMENT

Campaigning commenced on 17 February and can continue throughout election day. The campaign environment is characterized by a high degree of contestation and shrinking space for informed political debate. The major contenders include the ruling *Fidesz*, running in coalition with KDNP, DK, MSzP, running in coalition with Dialogue for Hungary, *Jobbik*, and LMP. Some smaller parties, such as Momentum and the Two-Tailed Dog Party (MKKP), are also visibly campaigning but most of the 23 parties with a national list are neither campaigning nor do they have a campaign programme.

The ruling party's campaign message focuses almost exclusively on migration. Its prime ministerial candidate has deployed anti-migrant rhetoric in his campaign speeches and alluded to perceived interference in Hungary's internal affairs on the part of the EU and other transnational actors. The major parties, apart from *Fidesz*, have published campaign programmes that focus on Hungary's education and healthcare policies, how to improve conditions for small and medium companies, and how to strengthen civil society. MSzP's programme details proposals for constitutional changes, while *Jobbik* highlights border protection and conservative religious policies. LMP defends the need for greener policies. MKKP confines itself to mocking the government.

There is a close overlap between the ruling party's message and the government's information campaign in respect of its anti-migration, anti-Brussels, anti-UN, and anti-Soros rhetoric, particularly, in outdoor advertising. *Fidesz's* effort to link the opposition, rhetorically, to George Soros, is a notable feature of its campaign speeches and political publicity materials, including billboards.<sup>29</sup> In one of his speeches, referring to existential threats to Hungary, the prime ministerial candidate vowed to take "vengeance" on the opposition after the elections. <sup>30</sup> Many stakeholders and ODIHR LEOM interlocutors expressed concerns about intimidating campaign rhetoric.

Campaigning coincided with unexpected distributions of public money. *Fidesz's* prime ministerial candidate (current Prime Minister) announced on 7 March that the government would provide all pensioners with vouchers worth HUF 10,000 and reduce household utility bills by HUF 12,000.<sup>31</sup>

A large-scale pro-government "peace march" was held on 15 March in Budapest.<sup>32</sup> On the same day there was also a large counter-demonstration by civil society and opposition parties, attracting a heavy police presence. Otherwise, campaign rallies thus far have been low-key. Several party leaders have travelled abroad to appeal to Hungarian communities there.<sup>33</sup> At rallies, women were generally underrepresented both as speakers and participants.<sup>34</sup>

<sup>&</sup>lt;sup>29</sup> A widely-observed billboard features Soros and leading opposition figures jointly dismantling the border fence. The content thereof was challenged, including by a local council, on the grounds that it amounted to hate speech.

<sup>&</sup>lt;sup>30</sup> The Hungarian term, "*elégtétel*" was translated by the Prime Minister's office as "amends", rather than "vengeance".

<sup>&</sup>lt;sup>31</sup> The government stated that this was due to an unusually cold winter and the country's robust economic performance, while interlocutors among the opposition parties highlighted this as a misuse of administrative resources.

<sup>&</sup>lt;sup>32</sup> The "peace march" was organized by the pro-government Civil Összefogás Forum and addressed by the *Fidesz* prime ministerial candidate in his official capacity. Large-scale bussing of participants was also observed. On the same day, ODIHR LEOM observed smaller rallies, including those held by *Jobbik* and the MKKP.

<sup>&</sup>lt;sup>33</sup> Including Gabor Vona (*Jobbik*), Szel Bernadett (LMP), and Gergely Karacsony (MSzP-Dialogue for Hungary).

<sup>&</sup>lt;sup>34</sup> There were no women speakers at the MKKP and *Jobbik* rallies on 15 March; women participation at the latter rally was some 20 per cent. At the LMP rally in Debrecen on 19 March, the only speaker was a woman, but some 15 per cent of women in the audience.

Outdoor advertising is a prominent feature of the campaign. ODIHR LEOM interlocutors pointed to the difficulties of securing billboard space due to the politically polarized nature of the market. ODIHR LEOM observed multiple instances of poster vandalism.<sup>35</sup>

Parties rely heavily on the online media, especially to reach voters in urban areas. Social media accounts are employed to reinforce campaign messages and, in the case of the ruling coalition, government policies.<sup>36</sup>

## IX. CAMPAIGN FINANCE

Election campaigns are financed by public and private funds. While the Campaign Finance Act sets expenditure limits, there are no explicit caps on individual donations.<sup>37</sup> There are no reporting requirements until after the election and campaigning by third parties is not regulated.

All single-member constituency candidates are eligible to receive approximately HUF 1 million in public funding.<sup>38</sup> The funds are transferred to a special bank card, usable only for campaign-related purposes. Party-nominated candidates may transfer their individual funds to their parties' accounts. Additionally, a political party putting forward a national list is entitled to between HUF 150 million and HUF 600 million depending on the number of candidates they nominate.<sup>39</sup> Minority lists are jointly funded with approximately HUF 300 million. Candidates who withdraw or fail to obtain at least two per cent of the vote must return the public funding. In November 2017, the Campaign Finance Act was amended to require parties to return public funds if they fail to clear a one per cent threshold, aiming to discourage the practice of filing national lists as a means of profiteering from public funds.

The Campaign Finance Act sets campaign spending limits at HUF 5 million for each single-member constituency candidate and for each of the 93 national list nominees. The State Audit Office (SAO) and State Treasury (ST) exercise oversight over campaign financing, yet do not monitor the compliance with the spending limits during the campaign. Parties have 15 days to submit aggregated financial reports to the ST, and 60 days to publish statements on the amount, source and use of all campaign funds. Individual donors have to be disclosed only in the parties' annual financial report to the SAO and only if the contribution exceeds HUF 500,000. In practice, such lists of donors are not attached to the party finance reports published on SAO website.

The SAO audits party finances on a biannual basis. In December 2017, the SAO fined *Jobbik* a total of HUF 663 million for violating spending regulations on the grounds that the price it paid for political advertisement was below the market rates.<sup>40</sup> *Jobbik* appealed the decision to the labour court. A number of other parties were also fined for similar alleged offences, though, notably, not *Fidesz*. The collection of fines has been postponed until after the elections.

<sup>&</sup>lt;sup>35</sup> MSzP-Dialogue for Hungary and DK appeared most affected, as reported to the ODIHR LEOM in Budapest and Szeged.

<sup>&</sup>lt;sup>36</sup> In total 17 of the 23 parties with national lists have websites; 20 of the 23 are on Facebook (though in some instances only minimally); 9 of the 23 have Twitter accounts; 14 of the 23 have YouTube channels. There is a clear overlap in messaging on the prime minister's and *Fidezs* party social media accounts. The prime minister also uses his Facebook account which also features his campaign rallies.

<sup>&</sup>lt;sup>37</sup> Donations to parties by business or any other legal entities are prohibited by the Act on Parties.

<sup>&</sup>lt;sup>38</sup> This amounts on average to EUR 0.04 per registered voter.

<sup>&</sup>lt;sup>39</sup> A party that has a maximum number of candidates would receive some EUR 0.24 per voter.

<sup>&</sup>lt;sup>40</sup> The findings followed the adoption of a law on billboards in June 2017 that explicitly banned discounted billboard advertisement.

## X. MEDIA

A large number of media outlets ensures a certain degree of pluralism. The progressive concentration of media ownership in the hands of the entrepreneurs supportive of the government and, to a lesser extent, of the opposition, has fractured the media landscape, leading to polarized election coverage. The space for critical reporting ahead of the elections is limited, including on the public broadcaster.

The legal framework for media is comprised of the Constitution, which grants freedom of expression, and a number of laws, including the Press and Media Act, that outline the sector's modalities. The legislation requires all broadcasters to provide "balanced coverage" in the news and information programmes. Defamation is a criminal offence punishable up to three years imprisonment.<sup>41</sup> The media laws, introduced since 2010 and described as "limiting media pluralism" by the OSCE Representative on Freedom of the Media (RFoM), have not been significantly amended and affect media conduct prior to the elections.<sup>42</sup>

The Act on Election Procedures obliges the media to grant all electoral contestants equal opportunities. The law envisages free airtime on the public broadcaster and bans political advertising on commercial radio and television stations unless aired free of charge, while permitting it in the print and online media with a precondition of pre-registering the pricelist with the SAO. The public broadcaster will divide 600 minutes of free airtime among contenders on an equal basis. <sup>43</sup> In addition, three commercial broadcasters will allot at least half as much to free-of-charge campaign ads.<sup>44</sup>

There will be no televised debates between the prime ministerial candidates as the incumbent has refused to participate. ODIHR LEOM interlocutors note that it is a recurrent pattern for the governing party and the prime minister to not engage with media perceived as pro-opposition. During the "peace march" on 15 March, a journalist from *Magyar Nemzet* was attacked by security guards after repeated questions concerning an alleged corruption case. The journalist has filed a complaint to the police.

The Media Council (MC) oversees compliance with the Media Act and conducts extensive media monitoring, but can act only upon complaints. The MC informed the ODIHR LEOM that it will not sanction broadcasters on the "balanced coverage" rule. Complaints about media coverage of elections are dealt with by the NEC, which thus far has reviewed 11 such cases. On 16 March, the NEC fined the public broadcaster HUF 1,035,000 for political bias in the programme of its *M1* television channel.<sup>45</sup> The Supreme Court upheld the NEC decision concerning the political bias, while removing the fine. The case is currently examined by the Constitutional Court. On 24 March TV2 was fined for a similar breach.

<sup>&</sup>lt;sup>41</sup> Journalists were recently convicted for performing their duties on other grounds. On 6 March, a court in Győr convicted a journalist from news portal *index.hu* for forging documents and misleading authorities, as during the refugee crisis he entered Hungary pretending to be an asylum seeker. The OSCE RFoM <u>criticised</u> this ruling.

<sup>&</sup>lt;sup>42</sup> International organisations noted that legislation violates <u>OSCE media freedom commitments</u> as well as <u>negatively</u> <u>impacts</u> free speech and <u>media pluralism</u>. The Council of Europe's <u>Venice Commission in 2015</u> called for narrowing the content-related restrictions and ensuring an independent Media Council. In addition, the Freedom of Information Act, amended in 2016, introduced restrictive measures for access to information.

<sup>&</sup>lt;sup>43</sup> In total, 470 minutes are allocated to national lists and 130 minutes to the national minority lists.

<sup>&</sup>lt;sup>44</sup> ATV and RTL Klub will allot 300 minutes and 3 ClassFM radio stations 1,450 minutes of free airtime each.

<sup>&</sup>lt;sup>45</sup> The NEC decided that the public broadcaster has breached the principle of equal opportunities by presenting only *Fidesz's* position in consecutive programmes of M1 morning show between 28 February and 13 March.

On 13 March, the ODIHR LEOM commenced qualitative and quantitative media monitoring of nine media outlets.<sup>46</sup> Preliminary results reflect substantial political discourse within the broadcasters' prime time programming.

# XI. COMPLAINTS AND APPEALS

Complaints can be filed regarding any action, inaction or decision that is in violation of election legislation. There are no restrictions on the right to file a complaint. Election commissions hear all election-related complaints in the first instance, the respective CoEC in cases regarding a singlemember constituency or local media, and the NEC for all other matters. All NEC decisions are subject to judicial review by the Supreme Court. The constitutionality of Supreme Court decisions can be appealed to the Constitutional Court.

There is an expeditious review process for all election disputes. Complainants and appellants are given three days from the violation/decision to file, and the commissions have three days to review the matter. The NEO prepares draft decisions for the NEC commissioners' consideration. In sessions observed, the decisions have generally been taken after a *pro forma* debate.

There is no guarantee to a public hearing at any level of the dispute process. If complainants are present, they can request to be heard and the commission will put the matter to a vote. However, some complainants informed the ODIHR LEOM they were not notified in advance that their case would be heard. For election matters, appellants cannot request a public hearing before the Supreme Court or the Constitutional Court.

To date, the NEC has reviewed 348 complaints and appeals, of which 269 were related to candidate registration, including 31 cases about allegedly forged support signatures. Some 51 complaints and appeals were rejected by the NEC on formal grounds.<sup>47</sup> A further 154 complaints were rejected for not being fully reasoned or for not citing the exact legal reference. Among the matters considered on the merits, the NEC has fined media outlets for political bias, candidates for campaigning in schools, and local governments for restricting campaigning. In seven cases, complaints pertained to the content of *Fidesz* campaign materials. The Supreme Court has reviewed 97 appeals, 5 matters were appealed to the Constitutional Court.<sup>48</sup>

# XII. CITIZEN AND INTERNATIONAL OBSERVERS

The legislation does not provide for citizen election observation either prior to or on election day and increasingly restrictive legislative environment curbs CSOs' ability to fund campaign monitoring activities. The right to work alongside the NEO and verify the postal voting documents as well as the legality of counting them is afforded for up to five observers from each national list mandated to appoint NEC members, except those from national minority self-governments. Political parties fielding lists and independent candidates may also delegate two observers to each PS in a Hungarian diplomatic representation abroad. The accreditation of partisan observers must be completed at least 10 days prior to the election. Electoral contestants may also appoint two representatives to each PSC by 23 March.

The legal framework provides for international observation of the entire electoral process. International observers are accredited by the NEO.

<sup>&</sup>lt;sup>46</sup> The TV channels are monitored from 18:00 to 00:00. The sample includes television channels *ATV*, *Hír TV*, *M1*, *RTL Klub*, *TV2* and newspapers *Blikk*, *Magyar Idok*, *Magyar Nemzet* and *Népszava*.

<sup>&</sup>lt;sup>47</sup> Such as not having the complainant's complete personal information.

<sup>&</sup>lt;sup>48</sup> The Supreme Court upheld 68 complaints, reversed 10 complaints, deleted the fine (but otherwise upheld the decision) in 2 complaints, and rejected appeals without taking a decision on merit in 17 cases.

#### XIII. ODIHR LEOM ACTIVITIES

The ODIHR LEOM commenced its work on 5 March. The mission has met with the Ministry of Foreign Affairs, the NEC and NEO, other state agencies as well as representatives of political parties, media, civil society and the international community. Six long-term observers have been briefed and deployed as of 14 March and have established contacts with electoral stakeholders at the local level.

The English version of this report is the only official document. An unofficial translation is available in Hungarian.