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EDMO establishes Task Force on 2024 European Parliament Elections



News

May 24, 2023

EDMO establishes Task Force on 2024 European Parliament



Elections

The European Digital Media Observatory (EDMO) has established a Task Force on the 2024 European Parliament Elections. The main purpose of this initiative is to monitor the EU information ecosystem ahead of the elections, as well as monitoring, collecting and facilitating communications in research, MIL and fact-checking initiatives. Also building on the experience of the **EDMO Task Force on disinformation on the war in Ukraine**, the Task Force plans to carry out a risk assessment exercise ahead of 2024, with the ambitious goal of establishing a framework for future elections, as well as a reporting activity on the mis- and disinformation trends that involve the European Union's democratic process and institutions.

Drawing from different professional backgrounds in academia, the media ecosystem, fact-checking and MIL, its composition also aims at a comprehensive geographical coverage of the European Union. It reflects the high level of integration between the 14 national and regional Hubs that form part of the EDMO network, and it comprises one representative from each Hub plus three members from EDMO's Advisory Council. The Chair is Giovanni Zagni, member of EDMO's Executive Board and IDMO, with Louise Carnapete-Rinieri (European University Institute) acting as Secretary.

The Task Force will be officially presented at the 2023 EDMO Annual Conference that will take place in Brussels on May 25, 2023.

Composition

- **Giovanni Zagni** | Pagella Politica/Facta.news – EDMO Executive Board, IDMO (Chair)
- **Louise Carnapete-Rinieri** | European University Institute – EDMO (Secretary)
- **Alina Bârgăoanu** | SNSPA Bucharest – EDMO Advisory Council
- **Radovan Geist** | EURACTIV Slovakia – EDMO AC
- **Giacomo Mazzone** | Eurovisioni – EDMO AC
- **Ivana Grkeš** | University of Dubrovnik – ADMO
- **Andra Siibak** | University of Tartu – BECID
- **Bert Pieters** | Mediawijs – BELUX
- **Guy de Pauw** | Textgain – BENEDMO

- **Ruslana Margova** | GATE Institute Sofia University – BROD
- **Michal Šenk** | Charles University – CEDMO
- **Ingrid Bertaux** | Sciences Po Paris – DE FACTO
- **Eileen Culloty** | Dublin City University – EDMO Ireland Hub
- **Kian Badrnejad** | dpa – GADMO
- **Péter Krekó** | Political Capital – HDMO
- **Pablo Hernández Escayola** | Maldita.es – IBERIFIER
- **Gianni Riotta** | Luiss Data Lab – IDMO
- **Stamos Archontis** | Ellinika Hoaxes – MedDMO
- **Mikko Salo** | Faktabaari – NORDIS



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TEXTS ADOPTED

P9_TA(2022)0064

Foreign interference in all democratic processes in the European Union

European Parliament resolution of 9 March 2022 on foreign interference in all democratic processes in the European Union, including disinformation (2020/2268(INI))

The European Parliament,

- having regard to the Charter of Fundamental Rights of the European Union ('the Charter'), and in particular Articles 7, 8, 11, 12, 39, 40, 47 and 52 thereof,
- having regard to the Charter of the United Nations, in particular Articles 1 and 2 thereof,
- having regard to United Nations General Assembly Resolution 2131 (XX) of 21 December 1965 entitled 'Declaration on the Inadmissibility of Intervention in the Domestic Affairs of States and the Protection of their Independence and Sovereignty',
- having regard to the Convention for the Protection of Human Rights and Fundamental Freedoms, and in particular Articles 8, 9, 10, 11, 12, 13, 14, 16 and 17 thereof, and to the Protocol thereto, and in particular Article 3 thereof,
- having regard to its resolution of 23 November 2016 on EU strategic communication to counteract propaganda against it by third parties¹ and to its recommendation of 13 March 2019 concerning taking stock of the follow-up taken by the EEAS two years after the EP report on EU strategic communication to counteract propaganda against it by third parties²,
- having regard to its resolution of 13 June 2018 on cyber defence³,
- having regard to the joint communications from the Commission and the High Representative of the Union for Foreign and Security Policy of 5 December 2018 entitled 'Action Plan against Disinformation' (JOIN(2018)0036) and of 14 June 2019 entitled 'Report on the implementation of the Action Plan Against Disinformation' (JOIN(2019)0012),
- having regard to the joint staff working document of 23 June 2021 on the Fifth Progress Report on the implementation of the 2016 Joint Framework on countering hybrid threats

¹ OJ C 224, 27.6.2018, p. 58.

² OJ C 23, 21.1.2021, p. 152.

³ OJ C 28, 27.1.2020, p. 57.

- and the 2018 Joint Communication on increasing resilience and bolstering capabilities to address hybrid threats (SWD(2021)0729),
- having regard to the European democracy action plan (COM(2020)0790),
 - having regard to the Commission communication of 3 December 2020 entitled ‘Europe’s Media in the Digital Decade: An Action Plan to Support Recovery and Transformation’ (COM(2020)0784),
 - having regard to the Digital Services Act package,
 - having regard to its resolution of 20 October 2021 entitled ‘Europe’s Media in the Digital Decade: an Action Plan to Support Recovery and Transformation’¹,
 - having regard to the 2018 Code of Practice on Disinformation and the 2021 Guidance on Strengthening the Code of Practice on Disinformation (COM(2021)0262), and to the Recommendations for the New Code of Practice on Disinformation issued by the European Regulators Group for Audiovisual Media Services in October 2021,
 - having regard to the European Court of Auditors’ Special Report 09/2021 entitled ‘Disinformation affecting the EU: tackled but not tamed’,
 - having regard to the Commission proposal of 16 December 2020 for a directive of the European Parliament and of the Council on the resilience of critical entities (COM(2020)0829) and to the proposed annex to the directive,
 - having regard to Regulation (EU) 2019/452 of the European Parliament and of the Council of 19 March 2019 establishing a framework for the screening of foreign direct investments into the Union² (FDI Screening Regulation) and the March 2020 Guidance on the FDI Screening Regulation (C(2020)1981),
 - having regard to the joint communication from the Commission and the High Representative of the Union for Foreign and Security Policy of 16 December 2020 on the EU’s cybersecurity strategy for the digital decade (JOIN(2020)0018),
 - having regard to the International Law Commission’s Articles on Responsibility of States for Internationally Wrongful Acts,
 - having regard to the Commission proposal of 16 December 2020 for a directive of the European Parliament and of the Council on measures for a high common level of cybersecurity across the Union, repealing Directive (EU) 2016/1148 (COM(2020)0823),
 - having regard to the March 2021 EU toolbox of risk mitigating measures on the cybersecurity of 5G networks,
 - having regard to Regulation (EU) 2019/881 of the European Parliament and of the Council of 17 April 2019 on ENISA (the European Union Agency for Cybersecurity)

¹ Texts adopted, P9_TA(2021)0428.

² OJ L 79 I, 21.3.2019, p. 1.

and on information and communications technology cybersecurity certification and repealing Regulation (EU) No 526/2013¹,

- having regard to the studies, briefings and in-depth analysis requested by the Special Committee on Foreign Interference in all Democratic Processes in the European Union, including Disinformation (INGE),
 - having regard to the Frances Haugen hearing of 8 November 2021 organised by its Internal Market and Consumer Protection Committee, in association with other committees,
 - having regard to its resolution of 7 October 2021 on the state of EU cyber defence capabilities²,
 - having regard to the United Nations Sustainable Development Goals (SDGs), and in particular to SDG 16 which aims to promote peaceful and inclusive societies for sustainable development,
 - having regard to the State of the Union 2021 address and letter of intent,
 - having regard to the UN Secretary-General’s report of 10 September 2021 entitled ‘Our Common Agenda’,
 - having regard to the joint communication from the Commission and the High Representative of the Union for Foreign and Security Policy of 10 June 2020 entitled ‘Tackling COVID-19 disinformation – Getting the facts right’ (JOIN(2020)0008),
 - having regard to the Council’s decision of 15 November 2021 to amend its sanction regime on Belarus to broaden the designation criteria to target individuals and entities organising or contributing to hybrid attacks and the instrumentalisation of human beings carried out by the Belarus regime,
 - having regard to its decision of 18 June 2020 on setting up a special committee on foreign interference in all democratic processes in the European Union, including disinformation, and defining its responsibilities, numerical strength and term of office³, adopted under Rule 207 of its Rules of Procedure,
 - having regard to Rule 54 of its Rules of Procedure,
 - having regard to the report of the Special Committee on Foreign Interference in all Democratic Processes in the European Union, including Disinformation (A9-0022/2022),
- A. whereas foreign interference constitutes a serious violation of the universal values and principles on which the Union is founded, such as human dignity, freedom, equality, solidarity, respect for human rights and fundamental freedoms, democracy and the rule of law;

¹ OJ L 151, 7.6.2019, p. 15.

² Texts adopted, P9_TA(2021)0412.

³ OJ C 362, 8.9.2021, p. 186.

- B. whereas foreign interference, information manipulation and disinformation are an abuse of the fundamental freedoms of expression and information as laid down in Article 11 of the Charter and threaten these freedoms, as well as undermining democratic processes in the EU and its Member States, such as the holding of free and fair elections; whereas the objective of foreign interference is to distort or falsely represent facts, artificially inflate one-sided arguments, discredit information to degrade political discourse and ultimately undermine confidence in the electoral system and therefore in the democratic process itself;
- C. whereas Russia has been engaging in disinformation of an unparalleled malice and magnitude across both traditional media outlets and social media platforms, in order to deceive its citizens at home and the international community on the eve of and during its war of aggression against Ukraine, which Russia started on 24 February 2022, proving that even information can be weaponised;
- D. whereas any action against foreign interference and information manipulation must itself respect the fundamental freedoms of expression and information; whereas the EU Fundamental Rights Agency (FRA) plays a key role in evaluating respect for fundamental rights, including Article 11 of the Charter, in order to avoid disproportionate actions; whereas actors carrying out foreign interference and information manipulation misuse those freedoms to their advantage and it is therefore vital to step up the precautionary fight against foreign interference and information manipulation because democracy depends on people making informed decisions;
- E. whereas evidence shows that malicious and authoritarian foreign state and non-state actors, such as Russia, China and others, use information manipulation and other interference tactics to interfere in democratic processes in the EU; whereas these attacks, which are part of a hybrid warfare strategy and constitute a violation of international law, mislead and deceive citizens and affect their voting behaviour, amplify divisive debates, divide, polarise and exploit the vulnerabilities of societies, promote hate speech, worsen the situation of vulnerable groups which are more likely to become victims of disinformation, distort the integrity of democratic elections and referendums, sow distrust in national governments, public authorities and the liberal democratic order and have the goal of destabilising European democracy, and therefore constitute a serious threat to EU security and sovereignty;
- F. whereas foreign interference is a pattern of behaviour that threatens or negatively impacts values, democratic procedures, political processes, the security of states and citizens, and the capacity to cope with exceptional situations; whereas such interference is manipulative in character, and conducted and financed in an intentional and coordinated manner; whereas those responsible for such interference, including their proxies within and outside their own territory, can be state or non-state actors, and are frequently assisted in their foreign interference by political accomplices in the Member States who derive political and economic advantages from favouring foreign strategies; whereas foreign actors' use of domestic proxies and cooperation with domestic allies blurs the line between foreign and domestic interference;
- G. whereas foreign interference tactics take many forms, including disinformation, the suppression of information, the manipulation of social media platforms and their algorithms, terms and conditions, and advertising systems, cyberattacks, hack-and-leak operations to gain access to voter information and interfere with the legitimacy of the electoral process, threats against and the harassment of journalists, researchers,

politicians and members of civil society organisations, covert donations and loans to political parties, campaigns favouring specific candidates, organisations and media outlets, fake or proxy media outlets and organisations, elite capture and co-optation, ‘dirty’ money, fake personas and identities, pressure to self-censor, the abusive exploitation of historical, religious and cultural narratives, pressure on educational and cultural institutions, taking control of critical infrastructure, pressuring foreign nationals living in the EU, the instrumentalisation of migrants and espionage; whereas these tactics are often combined for greater effect;

- H. whereas information manipulation and the spread of disinformation can serve the economic interests of state and non-state actors and their proxies, and create economic dependencies that can be exploited for political aims; whereas in a world of non-kinetic international competition, foreign interference can be a prime tool for destabilising and weakening targeted counterparts, or boosting one’s own competitive advantage through the establishment of channels of influence, supply chain dependencies, blackmail or coercion; whereas disinformation is causing direct and indirect economic damage that has not been systematically assessed;
- I. whereas misinformation is verifiably false information which is not intended to cause harm, while disinformation is verifiably false or misleading information that is intentionally created, presented or disseminated with a view to causing harm or producing a potentially disruptive effect on society by deceiving the public or for intentional economic gain;
- J. whereas there is a need to agree within the EU on common and granular definitions and methodologies to improve the shared understanding of the threats and develop appropriate EU standards for improved attribution and response; whereas the European External Action Service (EEAS) has done a considerable amount of work in this area; whereas these definitions must guarantee imperviousness to external interference and respect for human rights; whereas cooperation with like-minded partners, in relevant international forums, on common definitions of foreign interference in order to establish international norms and standards is of the utmost importance; whereas the EU should take the lead in establishing clear international rules for the attribution of foreign interference;

Need for a coordinated strategy against foreign interference

- K. whereas foreign interference attempts across the world are increasing and becoming more systemic and sophisticated, relying on widespread use of artificial intelligence (AI) and eroding attributability;
- L. whereas it is the duty of the EU and its Member States to defend all citizens and infrastructure, as well as their democratic systems, from foreign interference attempts; whereas, however, the EU and its Member States appear to lack the appropriate and sufficient means to be able to better prevent, detect, attribute, counter and sanction these threats;
- M. whereas there is a general lack of awareness among many policy-makers, and citizens in general, of the reality of these issues, which may unintentionally contribute to opening up further vulnerabilities; whereas the issue of disinformation campaigns has not been at the top of the agenda of European policy-makers; whereas the hearings and work of the INGE Special Committee have contributed to public recognition and the

contextualisation of these issues and have successfully framed the European debate on foreign interference; whereas long-lasting foreign disinformation efforts have already contributed to the emergence of home-grown disinformation;

- N. whereas the transparent monitoring of the state of foreign interference in real time by institutional bodies and independent analysts and fact-checkers, the effective coordination of their actions and the exchange of information are crucial so that appropriate action is taken not only to provide information about ongoing malicious attacks but also to counter them; whereas similar attention must be paid to mapping society, identifying the areas most vulnerable and susceptible to foreign manipulation and disinformation, and tackling the causes of those vulnerabilities;
- O. whereas the first priority of EU defence, i.e. the resilience and preparedness of EU citizens vis-à-vis foreign interference and information manipulation, requires a long-term and whole-of-society approach, beginning with education and raising awareness of the problems at an early stage;
- P. whereas it is necessary to cooperate and coordinate across administrative levels and sectors among the Member States, at EU level and with like-minded countries, as well as with civil society and the private sector, in order to identify vulnerabilities, detect attacks and neutralise them; whereas there is an urgent need to synchronise the perception of threats with national security;

Building resilience through situational awareness, media and information literacy, media pluralism, independent journalism and education

- Q. whereas situational awareness, robust democratic systems, strong rule of law, a vibrant civil society, early warnings and threat assessment are the first steps towards countering information manipulation and interference; whereas in spite of all the progress made in raising awareness about foreign interference, many people, including policy-makers and civil servants working in the areas potentially targeted, are still unaware of the potential risks linked to foreign interference and how to address them;
- R. whereas high-quality, sustainably and transparently financed, and independent news media and professional journalism are essential for media freedom and pluralism and the rule of law, and are therefore a pillar of democracy and the best antidote to disinformation; whereas some foreign actors take advantage of Western media freedom to spread disinformation; whereas professional media and traditional journalism, as a quality information source, are facing challenging times in the digital era; whereas quality journalism education and training within and outside the EU are necessary in order to ensure valuable journalistic analyses and high editorial standards; whereas the EU needs to continue supporting journalism in the digital environment; whereas science-based communication should play an important role;
- S. whereas editorially independent public service media are essential and irreplaceable in providing high-quality and impartial information services to the general public and must be protected from malign capture and strengthened as a fundamental pillar of the fight against disinformation;
- T. whereas different stakeholders and institutions use different methodologies and definitions to analyse foreign interference – all with different degrees of comprehensibility, and whereas these differences can inhibit comparable monitoring,

analysis and assessment of the threat level, which makes joint action more difficult; whereas there is a need for an EU definition and methodology to improve the common threat analysis;

- U. whereas there is a need to complement terminology that focuses on content, such as fake, false or misleading news, misinformation and disinformation, with terminology that centres on behaviour, in order to adequately address the problem; whereas this terminology should be harmonised and carefully adhered to;
- V. whereas training in media and digital literacy and awareness-raising, for both children and adults, are important tools to make citizens more resilient against interference attempts in the information space and avoid manipulation and polarisation; whereas in general, societies with a high level of media literacy are more resilient to foreign interference; whereas journalistic working methods such as constructive journalism could help to strengthen trust in journalism among citizens;
- W. whereas information manipulation can take many forms, such as spreading disinformation and completely false news, distorting facts, narratives and representations of opinion, suppression of certain information or opinions, taking information out of context, manipulating people's feelings, promoting hate speech, promoting some opinions at the expense of others, and harassing people to silence and oppress them; whereas one aim of information manipulation is to create chaos in order to encourage a loss of citizens' trust in the old and new 'gatekeepers' of information; whereas there is a fine line between freedom of expression and the promotion of hate speech and disinformation which should not be abused;
- X. whereas Azerbaijan, China, Turkey and Russia, among others, have all targeted journalists and opponents in the European Union, such as in the case of Azerbaijani blogger and opposition figure Mahammad Mirzali in Nantes and that of Turkish journalist Erk Acarer in Berlin;
- Y. whereas there is concrete evidence that the EU's democratic processes are being targeted and interfered with by disinformation campaigns that challenge democratic ideals and fundamental rights; whereas disinformation related to topics including, but not limited to, gender, LGBTIQ+, sexual and reproductive health and rights, and minorities is a form of disinformation that threatens human rights, undermines digital and political rights, as well as the safety and security of its targets, and sows fraction and disunity among Member States; whereas during election campaigns female political candidates tend to be disproportionately targeted by sexist narratives, leading to the discouragement of women from taking part in democratic processes; whereas the perpetrators of these disinformation campaigns, under the guise of promoting 'traditional' or 'conservative' values, form strategic alliances with local partners to gain access to local intelligence and have been reported to receive millions of euros in foreign funding;
- Z. whereas next to state institutions, journalists, opinion leaders and the private sector, each section of society and each individual have important roles to play in identifying and putting a stop to the spread of disinformation and in warning people in their environment who are at risk; whereas civil society, academia and journalists have already contributed strongly to raising public awareness and increasing societal resilience, including in cooperation with counterparts in partner countries;

- AA. whereas civil society organisations representing minority voices and human rights organisations across Europe remain underfunded, despite playing a crucial role in raising awareness and countering disinformation; whereas civil society organisations should be adequately resourced in order to play their part in limiting the impact of foreign interference;
- AB. whereas it is important to have easy and timely access to fact-based information from reliable sources when disinformation starts to spread;
- AC. whereas it is necessary to rapidly detect foreign interference attacks and attempts to manipulate the information sphere in order to counter them; whereas EU intelligence analysis and situational awareness are dependent on the willingness of Member States to share information; whereas the Commission President has proposed that the establishment of an EU Joint Situational Awareness Centre be considered; whereas prevention and proactive measures including pre-bunking and a healthy information ecosystem are far more effective than subsequent fact-checking and debunking efforts, which show lower reach than the original disinformation; whereas the EU and its Member States currently lack sufficient capabilities to take such measures; whereas new AI-based analytical tools, such as the Lithuanian Debunk.eu, could help to detect attacks, share knowledge and inform the public;
- AD. whereas disinformation thrives in an environment of weak or fragmented national or EU-level narratives, and on polarised and emotional debates, exploiting weak points and biases among society and individuals, and whereas disinformation distorts the public debate around elections and other democratic processes and can make it difficult for citizens to make informed choices;

Foreign interference using online platforms

- AE. whereas online platforms can be easily accessible and affordable tools for those engaging in information manipulation and other interference, such as hate and harassment, damaging the health and safety of our online communities, silencing opponents, espionage or spreading disinformation; whereas their functioning has been proven to encourage polarised and extreme opinions at the expense of fact-based information; whereas platforms have their own interests and may not be neutral in processing information; whereas some online platforms greatly benefit from the system that amplifies division, extremism and polarisation; whereas online space has become just as important for our democracy as physical space and therefore needs corresponding rules;
- AF. whereas platforms have accelerated and exacerbated the spread of mis- and disinformation in an unprecedented and challenging way; whereas online platforms control the flow of information and advertising online, whereas platforms design and use algorithms to control these flows, and whereas platforms are not transparent, lack appropriate procedures to verify identity, use unclear and vague terminology and share very little or no information about the design, use and impacts of these algorithms; whereas the addictive component of online platform algorithms has created a serious public health problem that needs to be addressed; whereas online platforms should be responsible for the harmful effects of their services, as some platforms were aware of the flaws in their algorithms – in particular their role in spreading divisive content – but failed to address them in order to maximise profit, as was revealed by whistle-blowers;

- AG. whereas in response to Russia's war of aggression against Ukraine, the Prime Ministers of Estonia, Latvia, Lithuania and Poland sent a letter to the CEOs of the Big Tech social media platforms (Twitter, Alphabet, YouTube and Meta) on 27 February 2022, calling for, inter alia, the suspension of accounts engaging in and glorifying war crimes and crimes against humanity, reinforced content moderation in the Russian and Ukrainian languages, the full and immediate demonetisation of all accounts disseminating disinformation perpetrated by the Russian and Belarusian Governments, and assistance for users trying to find trustworthy information on the war in Ukraine;
- AH. whereas there are interference and information manipulation campaigns directed at all measures against the spread of COVID-19, including vaccination across the EU, and online platforms have failed to coordinate their efforts to contain them and may even have contributed to their spread; whereas such disinformation can be life-threatening when deterring people from being vaccinated or promoting false treatments; whereas the pandemic has exacerbated the systemic struggle between democracy and authoritarianism, prompting authoritarian state and non-state actors, such as China and Russia, to deploy a broad range of overt and covert instruments in their bid to destabilise their democratic counterparts; whereas the Facebook Papers have revealed the platform's failure to tackle vaccine-related disinformation, including in the English language; whereas the situation is even worse for non-English vaccine-related disinformation; whereas this issue concerns all platforms;
- AI. whereas numerous vendors registered in the EU sell inauthentic likes, followers, comments and shares to any actor wishing to artificially boost their visibility online; whereas it is impossible to identify legitimate uses of such services, while harmful uses include manipulating elections and other democratic processes, promoting scams, posting negative reviews of competitors' products, defrauding advertisers and the creation of a fake public that is used to shape the conversation, for personal attacks and to artificially inflate certain viewpoints that would otherwise receive no attention; whereas foreign regimes, such as Russia and China, are using these online tools on a massive scale to influence the public debate in European countries; whereas disinformation can destabilise European democracy;
- AJ. whereas social platforms, digital devices and applications collect and store immense amounts of very detailed personal and often sensitive data about each user; whereas such data can be used to predict behavioural tendencies, reinforce cognitive bias and orient decision-making; whereas such data is exploited for commercial purposes; whereas data leaks happen repeatedly, to the detriment of the security of victims of such leaks, and data can be sold on the black market; whereas such databases could be goldmines for malicious actors wanting to target groups or individuals;
- AK. whereas, in general, platforms are designed to ensure that opting not to share data is nonintuitive, cumbersome and time-consuming in comparison with opting to share data;
- AL. whereas online platforms are integrated into most parts of our lives and the spread of information on platforms can have a huge impact on our thinking and behaviour, for instance when it comes to voting preferences, economic and social choices, and the choice of information sources, and whereas these decisive choices of public importance are today in fact conditioned by the commercial interests of private companies;
- AM. whereas algorithm curation mechanisms and other features of social media platforms are engineered to maximise engagement; whereas these features are repeatedly reported

to promote polarising, radicalising and discriminatory content and keep users in like-minded circles; whereas this leads to the gradual radicalisation of platform users, as well as the conditioning and polluting of collective discussion processes, rather than the protection of democratic processes and individuals; whereas uncoordinated actions by platforms have led to discrepancies in their actions and allowed disinformation to spread from platform to platform; whereas the business model of making money through the spread of polarising information and the designing of algorithms make platforms an easy target for manipulation by foreign hostile actors; whereas social media platforms could be designed differently so as to foster a healthier online public sphere;

- AN. whereas the creation of deepfake audio and audiovisual materials is becoming increasingly easier with the advent of affordable and easy-to-use technologies, and the spread of such materials is an exponentially increasing problem; whereas currently, however, 90 % of research goes into the development of deepfakes and only 10 % into their detection;
- AO. whereas self-regulation systems such as the 2018 Code of Practice on Disinformation have led to improvements; whereas, however, relying on the goodwill of platforms is neither working nor effective and has produced little meaningful data on their overall impact; whereas, in addition, platforms have taken individual measures varying in degree and effect, leading to backdoors through which content can continue to spread elsewhere despite being taken down; whereas there needs to be a clear set of rules and sanctions in order for the Code of Practice to have sufficient effect on the online environment;
- AP. whereas the European Democracy Action Plan aims to strengthen the 2018 Code of Practice and together with the Digital Services Act constitutes a step away from the self-regulation approach and aims to introduce more guarantees and protections for users, by increasing autonomy and overcoming passivity with respect to the services offered, introducing measures to require greater transparency and accountability from companies, and introducing more obligations for platforms;
- AQ. whereas the current actions against disinformation campaigns on online platforms are not effective or deterrent and allow platforms to continue promoting discriminatory and malicious content;
- AR. whereas platforms dedicate significantly lower resources to content management in lesser-spoken languages, and even widely spoken non-English languages, compared to English content;
- AS. whereas platforms' complaint and appeal procedures are generally inadequate;
- AT. whereas in recent months, several major players have obeyed censorship rules, for example during the Russian parliamentary elections in September 2021, when Google and Apple removed Smart Voting apps from their stores in Russia;
- AU. whereas the lack of transparency with regard to the algorithmic choices of platforms makes it impossible to validate claims by platforms about what they do and the effect of their actions to counter information manipulation and interference; whereas there are discrepancies between the stated effect of their efforts in their annual self-assessments and their actual effectiveness, as shown in the recent Facebook Papers;

- AV. whereas the non-transparent nature of targeted advertising leads to massive amounts of online advertising by reputable brands, sometimes even by public institutions, ending up on websites encouraging terrorism, hosting hate speech and disinformation, and financing the growth of such websites, without the awareness or consent of the advertisers;
- AW. whereas the online advertising market is controlled by a small number of big Ad Tech companies which share the market among themselves, with Google and Facebook as the largest players; whereas this high market concentration on a few companies is associated with a strong power imbalance; whereas the use of clickbait techniques and the power of these few actors to determine which content is monetised and which is not, even though the algorithms they use cannot tell the difference between disinformation and normal news content, constitutes a threat to diversified media; whereas the targeted advertising market is profoundly non-transparent; whereas Ad Tech companies force brands to take the hit for their negligence in monitoring where ads are placed;

Critical infrastructure and strategic sectors

- AX. whereas the management of threats to critical infrastructure, especially when part of a synchronised, malicious hybrid strategy, requires coordinated, joint efforts across sectors, at different levels – EU, national, regional and local – and at various times;
- AY. whereas the Commission has proposed a new directive to enhance the resilience of critical entities providing essential services in the EU, which includes a proposed list of new types of critical infrastructure; whereas the list of services will be set out in the annex to the directive;
- AZ. whereas the growing globalisation of the division of labour and of production chains has led to manufacturing and skills gaps in key sectors across the Union; whereas this has resulted in the EU's high import dependence on many essential products and primary assets, which may have built-in vulnerabilities, coming from abroad; whereas supply chain resilience ought to be among the priorities of EU decision-makers;
- BA. whereas foreign direct investments (FDIs) – investments by third countries and foreign companies – in strategic sectors in the EU, but also in neighbourhood areas, such as the Western Balkans, in particular China's acquisition of critical structures, have been a growing cause for concern in recent years, considering the increasing importance of the trade-security nexus; whereas these investments pose a risk of creating economic dependencies and leading to a loss of knowledge in key production and industrial sectors;
- BB. whereas the open strategic autonomy of the EU requires control of European strategic infrastructure; whereas the Commission and the Member States have expressed growing concern about the security and control of technologies and infrastructure in Europe;

Foreign interference during electoral processes

- BC. whereas malicious actors who seek to interfere in electoral processes take advantage of the openness and pluralism of our societies as a strategic vulnerability to attack democratic processes and the resilience of the EU and its Member States; whereas it is in the context of electoral processes that foreign interference becomes more dangerous as citizens reengage and are more involved in conventional political participation;

BD. whereas the distinctive nature of foreign interference in electoral processes, and the use of new technologies in this regard, as well as their potential effects, represent especially dangerous threats to democracy; whereas foreign interference in electoral processes goes well beyond social media ‘information warfare’, favouring specific candidates to hack and target databases and gain access to the information of registered voters and directly interfering with the normal functioning, competitiveness and legitimacy of the electoral process; whereas foreign interference aims to introduce doubt, uncertainty and mistrust, and not just to alter the result of elections but to delegitimise the entire electoral process;

Covert funding of political activities by foreign actors and donors

- BE. whereas a solid body of evidence shows that foreign actors have been actively interfering in the democratic functioning of the EU and its Member States, particularly during election and referendum periods, through covert funding operations;
- BF. whereas, for instance, Russia, China and other authoritarian regimes have funnelled more than USD 300 million into 33 countries to interfere in democratic processes, and other actors such as Iran and Venezuela, from the Middle-East and on the US far right have also been involved in covert funding; whereas this trend is clearly accelerating; whereas half these cases concern Russia’s actions in Europe; whereas corruption and illicit money laundering are a source of political financing from authoritarian third countries;
- BG. whereas media tools created by foreign donors in a non-transparent way have become highly effective in garnering large numbers of followers and generating engagement;
- BH. whereas these operations finance extremist, populist, anti-European parties and certain other parties and individuals or movements seeking to deepen societal fragmentation and undermine the legitimacy of European and national public authorities; whereas this has helped to increase the reach of these parties and movements;
- BI. whereas Russia seeks out contacts to parties, figures and movements in order to use players within the EU institutions to legitimise Russian positions and proxy governments, to lobby for sanctions relief and to mitigate the consequences of international isolation; whereas parties such as the Austrian *Freiheitliche Partei Österreichs*, the French *Rassemblement National* and the Italian *Lega Nord* have signed cooperation agreements with Russian President Vladimir Putin’s United Russia party and now face media allegations of being willing to accept political funding from Russia; whereas other European parties such as the German *Alternative für Deutschland* (AfD), the Hungarian *Fidesz* and *Jobbik*, and the Brexit Party in the UK also reportedly have close contact with the Kremlin, and the AfD and *Jobbik* have also worked as so-called ‘election observers’ in Kremlin-controlled elections, for example in Donetsk and Lugansk in eastern Ukraine, to monitor and legitimise Russian-sponsored elections; whereas findings about the close and regular contacts between Russian officials and representatives of a group of Catalan secessionists in Spain, as well as between Russian officials and the largest private donor for the Brexit Vote Leave campaign, require an in-depth investigation, and are part of Russia’s wider strategy to use each and every opportunity to manipulate discourse in order to promote destabilisation;

- BJ. whereas the Group of States against Corruption (GRECO) of the Council of Europe and the Venice Commission have already made wide-ranging recommendations to decrease the scope for the possible interference of foreign actors via political financing;
- BK. whereas electoral laws, in particular provisions on the financing of political activities, are not sufficiently well coordinated at EU level, and therefore allow for opaque financing methods by foreign actors; whereas the legal definition of political donations is too narrow, allowing for foreign in-kind contributions in the European Union;
- BL. whereas, in some Member States, online political advertising is not subject to the rules for offline political advertising; whereas there is a serious lack of transparency in online political advertising, which makes it impossible for regulators to enforce spending limits and prevent illegal sources of funding, with potentially disastrous consequences for the integrity of our electoral systems;
- BM. whereas lack of financing transparency creates an environment for corruption, which often accompanies foreign funding and investments;
- BN. whereas Regulation (EU, Euratom) No 1141/2014 of 22 October 2014 on the statute and funding of European political parties and European political foundations¹ is being revised with a view to achieving a greater level of transparency in terms of the financing of political activities;
- BO. whereas the role of political foundations has grown in recent years, in most cases playing a positive role in politics and in strengthening democracy, but in some cases becoming a more unpredictable vehicle for malicious forms of finance and indirect interference;
- BP. whereas modern technologies and digital assets, such as cryptocurrency, are used to disguise illegal financial transactions to political actors and political parties;

Cybersecurity and resilience against cyberattacks

- BQ. whereas the incidence of cyberattacks and cyber-enabled incidents led by hostile state and non-state actors has been increasing in recent years; whereas several cyberattacks, such as the global spear-phishing email campaigns targeting strategic vaccine storage structures and the cyberattacks against the European Medicines Agency (EMA), the European Banking Authority, the Norwegian Parliament and countless others, have been traced back to state-backed hacker groups, predominantly affiliated to the Russian and Chinese Governments;
- BR. whereas the European Union is committed to the application of existing international law in cyberspace, in particular the UN Charter; whereas malign foreign actors are exploiting the absence of a strong legal international framework in the cyber domain;
- BS. whereas the Member States have increased their cooperation in the domain of cyber defence within the framework of the Permanent Structured Cooperation (PESCO), including by setting up Cyber Rapid Response Teams; whereas the European Defence Industrial Development Programme (EDIDP) has included intelligence, secured communication and cyber defence in its work programmes; whereas the current capacity to face cyber threats is limited owing to the scarcity of human and financial

¹ OJ L 317, 4.11.2014, p. 1.

resources, for example in critical structures such as hospitals; whereas the EU has committed to investing EUR 1.6 billion, under the Digital Europe programme¹, in the response capacity and deployment of cybersecurity tools for public administrations, businesses and individuals, as well as developing public-private cooperation;

- BT. whereas gaps in and the fragmentation of the EU's capabilities and strategies in the cyber field is becoming an increasing problem, as pointed out by the European Court of Auditors²; whereas the EU Cyber Diplomacy Toolbox, set up in May 2019, has shown the added value of a joint EU diplomatic response to malicious cyber activities; whereas the Council decided for the first time on 30 July 2020 to impose restrictive measures on individuals, entities and bodies responsible for or involved in various cyberattacks;
- BU. whereas massive-scale and illicit use of surveillance programs, such as Pegasus, have been used by foreign state actors to target journalists, human rights activists, academics, government officials and politicians, including European heads of state; whereas Member States have also made use of the surveillance spyware;

Protection of EU Member States, institutions, agencies, delegations and missions

- BV. whereas the decentralised and multinational character of EU institutions, including their missions and operations, is an ever-increasing target and is exploited by malicious foreign actors wanting to sow division in the EU; whereas there is an overall lack of a security culture in the EU institutions despite the fact that they are clear targets; whereas Parliament as the democratically elected EU institution faces specific challenges; whereas several cases have revealed that EU institutions appear vulnerable to foreign infiltration; whereas the safety of EU staff should be ensured;
- BW. whereas it is necessary to put in place strong and coherent crisis management procedures as a matter of priority; whereas additional training should be offered in order to enhance the preparedness of staff;
- BX. whereas cyberattacks have recently targeted several EU institutions, which underlines the need for strong interinstitutional cooperation in terms of detecting, monitoring and sharing information during cyberattacks and/or with a view to preventing them, including during EU common security and defence policy (CSDP) missions and operations; whereas the EU and its Member States should organise regular, joint exercises to identify weak spots and take the necessary measures;

Interference through global actors via elite capture, national diasporas, universities and cultural events

- BY. whereas a number of politicians, including former high-level European politicians and civil servants are hired or co-opted by foreign authoritarian state-controlled national or private companies in exchange for their knowledge and at the expense of the interests of the citizens of the EU and its Member States;
- BZ. whereas some countries are particularly active in the field of elite capture and co-optation, in particular Russia and China, but also Saudi Arabia and other Gulf countries, with, for instance, former German Chancellor Gerhard Schröder and former Prime

¹ <https://www.consilium.europa.eu/en/policies/cybersecurity/>

² https://www.eca.europa.eu/Lists/ECADocuments/BRP_CYBERSECURITY/BRP_CYBERSECURITY_EN.pdf

Minister of Finland Paavo Lipponen having both joined Gazprom to speed up the application process for Nord Stream 1 and 2, former Austrian Minister of Foreign Affairs Karin Kneissl appointed board member of Rosneft, former Prime Minister of France François Fillon appointed board member of Zaroubejneft, former Prime Minister of France Jean-Pierre Raffarin actively engaged in promoting Chinese interests in France, former Czech Commissioner Štefan Füle having worked for CEFC China Energy, former Prime Minister of Finland Esko Aho now on the board of the Kremlin's Sberbank, former French Minister for Relations with Parliament Jean-Marie Le Guen now a member of the Board of Directors of Huawei France, former Prime Minister of Belgium Yves Leterme appointed Co-Chairman of the Chinese investment fund ToJoy, and many other high-level politicians and officials taking on similar roles;

- CA. whereas economic lobbying strategies can be combined with foreign interference goals; whereas according to the OECD's report on lobbying in the 21st century¹ only the US, Australia and Canada have rules in place that cover foreign influence; whereas there is a serious lack of legally binding rules and enforcement of the EU's lobbying register, which makes it practically impossible to track lobbying coming from outside the EU; whereas there is currently no way of monitoring lobbying efforts in Member States that influence legislation and foreign policy through the European Council; whereas rules on lobbying in the EU focus mainly on face-to-face contact and do not take into account the whole ecosystem of different types of lobbying that exists in Brussels; whereas countries such as China and Russia, but also Qatar, the United Arab Emirates and Turkey, have invested heavily in lobbying efforts in Brussels;
- CB. whereas trying to instrumentalise vulnerable groups, including the national minorities and diaspora living on EU soil, represents an important element of foreign interference strategies;
- CC. whereas different state actors, such as the Russian, Chinese and, to a lesser degree, Turkish Governments, have been attempting to increase their influence by setting up and using cultural, educational (e.g. through grants and scholarships) and religious institutes across Member States, in a strategic effort to destabilise European democracy and expand control over Eastern and Central Europe; whereas the alleged difficult situation of its national minority has been used in the past by Russia as an excuse for direct intervention in third countries;
- CD. whereas there is evidence of Russian interference and online information manipulation in many liberal democracies around the world, including but not limited to the Brexit referendum in the United Kingdom and the presidential elections in France and the US, and practical support of extremist, populist, anti-European parties and certain other parties and individuals across Europe, including but not limited to France, Germany, Italy and Austria; whereas more support for research and education is needed to be able to understand the exact influence of foreign interference on specific events, such as Brexit and the election of President Trump in 2016;
- CE. whereas Russian state-controlled Sputnik and RT networks that are based in the West, combined with Western media and fully or partially owned by Russian and Chinese legal and individual entities actively engage in disinformation activities against liberal

¹ Organisation for Economic Co-operation and Development, *Lobbying in the 21st Century: Transparency, Integrity and Access*, 2021, OECD Publishing, Paris, available at: <https://doi.org/10.1787/c6d8eff8-en>

democracies; whereas Russia is resorting to historical revisionism, seeking to rewrite the history of Soviet crimes and promoting Soviet nostalgia among the susceptible population in Central and Eastern Europe; whereas for national broadcasters in Central and Eastern Europe it is difficult to compete with Russian-language TV content funded by the Russian Government; whereas there is a risk of unbalanced cooperation between Chinese and foreign media, taking into account that Chinese media are the voice of the Chinese Communist Party at home and abroad;

- CF. whereas more than 500 Confucius centres have been opened around the world, including around 200 in Europe, and Confucius Institutes and Confucius Classrooms are used by China as a tool of interference within the EU; whereas academic freedom is severely restricted in Confucius Institutes; whereas universities and educational programmes are the target of massive foreign funding, notably from China or Qatar, such as the Fudan University campus in Budapest;
- CG. whereas the EU is currently lacking the necessary toolbox to address elite capture and counter the establishment of channels of influence, including within EU institutions; whereas situational awareness capabilities and counter-intelligence instruments remain scarce at EU level, with a high degree of reliance on national actors' willingness to share information;

Deterrence, attribution and collective countermeasures, including sanctions

- CH. whereas the EU and its Member States do not currently have a specific regime of sanctions related to foreign interference and disinformation campaigns orchestrated by foreign state actors, meaning that these actors can safely assume that their destabilisation campaigns against the EU will meet with no consequences;
- CI. whereas ensuring clear attribution of disinformation and propaganda attacks, including publicly naming the perpetrators, their sponsors and the goals they seek to achieve, as well as measuring the effects of these attacks on the targeted audience, are the first steps towards effectively defending against such actions;
- CJ. whereas the EU should strengthen its deterrence tools and tools for attributing such attacks and categorising their nature as violating or not violating international law, with a view to establishing an effective sanctions regime so that malicious foreign actors have to pay the costs of their decisions and bear the consequences; whereas targeting individuals might not be sufficient; whereas other tools, such as trade measures, could be used to protect European democratic processes against state-sponsored hybrid attacks; whereas deterrence measures must be applied transparently with all due guarantees; whereas hybrid attacks are calibrated so that they deliberately fall below the threshold of Article 42(7) of the Treaty on European Union (TEU) and Article 5 of the North Atlantic Treaty;

Global cooperation and multilateralism

- CK. whereas malicious actions orchestrated by foreign state and non-state actors are affecting many democratic partner countries around the world; whereas democratic allies depend on their ability to join forces to deliver a collective response;
- CL. whereas the EU accession countries in the Western Balkans are being hit particularly hard by attacks in the form of foreign interference and disinformation campaigns

stemming from Russia, China and Turkey, such as Russia's interference campaigns during the ratification process of the Prespa Agreement in North Macedonia; whereas the COVID-19 pandemic has been further exploited in the Western Balkans by China and Russia to destabilise these countries and discredit the EU; whereas candidate and potential candidate countries are expected to join the EU's initiatives to fight foreign interference;

- CM. whereas there is still a lack of common understanding and common definitions among like-minded partners and allies with regard to the nature of the threats at stake; whereas the UN Secretary-General is calling for a global code of conduct to promote the integrity of public information; whereas the Conference on the Future of Europe is an important platform for discussions related to the topic;
- CN. whereas there is a need for global, multilateral cooperation and support among like-minded partners in dealing with foreign malicious interference; whereas other democracies have developed advanced skills and strategies, such as Australia and Taiwan; whereas Taiwan stands at the forefront of the fight against information manipulation, mainly from China; whereas the success of the Taiwanese system is founded on cooperation among all branches of government, but also with independent NGOs specialised in fact-checking and media literacy and with social media platforms, such as Facebook, as well as on the promotion of media literacy for all generations, the debunking of disinformation, and the curbing of the spread of manipulative messages; whereas the INGE Special Committee went on a three-day official mission to Taiwan to discuss disinformation and foreign electoral intervention;

Need for an EU coordinated strategy against foreign interference

1. Is deeply concerned about the growing incidence and increasingly sophisticated nature of foreign interference and information manipulation attempts, conducted overwhelmingly by Russia and China and targeting all parts of the democratic functioning of the European Union and its Member States;
2. Welcomes the Commission President's announcement of 27 February 2022 of an EU-wide ban on Russian propaganda outlets such as Sputnik TV, RT (formerly known as Russia Today) and other Russian disinformation organs which have the sole aim of weakening and dividing the EU's public opinion and EU decision-makers; calls for further measures in this regard;
3. Calls on the Commission to propose, and the co-legislators and Member States to support, a multi-layer, coordinated and cross-sector strategy, as well as adequate financial resources, aimed at equipping the EU and its Member States with appropriate foresight and resilience policies and deterrence tools, enabling them to tackle all hybrid threats and attacks orchestrated by foreign state and non-state actors; considers that this strategy should be built on:
 - (a) common terminologies and definitions, a single methodology, evaluations and ex post impact assessments of the legislation adopted so far, a shared intelligence system, and understanding, monitoring, including early warnings, and situational awareness of the issues at stake;
 - (b) concrete policies enabling resilience-building among EU citizens in line with democratic values, including through support to civil society;

- (c) appropriate disruption and defence capabilities;
 - (d) diplomatic and deterrence responses, including an EU toolbox for countering foreign interference and influence operations, including hybrid operations, through adequate measures, e.g. attribution and naming of perpetrators, sanctions and countermeasures, and global partnerships to exchange practices and promote international norms of responsible state behaviour;
4. Underlines that all measures to prevent, detect, attribute, counter and sanction foreign interference must be designed in a way that respects and promotes fundamental rights, including the ability of EU citizens to communicate in a secure, anonymous and uncensored way, without undue interference from any foreign actors;
5. Considers that this strategy should be based on a risk-based, whole-of-society and whole-of-government approach, covering the following areas in particular:
- (a) building EU resilience through situational awareness, media and information literacy, media pluralism, independent journalism and education,
 - (b) foreign interference using online platforms;
 - (c) critical infrastructure and strategic sectors;
 - (d) foreign interference during electoral processes;
 - (e) covert funding of political activities by foreign actors and donors;
 - (f) cybersecurity and resilience against cyberattacks;
 - (g) protection of EU Member States, institutions, agencies, delegations and missions;
 - (h) interference through global actors via elite capture, national diasporas, universities and cultural events;
 - (i) deterrence, attribution and collective countermeasures, including sanctions;
 - (j) global cooperation and multilateralism;
6. Calls, in particular, for the EU and its Member States to boost the resources and means allocated to bodies and organisations across Europe and globally – such as think tanks and fact-checkers – tasked with monitoring and raising awareness of the severity of threats, including disinformation; highlights the crucial role of the EU in a broader strategic sense; calls for the foresight capacity and interoperability of the EU and its Member States to be strengthened to ensure robust preparedness to predict, prevent and mitigate foreign information manipulation and interference, to strengthen the protection of their strategic interests and infrastructure, and to engage in multilateral cooperation and coordination to reach a common understanding of the issue in the relevant international forums; calls on the Foreign Affairs Council to discuss matters of foreign interference on a regular basis;
7. Is concerned about the overwhelming lack of awareness, including among the broader public and government officials, of the severity of the current threats posed by foreign authoritarian regimes and other malicious actors targeting all levels and sectors of

European society, aimed at undermining fundamental rights and public authorities' legitimacy, deepening political and social fragmentation and, in some instances, even causing life-threatening harm to EU citizens;

8. Is concerned about the lack of norms and appropriate and sufficient measures to attribute and respond to acts of foreign interference, resulting in an attractive calculation for malicious actors of low costs, low risks and a high reward, since the risks of facing retribution for their actions are currently very low;
9. Urges the Commission to include, where relevant, a foreign information manipulation and interference perspective in the ex ante impact assessment carried out before presenting new proposals, with a view to mainstreaming the countering of foreign interference and information manipulation within EU policymaking; urges the EEAS and the Commission to perform regular resilience reviews and to assess the development of the threats and their impact on current legislation and policies;
10. Calls on the Commission to analyse recent national institutions, such as Australia's National Counter Foreign Interference Coordinator, Finland's Security Committee assisting the government and ministries, Sweden's Civil Contingencies Agency, new agency for psychological defence and National China Centre, France's new national agency Viginum, Lithuania's National Cyber Security Centre, and Taiwan's interagency disinformation coordination taskforce to see what we can learn from these best practices and to what extent a similar idea could be implemented at EU level; invites the Commission to support the sharing of information and best practices among Member States in this regard; underlines the importance of a proactive approach and instruments, including strategic communications as a core activity for implementing EU and Member State policies through words and actions; calls on the Commission to provide adequate data science training and to create a single monitoring body within the Commission on information manipulation;
11. Is concerned about the many gaps and loopholes in current legislation and policies at EU and national level intended to detect, prevent and counter foreign interference;
12. Notes that a number of long-term projects and programmes with a focus on countering disinformation at a technological, legal, psychological and informational level are being funded by the EU; calls on the Commission to assess the impact of these projects and programmes and their applicability;
13. Calls on the Commission to set up a Commission taskforce led by Věra Jourová, as Vice-President of the Commission for Values and Transparency, dedicated to scrutinising existing legislation and policies to identify gaps that could be exploited by malicious actors, and urges the Commission to close these gaps; stresses that this structure should cooperate with other EU institutions and Member States at national, regional and local level and facilitate the exchange of best practices; calls on the Commission and the EEAS to consider the establishment of a well-resourced and independent European Centre for Interference Threats and Information Integrity, which should identify, analyse and document information manipulation operations and interference threats against the EU as a whole, increase situational awareness, develop a specialised knowledge hub by becoming a platform for coordination with civil society, the business sector, the EU and national institutions, and raise public awareness, inter alia via regular reports on systemic threats; stresses that the tentative creation of such a new independent and well-resourced European Centre for Interference Threats and

Information Integrity should clarify and enhance the role of the EEAS StratCom division and its taskforces as the strategic body of the EU's diplomatic service and prevent the overlap of activities; stresses that EEAS StratCom's mandate should be focused on strategically developing external policies to counter existing and emerging joint threats and to enhance engagement with international partners in this field; points out that EEAS StratCom could pursue this in close cooperation with a new European Centre for Interference Threats and Information Integrity and a new Commission taskforce;

14. Calls for the EU institutions and the Member States to empower civil society to play an active role in countering foreign interference; calls on all levels and sectors of European society to set up systems to make organisations and citizens more resilient to foreign interference, to be able to detect attacks on time and to counter attacks as efficiently as possible, including through education and awareness-raising, within the EU framework of fundamental rights and in a transparent and democratic way; points, in this context, to the best practices and whole-of-society approach pursued by Taiwan; calls on decision-makers to provide civil society with appropriate tools and dedicated funds to study, expose and combat foreign influence;

Building EU resilience through situational awareness, media literacy and education

15. Stresses that EU institutions and Member States need sound, robust and interlinked systems to detect, analyse, track and map incidents of foreign state and non-state actors trying to interfere in democratic processes in order to develop situational awareness and a clear understanding of the type of behaviour that the EU and its Member States need to deter and address; calls for regular sociological research and polling to monitor resilience and media literacy, as well as to understand public support and perceptions of the most common disinformation narratives;
16. Underlines that it is equally important that the insights from this analysis do not stay within groups of foreign interference specialists, but are, to the extent possible, shared openly with the broader public, especially with people performing sensitive functions, so that everyone is aware of the threat patterns and can avoid the risks;
17. Underlines that it is necessary to develop a common methodology for developing situational awareness, early warnings and threat assessment, collecting evidence systematically and the timely detection of manipulation of the information environment, as well as developing standards for technical attribution, for example on content authenticity, in order to ensure an effective response;
18. Stresses the need for the EU, in cooperation with Member States and working multilaterally in the relevant international forums, to develop a conceptual definition of the interference threats faced by the EU; underlines that this definition needs to reflect the tactics, techniques, procedures and tools used to describe the patterns of behaviour of the state and non-state threat actors that we see today; urges the Commission to involve the EU FRA to ensure that there are no discriminatory or inequitable concepts or biases embedded in any conceptual definitions;
19. Underlines that public diplomacy and strategic communication are essential elements of the EU's external relations and the protection of the EU's democratic values; calls for the EU institutions to further develop and boost the important work of the EEAS StratCom division, with its taskforces, EU Intelligence and Situation Centre (EU

- INTCEN) and Hybrid Fusion Cell, the EU Military Staff Intelligence Directorate, the Rapid Alert System, the established cooperation at administrative level among the EEAS, the Commission and Parliament, the Commission-led network against disinformation, Parliament's administrative taskforce against disinformation, and the ongoing cooperation with NATO, the G7, civil society and private industry when it comes to cooperating on intelligence, analysis, the sharing of best practices and raising awareness about foreign information manipulation and interference; welcomes the European Court of Auditors (ECA) Special Report 09/2021 entitled 'Disinformation affecting the EU: tackled but not tamed'; calls on the EEAS and the Commission to publish a detailed timeline for the implementation of the ECA's recommendations;
20. Underlines the need to strengthen permanent monitoring efforts while reinforcing them well ahead of elections, referendums or other important political processes across Europe;
 21. Calls on Member States to make full use of these resources by sharing relevant intelligence with EU INTCEN and enhancing their participation in the Rapid Alert System; is of the opinion that analysis and intelligence cooperation within the EU and with NATO needs to be strengthened even more, while making such cooperation more transparent and democratically accountable, including by sharing information with Parliament;
 22. Welcomes Commission President von der Leyen's idea of establishing a Joint Situational Awareness Centre to improve strategic foresight and the EU's open strategic autonomy, while expecting further clarification of its set-up and mission; underlines that such a centre would require active cooperation with the relevant services of the Commission, the EEAS, the Council, Parliament and national authorities; reiterates, however, the importance of avoiding duplication of work and overlap with existing EU structures;
 23. Recalls the need to equip the EEAS with a strengthened and clearly defined mandate and the necessary resources for the Strategic Communication, Task Forces and Information Analysis Division to monitor and address information manipulation and interference beyond the foreign sources currently covered by the three taskforces and to aim for broader geographic coverage by applying a risk-based approach; calls urgently for the deployment of adequate capabilities by the EEAS in order to address information manipulation and interference emanating from China, notably by setting up a dedicated Far East team; stresses further the need to significantly boost expertise and language capacity with regard to China and other strategically important regions, in the EEAS, in the Member States and in the EU institutions in general, and to make use of open-source intelligence sources which are currently underutilised;
 24. Stresses the importance of broadly distributed, competitive, pluralistic media, independent journalists, fact-checkers and researchers, and a strong public service media for lively and free democratic debate; welcomes initiatives to bring together, train and otherwise support organisations of independent journalists, fact-checkers and researchers all over Europe, and particularly in the regions most at risk, such as the European Digital Media Observatory and the European Endowment for Democracy; deeply regrets that the European Digital Media Observatory does not cover the Baltic states; welcomes, too, initiatives aiming at establishing journalism and fact-checking trustworthiness indicators that are easy to recognise, such as that initiated by Reporters

Without Borders; calls on the Commission to counter monopolistic mass-media ownership;

25. Praises the indispensable research and the many creative and successful media and digital literacy and awareness-raising initiatives carried out by individuals, schools, universities, media organisations, public institutions and civil society organisations;
26. Calls for the EU and the Member States to earmark EU public funding sources for independent fact-checkers, researchers, quality and investigative media and journalists, and NGOs researching and investigating information manipulation and interference, promoting media, digital and information literacy, and other means to empower citizens, and researching how to meaningfully measure the effectiveness of media, digital and information literacy training, awareness-raising, debunking and strategic communication;
27. Calls for measures to strengthen professional and pluralistic media, ensuring that publishers receive a fair income for the use of their content on the internet; underlines that several countries around the globe are taking steps to ensure that the media have adequate financial resources; reiterates its call for the creation of a permanent EU news media fund and welcomes, in this regard, the News Initiative, including the new funding possibilities for the media sector and media and information literacy in the 2021-2027 Creative Europe programme; notes, however, that funding streams may create dependencies or have an impact on the independence of media; highlights, in this regard, the importance of the transparency of media financing; believes that public disclosure of information on who owns, donates to, controls or provides content to media outlets and pays for journalistic content is needed to protect media pluralism;
28. Underlines the need to consolidate analysis, incident reports and intelligence-based public threat assessments with regard to information manipulation and interference and make this information available to the public; therefore suggests the creation of a EU-wide database on incidents of foreign interference reported by EU and Member State authorities; underlines that information on these incidents could be shared, when appropriate, with civil society organisations and the public, in all EU languages;
29. Calls on all Member States to include media and digital literacy, as well as education in democracy, fundamental rights, recent history, world affairs, critical thinking and public participation, in their curricula, from early years to adult education, including training for teachers and researchers; calls on the Commission and the Member States to increase support for historical education and research on how foreign interference and past totalitarianism has influenced society in general, and large-scale democratic events more specifically;
30. Calls for the EU institutions and Member States, at all administrative levels, to identify sectors at risk of interference attempts and provide regular training and exercises for staff working in these sectors in how to detect and avoid interference attempts, and underlines that such efforts would benefit from a standardised format established by the EU; recommends that comprehensive training modules also be offered to all public servants; welcomes in this regard the training offered to Members and staff by Parliament's administration; recommends that this training be developed further;
31. Underlines the need to raise awareness about foreign interference in all layers of society; welcomes the initiatives taken by the EEAS, the Commission and Parliament's

administration, such as training and awareness-raising events for journalists, teachers, influencers, students, senior citizens and visitors, both offline and online, in Brussels and across the Member States, and recommends that they be further developed;

32. Calls on the Member States, the EU administration and civil society organisations to share best practices for media and information literacy training and awareness-raising, as requested in the Audiovisual Media Services Directive¹; calls on the Commission to organise these exchanges in cooperation with the Media Literacy Expert Group; underlines that the revised directive needs to be rapidly and properly implemented by the Member States;
33. Urges the EU institutions to draw up a Code of Ethics to guide public authorities and political representatives in the use of social media platforms and networks; considers it necessary to encourage responsible use of such platforms and networks to combat manipulation and misinformation originating in the public sphere;
34. Calls for the EU and its Member States to implement tailored awareness-raising and media and information literacy programmes, including for diasporas and minorities, and calls on the Commission to set up a system for the easy sharing of material in minority languages, in order to reduce translation costs and reach out to as many people as possible; calls on regions and municipalities to take a leading role, since it is important to reach out to rural areas and across demographic groups;
35. Underlines that an essential response to foreign interference attempts is to defend the main target groups it is aimed at; emphasises the need for targeted action, through a harmonised EU legal framework, against the spread of disinformation and hate speech on issues related to gender, LGBTIQ+ people, minorities and refugees; calls on the Commission to develop and implement strategies to hinder the financing of individuals and groups that actively spread or participate in information manipulation, frequently targeted against the abovementioned groups and topics, in order to divide society; calls for positive communication campaigns on these issues and underlines the need for gender-sensitive training;
36. Recognises that gendered disinformation attacks and campaigns are often used as part of a broader political strategy to undermine equal participation in democratic processes, especially for women and LGBTIQ+ people; stresses that disinformation about LGBTIQ+ people fuels hate, both online and offline, and threatens lives; calls for research into online disinformation to be carried out with an intersectional lens and for oversight of the changes platforms are making to respond to gendered disinformation campaigns online; calls for increased attention to be paid to gender-based disinformation through the creation of early warning systems through which gendered disinformation campaigns can be reported and identified;
37. Calls on the Commission to put forward an overarching media and information literacy strategy with a special focus on combating information manipulation;

¹ Directive 2010/13/EU of the European Parliament and of the Council of 10 March 2010 on the coordination of certain provisions laid down by law, regulation or administrative action in Member States concerning the provision of audiovisual media services (OJ L 95, 15.4.2010, p. 1).

38. Welcomes the establishment of the expert group on tackling disinformation and promoting digital literacy through education and training, which will focus on critical thinking, teacher training, pre-bunking, debunking and fact-checking efforts, and student engagement, among other tasks; calls on the Commission to share the results of the work of this expert group and to implement its conclusions;
39. Underlines the importance of strategic communication to counter the most common anti-democracy narratives; calls for the improvement of EU strategic communication to increase its reach both towards citizens and abroad; stresses that all democratic organisations need to defend democracy and uphold the rule of law and have a common responsibility to engage with citizens, using their preferred languages and platforms;
40. Calls on Member States to ensure effective public communication campaigns in relation to the COVID-19 pandemic in order to disseminate accurate and timely information to counteract misinformation, particularly in relation to vaccines;
41. Is deeply concerned about the spread of foreign state propaganda, mainly originating in Moscow and Beijing, as well as in Ankara, which is translated into local languages, for instance in RT-, Sputnik- Anadolu-, CCTV-, Global Times-, Xinhua-, TRT World-, or Chinese Communist Party-sponsored media content disguised as journalism, and distributed with newspapers; maintains that such channels cannot be considered real media and therefore should not enjoy the same rights and protection as democratic media; is equally concerned about how these narratives have spread into genuine journalistic products; underlines the need to raise awareness about Russia's and China's disinformation campaigns, which aim to challenge democratic values and divide the EU, as these constitute the main source of disinformation in Europe; calls on the Commission to initiate a study on minimum standards for media as a basis on which to possibly revoke licences in the event of breaches; asks the Commission to integrate the findings of the study into upcoming legislation, such as in a possible Media Freedom Act; notes that foreign interference actors may falsely present themselves as journalists; believes that it should be possible in such cases to sanction that person or organisation, for instance by naming and shaming, blacklisting from press events or revoking media accreditation;
42. Is deeply concerned about attacks, harassment, violence and threats against journalists, human rights defenders and other persons exposing foreign interference, which may also undermine their independence; calls on the Commission to swiftly submit concrete and ambitious proposals on the safety of all these persons, including an anti-strategic lawsuit against public participation (SLAPP) instrument and economic, legal and diplomatic support, as announced under the European Democracy Action Plan; welcomes, in this regard, Commission Recommendation (EU) 2021/1534 of 16 September 2021 on ensuring the protection, safety and empowerment of journalists and other media professionals in the European Union¹; calls on the Member States to effectively protect journalists and other media professionals by means of legislative and non-legislative tools;
43. Stresses the need to involve local and regional decision-makers responsible for strategic decisions in the areas that fall under their competence, such as infrastructure, cybersecurity, culture and education; underlines that local and regional politicians and authorities can often identify concerning developments at an early stage and stresses

¹ OJ L 331, 20.9.2021, p. 8.

that local knowledge is often needed to identify and implement adequate countermeasures;

44. Calls on the Commission and the Member States to establish communication channels and set up platforms where companies, NGOs and individuals, including members of diasporas, can report instances in which they fall victim to information manipulation or interference; calls on the Member States to support those who are victims of attacks and those who are aware of such attacks or are being put under pressure;

Foreign interference using online platforms

45. Welcomes the proposed review of the Code of Practice on Disinformation and the proposals for a Digital Services Act, a Digital Markets Act and other measures linked to the European Democracy Action Plan as potentially effective tools to tackle foreign interference; recommends that the final reading of these texts take into account the aspects set out in the remainder of this section;
46. Stresses that freedom of expression must not be misinterpreted as freedom to engage in online activities that are illegal offline, such as harassment, hate speech, racial discrimination, terrorism, violence, espionage and threats; underlines that platforms need not only to abide by the law of the country in which they operate, but also to live up to their terms and conditions, especially with regard to harmful content online; calls on platforms to strengthen efforts to prevent the reappearance of illegal content that is identical to that which has been identified as illegal and removed;
47. Underlines the need, above all, to continue studying the rise of disinformation and foreign interference online and for EU-wide legislation to ensure significantly increased and meaningful transparency, monitoring and accountability as regards the operations conducted by online platforms and access to data for legitimate access seekers, in particular when dealing with algorithms and online advertising; calls for social media companies to keep ad libraries;
48. Calls for regulation and actions to oblige platforms, especially those with a systemic risk to society, to do their part to reduce information manipulation and interference, for instance by using labels that indicate the true authors behind accounts, limiting the reach of accounts regularly used to spread disinformation or that regularly break the terms and conditions of the platform, suspending and, if necessary and based on clear legislation, deleting inauthentic accounts used for coordinated interference campaigns or demonetising disinformation-spreading sites, setting up mitigation measures for interference risks posed by the effects of their algorithms, advertising models, recommender systems and AI technologies, and flagging disinformation content in both posts and comments; recalls the need for these measures to be implemented in a transparent and accountable way;
49. Calls on the Commission to fully take into account the Council of Europe's guidance note on best practices towards effective legal and procedural frameworks for self-regulatory and co-regulatory mechanisms of content moderation, adopted in June 2021;

50. Calls for full and effective implementation of the General Data Protection Regulation¹, which limits the amount of data platforms can store about users and how long this data can be used, especially for platforms and applications using very private and/or sensitive data, such as messaging, health, finance and dating apps and small discussion groups; calls for gatekeeper platforms to refrain from combining personal data with personal data from other services offered by the gatekeeper or with personal data from third-party services, to make it equally easy to disagree as to agree to the storage and sharing of data and to allow users to choose whether to be targeted with other personalised advertising online; welcomes all efforts to ban micro-targeting techniques for political advertising, particularly but not limited to those based on sensitive personal data, such as ethnic origin, religious beliefs or sexual orientation, and asks the Commission to consider extending a ban on micro-targeting to issue-based advertising;
51. Calls for binding EU rules to require platforms to cooperate with competent authorities to regularly test their systems and to identify, assess and mitigate the risk of information manipulation, interference and the vulnerabilities that using their services carries, including how the design and management of their services contribute to that risk; calls for binding EU rules to oblige platforms to set up systems to monitor how their services are used, such as real-time monitoring of the most trending and popular posts in a country-by-country overview, in order to detect information manipulation and interference and flag suspected interference to the authorities responsible, and to increase the costs for actors who make it possible to turn a blind eye to any such actions facilitated by their systems;
52. Calls on online platforms to commit adequate resources to preventing harmful foreign interference, as well as to ensuring better working conditions, psychological care and fair payment for content moderators; calls on large social media platforms to provide detailed and country-by-country reports on the resources devoted to in-country fact-checking, research activities, content moderation, including human and AI capacities in individual languages, and collaboration with local civil society; underlines the need for these platforms to step up their efforts to address disinformation in smaller and less commercially profitable markets in the EU;
53. Calls on social media platforms to fully respect the equality of all EU citizens irrespective of the language used in the design of their services, tools and monitoring mechanisms, as well as in measures for greater transparency and a safer online environment; stresses that this refers not only to all official national and regional languages, but also to the languages of sizeable diasporas within the EU; underlines that these services should also be accessible for people with hearing impairment;
54. Calls for clear and readable labelling of deepfakes, both for platform users and in content metadata, to improve their traceability for researchers and fact-checkers; in this respect, welcomes the initiatives aimed at improving content authenticity and traceability, such as the development of watermarks and authenticity standards, and the introduction of global standards;

¹ Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (OJ L 119, 4.5.2016, p. 1).

55. Calls for services offering social media manipulation tools and services, such as boosting the reach of accounts or content using artificial engagement or inauthentic profiles, to be regulated; underlines that this regulation needs to be based on a thorough assessment of current practices and the associated risks and should prevent these services from being used by malicious actors for political interference;
56. Stresses the need for transparency as regards the real natural or legal person behind online content and accounts for those wishing to advertise; calls on platforms to introduce mechanisms to detect and suspend, in particular, inauthentic accounts linked to coordinated influence operations; underlines that these practices should not interfere with the ability to be anonymous online, which is of crucial importance in protecting journalists, activists, marginalised communities and persons in vulnerable positions (e.g. whistle-blowers, dissidents and political opponents of autocratic regimes), and should allow room for satirical and humorous accounts;
57. Underlines that a greater responsibility to remove content must not lead to the arbitrary removal of legal content; urges caution as regards entirely suspending the accounts of real individuals or the mass use of automated filters; notes with concern the arbitrary decisions of platforms to suppress the accounts of elected officials; stresses that these accounts should only be struck down on the basis of clear legislation based on democratic values, which are translated into business policy and enforced by independent democratic oversight, and that there must be a fully transparent process covering the right to appeal;
58. Calls for binding rules to require platforms to create easily available and effective communication channels for people or organisations who want to report illegal content, violation of terms and conditions, disinformation, or foreign interference or manipulation, where appropriate allowing the accused individuals to respond before any restrictive action is taken, and for the establishment of impartial, transparent, fast and accessible referral and appeal procedures for victims of content posted online, those who report content, and individuals or organisations affected by the decision to label, restrict visibility to, disable access to or suspend accounts or to restrict access to advertising revenue; recommends that social media platforms designate a specific contact point for each Member State and form taskforce teams for every important election in every Member State;
59. Calls for legislative rules to ensure transparency vis-à-vis users and the general public, such as obligating platforms to set up public and easily searchable archives of online advertisements, including who they are targeted at and who paid for them, and moderated and deleted content, establish self-regulatory measures and give comprehensive and meaningful access to information about the design, use and impact of algorithms to national competent authorities, vetted researchers affiliated with academic institutions, the media, civil society organisations and international organisations representing the public interest; believes that the metrics of these libraries should be harmonised to allow for cross-platform analysis and reduce the administrative burden for platforms;
60. Calls for an end to business models that rely on encouraging people to stay on platforms longer by feeding them engaging content; calls on legislative decision-makers and platforms to ensure, through the use of human moderators and a third party auditor, that algorithms do not promote illegal, extremist, discriminatory or radicalising content, but rather offer users a plurality of perspectives and prioritise and promote facts and

science-based content, in particular on important social issues such as public health and climate change; considers that engagement-based and addictive ranking systems pose a systemic threat to our society; calls on the Commission to address the current issue of price incentives, where highly targeted ads with divisive content often have much lower prices for the same amount of views than less-targeted ads with socially integrative content;

61. Calls for algorithms to be modified in order to stop boosting content originating from inauthentic accounts and channels that artificially drive the spread of harmful foreign information manipulation; calls for algorithms to be modified so that they do not push divisive and anger-inducing content; stresses the need for the EU to put in place measures to legally require social media companies to prevent the amplification of disinformation once detected to the greatest extent possible, and that there must be consequences for platforms if they do not comply with the requirement to take down disinformation;
62. Stresses the need for an improved testing phase and a systematic review of the consequences of algorithms, including how they shape public discourse and influence political outcomes and how content is prioritised; underlines that such a review should also examine whether platforms can meet the guarantees promised in their respective terms and conditions and whether they have sufficient safeguards in place to prevent large-scale, coordinated inauthentic behaviours from manipulating the content shown on their platforms;
63. Is alarmed by the average of EUR 65 million in ad revenue that flows each year to approximately 1 400 disinformation websites targeting EU citizens¹; underlines that online advertisements, sometimes even by public institutions, end up on, and therefore finance, malicious websites promoting hate speech and disinformation, without the consent or even knowledge of the advertisers concerned; notes that five companies, including Google Ads, pay 97 % of these ad revenues and are responsible for selecting the publishers' websites listed in their inventory, and so have the power to determine which content is monetised and which not; considers it unacceptable that the algorithms which distribute the advertising funds are a complete black box for the public; calls on the Commission to make use of the tools of competition policy and anti-trust law to ensure a functional market and break up this monopoly; calls on these actors to prevent disinformation websites from being funded by their ad services; congratulates organisations dedicated to raising awareness about this concerning issue; underlines that advertisers should have the right to know and decide where their advertisements are placed and which broker has processed their data; calls for the establishment of a mediation process that allows advertisers to be refunded when ads are placed on websites that promote disinformation;
64. Underlines that the updated Code of Practice on Disinformation, the Digital Services Act, the Digital Markets Act and other measures linked to the European Democracy Action Plan will require an effective overview, assessment and sanctions mechanism after their adoption, in order to evaluate their implementation at national and EU level on a regular basis and identify and remedy loopholes without delay, and to sanction the misapplication of and failure to apply the commitments; calls, in this respect, for strong and resourceful digital service coordinators in each Member State, as well as sufficient resources to enable the enforcement arm of the Commission to execute the tasks it is

¹ https://disinformationindex.org/wp-content/uploads/2020/03/GDI_Adtech_EU.pdf

assigned under the Digital Services Act; stresses, furthermore, the importance of ensuring that online platforms are subject to independent audits certified by the Commission; notes that auditors cannot be funded by individual platforms in order to ensure their independence;

65. Calls, in this respect, for objective key performance indicators (KPIs) to be defined, by means of co-regulation, in order to ensure the verifiability of the actions taken by the platforms, as well as their effects; underlines that these KPIs should include country-specific metrics, such as the audience targeted by the disinformation, engagement (click-through rate, etc.), funding of in-country fact-checking and research activities, and the prevalence and strength of in-country civil society relationships;
66. Is deeply concerned by the lack of transparency in the revision of the Code of Practice on Disinformation, as the discussion has remained largely the preserve of the private sector and the Commission; regrets that the European Parliament, in particular the INGE Special Committee, and some other key stakeholders were not properly consulted during the drafting of the review of the Code of Practice;
67. Deplores the continued self-regulatory nature of the Code of Practice, since self-regulation is insufficient when it comes to protecting the public from interference and manipulation attempts; is worried that the updated Code of Practice on Disinformation may not be able to provide an answer to the challenges ahead; is concerned by the strong reliance of the guidance to strengthen the Code of Practice on the Commission's Digital Services Act proposal; calls for swift action to ensure that the Code of Practice incorporates binding commitments for platforms to ensure the EU's readiness before the next local, regional, national and European elections;
68. Calls for the EU to protect and encourage dialogue within the technology community and the exchange of information on the behaviour and strategies of social platforms; considers that only an open technological community can strengthen public opinion against attacks, manipulation and interference; calls for an investigation into the possibility of setting up a public-private Information Sharing and Analysis Centre (ISAC) for disinformation, where members would track, label and share threat information on disinformation content and their delivery agents according to a threat classification; believes that this could inform the EU Rapid Alert System and the G7 Mechanism and would also benefit smaller actors with fewer resources; calls also for an industry-wide standard on disinformation for ad services and online monetisation services in order to demonetise harmful content, which should also be used by online payment systems and e-commerce platforms and audited by a third party;
69. Stresses the need for the code to be able to function as an effective tool until the entry into force of the Digital Services Act (DSA); believes that the code should frontload some of the obligations of the DSA and oblige signatories to implement a number of DSA provisions with regard to data access for researchers and regulators, and advertising transparency, including algorithmic and recommender system transparency; urges signatories to have their compliance with these obligations audited by an independent auditor and calls for these audit reports to be published;
70. Deplores the lack of transparency in the process of monitoring compliance with the code, as well as the timing of the revision of the code, which will be finalised before the conclusion of the INGE Special Committee; notes that at the very least, meeting agendas, concluding notes and attendance lists should be made publicly available; urges

signatories to testify in Parliament about their commitments regarding the code and the way they have and will implement these commitments;

71. Believes that independent media regulators, such as the European Regulators Group for Audiovisual Media Services, could have a crucial role to play in monitoring and enforcing the code;
72. Welcomes the proposal to establish a taskforce set out in the Commission's guidance on strengthening the code; insists that the Commission invite representatives of Parliament, national regulators and other stakeholders, including civil society and the research community, to be part of this taskforce;

Critical infrastructure and strategic sectors

73. Considers that, given its interconnected and cross-border nature, critical infrastructure is increasingly vulnerable to outside interference and believes that the framework currently in place should be revised; welcomes, therefore, the Commission's proposal for a new directive to enhance the resilience of critical entities providing essential services in the European Union;
74. Recommends that Member States maintain the prerogative to identify critical entities, but that coordination at EU level is necessary to:
 - (a) strengthen the connection and communication channels used by multiple actors, including for the overall security of EU missions and operations;
 - (b) support the competent authorities in Member States through the Critical Entities Resilience Group, ensuring a diverse participation of stakeholders, and notably the effective involvement of small and medium-sized enterprises (SMEs), civil society organisations and trade unions;
 - (c) promote the exchange of best practices not only among Member States but also at regional and local level, including with the Western Balkans, and among owners and operators of critical infrastructure, including through interagency communication, in order to identify concerning developments at an early stage and develop adequate countermeasures;
 - (d) implement a common strategy for responding to cyberattacks on critical infrastructure;
75. Recommends that the list of critical entities could be extended to include digital election infrastructure and education systems given their crucial importance in guaranteeing the long-term functioning and stability of the EU and its Member States, and that flexibility should be allowed when deciding on the addition to the list of new strategic sectors to be protected;
76. Calls for an overarching EU approach to tackle issues of hybrid threats to election processes and to improve coordination and cooperation among Member States; calls on the Commission to critically assess dependence on platforms and the data infrastructure in the context of elections; believes that there is a lack of democratic oversight over the private sector; calls for more democratic oversight of platforms, including appropriate access to data and algorithms for competent authorities;

77. Recommends that the obligations flowing from the proposed directive, including assessments of the EU-wide and country-by-country threats, risks and vulnerabilities, should reflect the latest developments and be conducted by the Joint Research Centre in conjunction with the EEAS's INTCEN; underlines the need for sufficient resources for these institutions so that they can provide the latest state-of-the-art analysis, with strong democratic oversight, which should not preclude prior evaluation by the FRA to ensure respect for fundamental rights;
78. Believes that the EU and its Member States need to provide financing alternatives to EU Western Balkans candidate countries and other potential candidate countries, where FDIs have been used as a geopolitical tool by third countries to increase the leverage of such countries, to prevent large parts of EU and candidate country critical infrastructure from coming into the possession of countries and companies outside the EU, such as in the case of the port of Piraeus in Greece and as is currently happening with Chinese investments in undersea cables in the Baltic, Mediterranean and Arctic seas; therefore welcomes the FDI Screening Regulation as an important tool to coordinate the actions of Member States on foreign investments, and calls for a stronger regulatory framework, and stronger enforcement of the framework, to ensure that FDIs with a detrimental effect on the EU's security, as specified in the regulation, are blocked, and that more competences in screening FDIs are transferred to EU institutions; calls for the abolishment of the lowest bidder principle in governmental investment decisions; calls on all Member States without investment screening mechanisms to establish such measures; believes that the framework should be better connected with independent analyses by national and EU institutes or other relevant stakeholders, such as think tanks, to map and assess FDI flows; considers that it might also be appropriate to include other strategic sectors in the framework, such as 5G and other information and communication technologies (ICTs), so as to limit the dependency of the EU and its Member States on high-risk suppliers; underlines that this approach should apply equally to candidate and potential candidate countries;
79. Believes that the EU faces more challenges as a result of its lack of investments in the past, which has contributed to its dependence on foreign suppliers of technology; recommends securing production and supply chains of critical infrastructure and critical material within the EU; believes that the EU's move towards open strategic autonomy and digital sovereignty is important and the right way forward; stresses that the EU is expected to deploy new tools to strengthen its geopolitical position, including an anti-coercion instrument; considers the European Chips Act announced by the Commission, to ensure that parts that are vital for the production of chips are manufactured within the EU, an important step in limiting dependence on third countries such as China and the US; believes that investment in chip production must be made in a coordinated manner across the bloc and on the basis of a demand-side analysis, so as to avoid a race to national public subsidies and fragmentation of the single market; calls on the Commission, therefore, to set up a dedicated European Semiconductor Fund, which could support the creation of a much-needed skilled workforce and compensate the higher establishment costs of manufacturing and design facilities in the EU; sees Taiwan as an important partner in boosting the production of semiconductors within the EU;
80. Calls for further development of European networks of data infrastructure and service providers with European security standards, such as GAIA-X, which is an important step in building viable alternatives to existing service providers and towards an open, transparent and secure digital economy; underlines the need to strengthen SMEs and

avoid cartelisation of the cloud market; recalls that data centres are critical infrastructures; is concerned about the influence of third countries and their companies on the development of GAIA-X;

81. Underlines that the integrity, availability and confidentiality of public electronic communication networks, such as internet backbones and submarine communication cables, are of vital security interest; calls on the Commission and Member States to prevent sabotage and espionage in those communication networks and to promote the use of interoperable secure routing standards to ensure the integrity and robustness of electronic communication networks and services, also via the recent Global Gateway strategy;
82. Calls on the Commission to propose actions to build a secure, sustainable, and equitable supply of the raw materials used to produce critical components and technologies, including batteries and equipment, 5G and subsequent technologies, and chemical and pharmaceutical products, while stressing the importance of global trade, international cooperation with full respect for workers' rights, and the natural environment, and with the enforcement of international social and sustainability standards as regards the use of resources; recalls the need to grant the necessary funding for research and development in order to find appropriate substitutes in the event of supply chain disruption;

Foreign interference during electoral processes

83. Calls for the protection of the entire electoral process to be established as a top EU and national security issue, since free and fair elections are at the heart of the democratic process; calls on the Commission to develop a better response framework to counter foreign interference in electoral processes, which among other measures should consist of direct communication channels with citizens;
84. Highlights the need to foster societal resilience against disinformation during electoral processes, including in the private and academic sectors, and to adopt a holistic approach in which this interference should be tackled on a constant basis, from school education programmes to the technical integrity and reliability of voting, and through structural measures to tackle its hybrid nature; calls, in particular, for a plan to prepare for the European elections in 2024, which should involve a strategy, training and awareness-raising for European political parties and their staff, as well as enhanced security measures to prevent foreign interference;
85. Believes that mis- and disinformation through social media have become an increasing problem for electoral integrity; considers that social media platforms should ensure the implementation and proper functioning of policies to protect the integrity of elections; is alarmed by the recent findings of private firms being employed by malicious actors to meddle in elections, seed false narratives and push viral conspiracies, mostly on social media; calls for an in-depth investigation into how to counter the 'disinformation for hire' phenomenon, as it is growing more sophisticated and common in every part of the world;
86. Highlights the utmost importance of election observation missions in providing relevant information and issuing specific recommendations to make the electoral system more resilient and to help counter foreign interference in electoral processes; calls for electoral processes to be improved and strengthened, electoral observation missions being a key instrument in the fight against the increasing use of unfair and rigged

electoral processes by illiberal regimes seeking to appear democratic; stresses in this connection the need to reassess and update the tools and methods used in international election observation in order to address new trends and threats, including the fight against fake electoral observers, the exchange of best practices with like-minded partners, and closer collaboration with relevant international organisations such as the Organization for Security and Co-operation in Europe (OSCE) and the Council of Europe, and all relevant actors in the framework of the Declaration of Principles for International Election Observation and the Code of Conduct for International Election Observers; stresses that the participation of MEPs in unauthorised election observation missions undermines the credibility and reputation of the European Parliament; welcomes and recommends the full enforcement of the Democracy Support and Election Coordination Group procedure for ‘cases of individual unofficial election observation by Members of the European Parliament’ (adopted on 13 December 2018) which allows for the exclusion of MEPs from Parliament’s official election observation delegations for the duration of the mandate;

Covert funding of political activities by foreign donors

87. Stresses that, while there is still a need for a better understanding of the effects of covert financing of political activities on, for example, anti-democratic tendencies in Europe, foreign funding of political activities through covert operations nevertheless represents a serious breach of the integrity of the democratic functioning of the EU and its Member States, in particular during election periods, and therefore violates the principle of free and fair elections; stresses that it should therefore be made illegal in all Member States to engage in any covert activity financed by foreign actors that aims to influence the process of European or national politics; notes in this respect that countries such as Australia have implemented laws that ban foreign interference in politics;
88. Condemns the fact that extremist, populist, anti-European parties and certain other parties and individuals have connections with and are explicitly complicit in attempts to interfere in the Union’s democratic processes and is alarmed that these parties are used as the voice of foreign interference actors to legitimise their authoritarian governments; calls for full clarification of the political and economic relations between these parties and individuals and Russia; considers these relationships to be highly inappropriate and condemns complicity which, in pursuit of political objectives, can expose the EU and its Member States to attacks by foreign powers;
89. Calls on the Member States to close in particular all the following loopholes when further harmonising national regulations, and to implement a ban on foreign donations:
 - (a) in-kind contributions from foreign actors to political parties, foundations, people who hold public office or elected officials, including financial loans from any legal or physical persons based outside the EU and the European Economic Area (EEA) (except European voters), anonymous donations above a certain threshold, and the lack of spending limits for political campaigns which allows for influence through large donations; political individuals, actors or parties who have been offered and/or accepted a financial or in-kind contribution by a foreign actor must be obliged to report it to the competent authorities and this information should be reported in turn at EU level to allow for EU-wide monitoring;

- (b) straw donors with domestic citizenship¹: transparency on physical and legal donors must be enforced through conformability statements attesting to the status of the donor and greater enforcement powers given to electoral commissions; donations from within the EU that exceed a certain minimum threshold should be registered in an official and public register and linked to a natural person, and a ceiling should be set for donations from private and legal persons (and subsidies) to political parties;
- (c) shell companies and domestic subsidiaries of foreign parent companies²: shell companies should be prohibited and more robust requirements established in order to reveal the origins of funding through parent companies; funding and donations to political parties beyond a certain threshold must be registered in a public and central register with an official name and address that can be linked to an existing person, and Member States should collect that information; calls on the Commission to ensure that authorities in Member States have the right to investigate the origins of funding to verify the information from domestic subsidiaries and to address the lack of sufficient data in national registers, especially in situations in which a network of shell companies is used;
- (d) non-profit organisations and third parties³, coordinated by foreign actors and created with a view to influencing electoral processes: more uniform rules and transparency should be considered across the EU for organisations aiming to finance political activities when seeking to directly influence electoral processes such as elections and referendum campaigns; such rules should not prevent non-profit organisations and third parties from receiving funding for issue campaigns; rules ensuring the transparency of funding or donations must also apply to political foundations;
- (e) online political advertisements are not subject to the rules on TV, radio and print advertising and are usually not regulated at EU level: there is therefore a need to prohibit advertisements bought by actors coming from outside the EU and the EEA and guarantee complete transparency with regard to the purchasing of online political advertisements by actors from within the EU; underlines the need to ensure much greater transparency and democratic accountability as to the use of algorithms; welcomes the announcement of a new legislative proposal on the transparency of sponsored political content by the Commission, as proposed under the European Democracy Action Plan, which should aim to prevent a patchwork of 27 different national bodies of legislations on online political advertising and will guarantee that EU parties are able to campaign online ahead of the European elections while limiting the risk of foreign interference and exploring which of the rules that political parties within single Member States and major social media platforms have voluntarily adopted can be made rules for everyone in the EU; calls on the Member States to update their national political advertising rules, which have not kept pace with the steady evolution towards the digital medium as

¹ Person who donates someone else's money to a political party or candidate using their own name.

² This loophole covers two different realities: the shell companies, which do not pursue actual business activities and are nothing but vehicles for financial covering; and the domestic subsidiaries of foreign parent companies used to funnel money into politics.

³ Non-profits and third parties are not required to disclose the identity of their donors, but are allowed to finance political parties and candidates in several EU Member States.

the primary mode of political communication; calls on the Commission to propose how to democratically define issue-based political advertising to end a situation where private for-profit platforms decide what is issue-based and what is not;

- (f) monitoring of election spending through independent auditors should be implemented and information on spending and donations made available to independent auditors in a timely manner, mitigating risks such as conflicts of interest and lobbying in relation to political finance; in establishing proactive disclosure, institutions responsible for finance regulations should have a clear mandate, and the ability, resources and legal power to conduct investigations and refer cases for prosecution;
90. Calls on the Commission, therefore, to conduct an analysis of covert funding in the EU and submit concrete proposals aimed at closing all loopholes allowing for the opaque financing of political parties and foundations or elected officials from third-country sources, and to propose common EU standards that would apply to national electoral laws in all Member States; believes that Member States should aim to introduce clear transparency requirements on the funding of political parties as well as a ban on donations to political parties and individual political actors from outside the EU and the EEA, with the exception of European voters living outside the EU and the EEA, and to establish a clear strategy for the sanctions system; urges the Commission and the Member States to establish an EU authority for financial controls to combat illicit financial practices and interference from Russia and other authoritarian regimes; underlines the need to ban donations or funding which use emerging technologies that are extremely difficult to trace; asks Member States and the Commission to allocate more resources and stronger mandates to oversight agencies with a view to achieving better data quality;
 91. Undertakes to ensure that all non-profit organisations, think tanks, institutes and NGOs that are given input in the course of parliamentary work into the development of EU policy or any consultative role in the lawmaking process are fully transparent, independent and free from conflicts of interest in terms of their funding and ownership;
 92. Welcomes the ongoing revision of Regulation (EU, Euratom) No 1141/2014 on the statute and funding of European political parties and foundations; supports all efforts to achieve a greater level of transparency in the financing of the activities of European political parties and foundations, in particular ahead of the European elections of 2024, including a ban on all donations from outside the EU and anonymous sources, with the exception of the diaspora from EU Member States, and on donations from outside the EU that cannot be documented through either contracts, service agreements or fees associated with affiliation to European political parties, while allowing membership fees from national member parties outside the EU and EEA to European political parties; urges European and national political parties to commit to fighting foreign interference and combating the spread of disinformation by signing a charter containing specific commitments in this respect;
 93. Stresses that implementation of many of the Council of Europe GRECO and Venice Commission recommendations would strengthen the immunity of the political system of Member States and the Union as a whole from foreign financial influence;

Cybersecurity and resilience against cyberattacks

94. Urges the EU institutions and the Member States to rapidly increase investments in the EU's strategic cyber capacities and capabilities to detect, expose and tackle foreign interference, such as AI, secured communication, and data and cloud infrastructure, in order to improve the EU's cybersecurity, while ensuring respect for fundamental rights; calls on the Commission to also invest more in increasing the EU's digital knowledge and technical expertise so as to better understand the digital systems used across the EU; calls on the Commission to allocate additional resources, human, material and financial, to cyber threat analysis capabilities, namely the EEAS's INTCEN, and the cybersecurity of the EU institutions, bodies and agencies, namely ENISA and the Computer Emergency Response Team for the EU institutions, bodies and agencies (CERT-EU), and the Member States; regrets the lack of cooperation and harmonisation on cybersecurity matters among Member States;
95. Welcomes the proposals by the Commission for a new cybersecurity strategy and a new directive on measures for a high common level of cybersecurity across the European Union, repealing Directive (EU) 2016/1148¹ (NIS2); recommends that the final outcome of the ongoing work on the proposal address the flaws of the 2016NIS Directive, notably by strengthening security requirements, broadening its scope, creating a framework for European cooperation and information sharing, strengthening Member States' cybersecurity capabilities, developing public-private cooperation, introducing stricter enforcement requirements and making cybersecurity a responsibility at the highest level of management in European entities that are vital for our society; emphasises the importance of reaching a high common level of cybersecurity across all Member States so as to limit weak points in joint EU cybersecurity; underlines the crucial need to ensure the resilience of information systems and welcomes in this regard the Cyber Crisis Liaison Organisation Network (CyCLONe); encourages the further promotion of the OSCE confidence-building measures for cyberspace;
96. Welcomes the Commission's proposal in the NIS2 to carry out coordinated security risk assessments of critical supply chains, in the same vein as its 5G EU toolbox, so as to better take into account risks linked to, for example, the use of software and hardware produced by companies under the control of foreign states; calls on the Commission to develop global 6G standards and competition rules, in accordance with democratic values; calls on the Commission to promote exchanges between EU institutions and national authorities about the challenges, best practices and solutions related to the toolbox measures; believes that the EU should invest more in its capacities in the area of 5G and post-5G technologies in order to reduce dependencies on foreign suppliers;
97. Stresses that cybercrime has no borders and urges the EU to step up its international efforts to tackle it effectively; points out that the EU should take the lead in the development of an International Treaty on Cybersecurity that lays down international norms on cybersecurity to fight cybercrime;
98. Insists on the need for the EU, NATO and like-minded international partners to step up their cybersecurity assistance to Ukraine; welcomes the initial deployment of experts from the PESCO-funded Cyber Rapid Response Team and calls for full use of the EU

¹ Proposal for a directive of the European Parliament and of the Council on measures for a high level of cybersecurity across the Union, repealing Directive (EU) 2016/1148 (COM(2020)0823).

cyber sanctions regime against the individuals, entities and bodies responsible for or involved in the various cyberattacks targeting Ukraine;

99. Welcomes the announcement of the creation of a Cyber Resilience Act that would complement a European Cyber Defence Policy, as cyber and defence are closely related; calls for more investments in European cyber defence capabilities and coordination; recommends that the cyber capability-building of our partners be fostered through EU training missions or civilian cyber missions; underlines the need to harmonise and standardise cyber-related training and calls for structural EU funding in that area;
100. Condemns the massive-scale and illicit use of the NSO Group's Pegasus surveillance software by state entities, such as Morocco, Saudi Arabia, Hungary, Poland, Bahrain, the United Arab Emirates and Azerbaijan, against journalists, human rights defenders and politicians; recalls that Pegasus is only one of the many examples of a program that is abused by state entities for illicit mass surveillance purposes against innocent citizens; also condemns other state spying operations targeted against European politicians; urges the Commission to draw up a list of illicit surveillance software and to continuously update this list; calls for the EU and Member States to use this list in order to ensure full human rights due diligence and proper vetting of exports of European surveillance technology and technical assistance and imports to Member States which pose a clear risk to the rule of law; calls, in addition, for the establishment of an EU Citizens' Lab, similar to that established in Canada, comprising journalists, human rights experts and reverse malware engineering experts, which would work to discover and expose the unlawful use of software for illicit surveillance purposes;
101. Calls for the EU to adopt a robust regulatory framework in this field, both within the EU and at international level; welcomes, in this regard, the decision of the US Commerce Department's Bureau of Industry and Security to blacklist NSO Group Technologies, thereby prohibiting the company from receiving American technologies;
102. Expresses its concern that the EU is cooperating on judicial and law enforcement matters with third countries that have been involved with NSO Group and that have been using the Pegasus spyware to spy on EU citizens; calls for additional safeguards and enhanced democratic scrutiny of such cooperation;
103. Calls on the Commission to review EU investments in NSO Group Technologies and to adopt targeted measures against foreign states using software to spy on EU citizens or persons benefiting from refugee status in EU countries;
104. Is worried that journalists and democracy activists can be illegally kept under surveillance and harassed by the authoritarian regimes they sought to escape, even on EU soil, and considers that this represents a grave violation of the fundamental values of the Union and of the fundamental rights of individuals, as provided for in the Charter, the European Convention on Human Rights (ECHR) and the International Covenant on Civil and Political Rights; regrets the lack of legal support provided to the victims of this spy software;
105. Points out the urgent need to reinforce the legislative framework so as to hold accountable those who distribute, use and abuse such software for illicit and unauthorised purposes; refers, in particular, to the sanctions imposed on 21 June 2021 on Alexander Shatrov, CEO of a Belarusian company producing facial recognition

software used by an authoritarian regime, for example to identify political opposition protesters; calls on the Commission to prevent any use or funding in the EU of illegal surveillance technologies; calls for the EU and Member States to engage with third-country governments to end repressive cybersecurity and counter-terrorism practices and legislation, under enhanced democratic scrutiny; calls for an investigation by the competent EU authorities into the unlawful use of spyware in the EU and exports of such software from the EU, and for repercussions for Member States and associated countries, including those participating in EU programmes, which have bought and used such spyware and from which it has been exported to illegally target journalists, human rights defenders, lawyers and politicians;

106. Calls for an ambitious revision of the ePrivacy Directive¹ in order to strengthen the confidentiality of communications and of personal data when using electronic devices, without lowering the level of protection provided by the directive, and without prejudice to Member States' responsibility to safeguard national security; highlights that public authorities should be obliged to disclose vulnerabilities they find in IT devices; calls for the EU and Member States to further coordinate their actions based on the Directive on Attacks against Information Systems² in order to ensure that illegal access to information systems and illegal interception are defined as criminal offences and met with appropriate sanctions; recalls that every breach of confidentiality for national security purposes must be carried out lawfully and for explicit and legitimate purposes in a democratic society, on the basis of strict necessity and proportionality, as required by the ECHR and the Court of Justice of the European Union;

Protection of EU Member States, institutions, agencies, delegations and missions

107. Underlines that the EU institutions, bodies, agencies, delegations, mission and operation networks, buildings and staff are a target for all types of hybrid threats and attacks by foreign state actors and should, therefore, be properly protected, paying special attention to the EEAS's assets, premises and activities abroad and the safety of EU staff delegated to non-democratic countries with repressive regimes; calls for a structured response to these threats by CSDP missions, as well as for more concrete support to be provided to those missions through strategic communication; acknowledges the constant increase in state-sponsored attacks against EU institutions, bodies and agencies, including against the EMA, and Member State institutions and public authorities;
108. Calls for a thorough and periodical review of all the services, networks, equipment and hardware of EU institutions, bodies, agencies, delegations, missions and operations in order to bolster their resilience to cybersecurity threats and exclude potentially dangerous programmes and devices, such as those developed by Kaspersky Lab; urges the EU institutions and the Member States to ensure proper guidance and secure tools for staff; emphasises the need to raise awareness of the use of secure services and networks within institutions and administrations, including while on mission; notes the

¹ Directive 2002/58/EC of the European Parliament and of the Council of 12 July 2002 concerning the processing of personal data and the protection of privacy in the electronic communications sector (OJ L 201, 31.7.2002, p. 37).

² Directive 2013/40/EU of the European Parliament and of the Council of 12 August 2013 on attacks against information systems and replacing Council Framework Decision 2005/222/JHA (OJ L 218, 14.8.2013, p. 8).

trust and security advantages of open-source-based network operating systems, which are widely used by allied military and government agencies;

109. Stresses the importance of efficient, timely and close coordination between different EU institutions, bodies and agencies specialised in cybersecurity, such as CERT-EU, alongside the full development of its operational capabilities, as well as ENISA and the upcoming Joint Cyber Unit, which will ensure a coordinated response to large-scale cybersecurity threats in the EU; welcomes the ongoing structured cooperation between CERT-EU and ENISA; welcomes, too, the establishment of the EU cyber intelligence working group within EU INTCEN with a view to advancing strategic intelligence cooperation; appreciates the recent initiatives taken by the Secretaries-General of the EU institutions to develop common information and cybersecurity rules;
110. Looks forward to the Commission's two proposals for regulations setting up a normative framework for information security and cybersecurity in all EU institutions, bodies and agencies, and is of the opinion that these regulations should include capacity and resilience-building; calls on the Commission and Member States to allocate additional funds and resources to the cybersecurity of the EU institutions in order to meet the challenges of a constantly evolving threat landscape;
111. Looks forward to the European Court of Auditors' Cybersecurity Audit Special Report, expected in early 2022;
112. Calls for a thorough investigation of the reported cases of foreign infiltration among the staff of the EU institutions; calls for a review and potential revision of human resources procedures, including pre-recruitment screening, to close loopholes enabling foreign infiltration; calls on Parliament's governing bodies to improve security clearance procedures for staff and tighten rules and checks for access to its premises to prevent individuals closely linked with foreign interests from having access to confidential meetings and information; calls on the Belgian authorities to review and update the domestic anti-espionage framework to enable effective detection, prosecution and sanctioning of offenders; calls for similar actions to be taken in the other Member States to protect the EU institutions and agencies on their soil;
113. Calls for all the EU institutions to raise awareness among their staff through proper training and guidance in order to prevent, mitigate and address cyber and non-cyber security risks; calls for mandatory and regular security and ICT training for all staff (including interns) and MEPs; calls for regular and dedicated mapping and risk assessments of foreign influence within the institutions;
114. Stresses the need for proper crisis management procedures for information manipulation cases, including alert systems between administrative levels and sectors, in order to ensure the provision of mutual information and prevent information manipulation from spreading; welcomes, in this regard, the Rapid Alert System (RAS) and rapid alert procedure established prior to the 2019 European elections and the procedures in place in the Commission and Parliament administrations to warn of possible cases affecting the institutions or EU democratic processes; asks the EU administration to strengthen its monitoring, inter alia through the establishment of a central repository and incident tracking tool, and to develop a shared toolbox to be activated in the event of an RAS alert;

115. Calls for mandatory transparency rules for trips offered by foreign countries and entities to officials of the EU institutions, including MEPs, APAs and group advisors, as well as for national officials, including but not limited to: the name of paying agents, the cost of trips and the stated motives; recalls that such organised trips cannot be considered official Parliament delegations and calls for strict sanctions should this not be respected; stresses that informal friendship groups can undermine the work of the official bodies of Parliament, as well as its reputation and the coherence of its actions; urges Parliament's governing bodies to increase the transparency and accountability of these groups, to enforce current rules and to take the necessary measures when these friendship groups are misused by third countries; asks the Quaestors to develop and maintain an accessible and up-to-date register of friendship groups and declarations;

Interference through global actors via elite capture, national diasporas, universities and cultural events

116. Condemns all types of elite capture and the technique of co-opting top-level civil servants and former EU politicians used by foreign companies with links to governments actively engaged in interference actions against the EU, and regrets the lack of tools and enforcement needed to prevent these practices; considers that disclosing confidential information acquired during public mandates or when performing civil servant functions, at the expense of the EU and its Member States' strategic interests, should have legal consequences and incur severe sanctions, including immediate dismissal and/or disqualification from future recruitment by the institutions; considers that the income and property declarations of such individuals should be made publicly available;
117. Calls on the Commission to encourage and coordinate actions against elite capture, such as complementing and implementing unexceptional enforcement of the cooling-off periods for EU Commissioners and high-ranking EU civil servants with a reporting duty after the period, in order to end the practice of 'revolving doors', and structured rules to tackle elite capture at EU level; calls on the Commission to evaluate whether existing cooling-off requirements are still fit for purpose; underlines that former EU politicians and civil servants should report instances in which they are approached by a foreign state at a dedicated supervisory body and should receive whistleblower protection; calls on all the Member States to apply and harmonise cooling-off periods for their political leadership and to ensure that they have measures and systems in place requiring public officials to declare their outside activities, employment, investments, assets and substantial gifts or benefits from which a conflict of interest may result;
118. Is concerned about integrated lobbying strategies combining industrial interests and foreign political goals, in particular when they favour the interests of an authoritarian state; calls, therefore, for the EU institutions to reform the Transparency Register, including by introducing more stringent transparency rules, mapping foreign funding for EU-related lobbying, and ensuring an entry which allows for the identification of funding from foreign governments; calls for effective cooperation on this matter among all EU institutions; considers Australia's Foreign Influence Transparency Scheme to be a good practice to follow;
119. Calls on the Member States to consider the establishment of a foreign influence registration scheme and the creation of a government-managed register of declared activities undertaken for, or on behalf of, a foreign state, following the good practice of other like-minded democracies;

120. Is concerned by the attempts to control the diasporas living on EU soil by foreign authoritarian states; points out the crucial role played by China's United Front, which is a department reporting directly to the Central Committee of the Chinese Communist Party and tasked with coordinating the external interference strategy of China through the strict control of Chinese individuals and Chinese companies abroad; points out the experiences of Australia and New Zealand in dealing with the United Front;
121. Strongly condemns the Kremlin's efforts to instrumentalise minorities in EU Member States by implementing so-called compatriot policies, particularly in the Baltic states and the Eastern Neighbourhood countries, as part of the geopolitical strategy of Putin's regime, whose aim is to divide societies in the EU, alongside the implementation of the concept of the 'Russian world', aimed at justifying expansionist actions by the regime; notes that many Russian 'private foundations', 'private enterprises', 'media organisations' and 'NGOs' are either state-owned or have hidden ties with the Russian state; stresses that it is of the utmost importance when engaging in dialogue with Russian civil society to differentiate between those organisations which stay clear of Russian governmental influence and those that have links to the Kremlin; recalls that there is also evidence of Russian interference and manipulation in many other Western liberal democracies, as well as active support for extremist forces and radical-minded entities in order to promote the destabilisation of the Union; notes that the Kremlin makes broad use of culture, including popular music, audiovisual content and literature, as part of its disinformation ecosystem; deplores Russia's attempts not to fully recognise the history of Soviet crimes and instead to introduce a new Russian narrative;
122. Is concerned by the attempts of the Turkish Government to influence people with Turkish roots with the aim of using the diaspora as a relay for Ankara's positions and to divide European societies, in particular via the Presidency for Turks Abroad and Related Communities (YTB); condemns Turkey's open attempts to use its diaspora in Europe to change the course of elections;
123. Condemns Russia's efforts to exploit ethnic tensions in the Western Balkans in order to inflame conflicts and divide communities, which could lead to the destabilisation of the whole region; is concerned about the attempts by the Orthodox Church in countries such as Serbia, Montenegro, and Bosnia and Herzegovina, especially in its entity Republika Srpska, to promote Russia as a protector of traditional family values and fortify relations between state and church; is alarmed that Hungary and Serbia are helping China and Russia with their geopolitical objectives; recommends convening dialogues with Western Balkan civil society and the private sector to coordinate anti-disinformation efforts in the region, with an emphasis on research and analysis and the inclusion of regional expertise; calls on the Commission to build up the infrastructure required to produce evidence-based responses to both short-term and long-term disinformation threats in the Western Balkans; calls on the EEAS to pivot to a more proactive stance, focusing on building the EU's credibility in the region, rather than defending it, in expanding StratCom monitoring to focus on cross-border disinformation threats emanating from Western Balkan countries and their neighbours;
124. Stresses the need for the EU and its Member States to enhance support to Eastern Partnership countries, in particular through cooperation on building state and societal resilience to disinformation and Russian state propaganda, in order to counter the strategic weakening and fragmentation of their societies and institutions;

125. Is alarmed by the extraterritorial application of coercive measures stemming from Hong Kong's new National Security Law and China's Law on Countering Foreign Sanctions, combined with the extradition agreements that China enjoys with other countries, enabling China to implement large-scale deterrence actions against critical non-Chinese nationals, for example, in a recent case, against two Danish parliamentarians, and the Chinese counter-sanctions against five MEPs, Parliament's Subcommittee on Human Rights, three MPs from EU Member States, the Political and Security Committee of the Council of the EU, two European scholars and two European think tanks in Germany and Denmark respectively; calls on all Member States to resist and refuse extradition and, where appropriate, offer appropriate protection for the individuals concerned to prevent potential human rights violations;
126. Is worried about the number of European universities, schools and cultural centres engaged in partnerships with Chinese entities, including Confucius Institutes, which enable the theft of scientific knowledge and the exercise of strict control over all topics related to China in the field of research and teaching, thus constituting a violation of the constitutional protection of academic freedom and autonomy, and over the choices of cultural activities related to China; is worried that such actions might lead to a loss of knowledge on China-related issues, depriving the EU of the necessary competences; is concerned, for example, by the sponsoring, in 2014, of the China Library of the College of Europe by the State Council Information Office of the Chinese Government¹; is deeply concerned about China's attempts to pressure and censor, for example, the museum of Nantes in relation to the exhibition on Genghis Kahn initially planned for 2020²; invites the Commission to facilitate the exchange of good practices among Member States in order to tackle foreign interference in the cultural and educational sectors;
127. Is concerned about cases of concealed financing of research conducted in Europe, including China's attempts to poach talent through the Thousand Talents Plan and the Confucius Institute Scholarships, and the deliberate blending of military and civil scientific projects through China's civil-military fusion strategy; highlights attempts by Chinese higher education institutions to sign memorandums of understanding with partner institutions in Europe which contain clauses that perpetuate Chinese propaganda or encourage support for Chinese Communist Party standpoints or political initiatives, such as the Belt and Road Initiative, thereby bypassing and undermining official positions taken by the governments of the respective countries; asks cultural, academic and non-governmental institutions to improve transparency as regards China's influence and calls on them to publicise any exchanges and engagements with the Chinese Government and related organisations;
128. Condemns the decision taken by the Hungarian Government to open a Fudan University branch while, at the same time, closing the Central European University in Budapest; is concerned about the increasing financial dependence of European universities on China and other foreign states, given the risk of sensitive data, technologies and research outcomes flowing to foreign states and the implications this dependence could have for academic freedom; stresses the importance of academic freedom to address disinformation and influence operations; encourages these institutions to conduct detailed vulnerability assessments before entering into new partnerships with foreign partners; stresses that academic staff should be trained to report covert funding or

¹ <https://www.coleurope.eu/events/official-inauguration-china-library>

² <https://www.chateaubes.org/expositions/fils-du-ciel-et-des-steppes/>

influence through a dedicated hotline and that those coming forward should always receive whistleblower protection; calls on the Commission and Member States to ensure that funding for research of geopolitical concern at European universities comes from European sources; calls on the Commission to propose legislation on increasing the transparency of the foreign financing of universities, as well as NGOs and think tanks, such as through mandatory donation declarations, due diligence for their funding streams and the disclosure of funding, in-kind contributions and subsidies from foreign parties; calls on Member State authorities to adopt effective rules on foreign funding for higher education institutions, including strict ceilings and reporting requirements;

129. Underlines that similar risks to security and intellectual property theft exist in the private sector, where employees might have access to key technologies and trade secrets; calls on the Commission and Member States to encourage both academic institutions and the private sector to set up comprehensive security and compliance programmes, including specific security reviews for new contracts; notes that heightened limitations on systems and network access, as well as security clearance, may be warranted for some of the professors or employees working on critical research and products;
130. Notes that the revised Blue Card Directive¹, which makes it easier for skilled non-EU migrants to come to the EU, enables Chinese and Russian companies established in Europe, for example, to bring over skilled migrants from their respective countries; points out that this could make it more difficult for Member States to exercise control over the influx of these citizens, which might lead to risks of foreign interference;
131. Notes the increasing number of Confucius Institutes established around the world, and in particular in Europe; remarks that the Center for Language Education and Cooperation, formerly known as Confucius Institute Headquarters or Hanban (Office of Chinese Language Council International), which is responsible for the Confucius Institutes programme worldwide, is part of the Chinese party-state's propaganda system; calls on Member States and the Commission to support independent Chinese language courses without the involvement of the Chinese state or affiliated organisations; believes that the recently established National China Centre in Sweden could serve as an important example of how to increase independent China competence in Europe;
132. Considers, in addition, that Confucius Institutes serve as a lobbying platform for Chinese economic interests and for the Chinese intelligence service and the recruitment of agents and spies; recalls that many universities have decided to terminate their cooperation with Confucius Institutes because of the risks of Chinese espionage and interference, as did the universities of Dusseldorf in 2016, Brussels (VUB and ULB) in 2019, and Hamburg in 2020, and all universities in Sweden; calls for more universities to reflect on their current cooperation to ensure that it does not affect their academic freedom; calls on Member States to closely monitor teaching, research and other activities within the Confucius Institutes and, where alleged espionage or interference is substantiated by clear evidence, take enforcement action to safeguard European

¹ Directive (EU) 2021/1883 of the European Parliament and of the Council of 20 October 2021 on the conditions of entry and residence of third-country nationals for the purpose of highly qualified employment, and repealing Council Directive 2009/50/EC (OJ L 382, 28.10.2021, p. 1).

economic and political sovereignty, including through the denial of funding or the revocation of the licences of associated institutes;

133. Observes that foreign interference can also be pursued through influence in and the instrumentalisation of religious institutes, such as Russian influence in Orthodox churches, in particular in Serbia, Montenegro, Bosnia and Herzegovina, especially in its Republika Srpska entity, Georgia and to some extent in Ukraine, including by sowing division among local populations, developing a biased writing of history and promoting an anti-EU agenda, Turkish Government influence through mosques in France and Germany, and Saudi Arabian influence through Salafi mosques across Europe promoting radical Islam; calls on the Commission and Member States to ensure better coordination on protecting religious institutes from foreign interference and to cap and increase the transparency of funding; calls on Member States to closely monitor activities in religious institutes and, where appropriate and supported by evidence, take action, including through the denial of funding or the revocation of the licences of associated institutes;
134. Calls on the EEAS to produce a study into the prevalence and influence of malicious state actors in European think tanks, universities, religious organisations and media institutions; calls on all EU institutions and Member States to collaborate with and engage in systematic dialogue with stakeholders and experts in order to accurately map and monitor foreign influence in the cultural, academic and religious spheres; calls for greater content sharing among European national broadcasters, including those in neighbouring countries;
135. Is concerned by reports of foreign interference in European judicial systems; draws particular attention to the execution of Russian judgments by European courts against Kremlin opponents; calls on Member States to raise awareness among judicial staff and to work with civil society to prevent abuse of international judicial cooperation and European tribunals and courts by foreign governments; calls on the EEAS to commission a study into the prevalence and influence of foreign interference in European court proceedings; notes that, on the basis of this study, it may be necessary to propose changes to transparency and funding requirements for court proceedings;

Deterrence, attribution and collective countermeasures, including sanctions

136. Considers that the sanctions regimes recently set up by the EU, such as the restrictive measures against cyberattacks threatening the Union and its Member States¹ and the EU Global Human Rights Sanctions Regime² (EU Magnitsky Act), adopted on 17 May 2019 and 7 December 2020 respectively, have demonstrated added value in providing the EU with valuable deterrence tools; calls on the Commission to put forward a legislative proposal to adopt a new thematic sanctions regime to address serious acts of corruption; recalls that the cyberattack and human rights sanctions regimes have been used twice, in 2020 and 2021 respectively; urges that the cyber sanctions regime be made permanent and calls on Member States to share all evidence and intelligence gathered in order to feed into the establishment of cyber sanction lists;

¹ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=OJ%3AL%3A2019%3A129I%3ATOC>

² <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=OJ:L:2020:410I:TOC>

137. Calls for the EU and its Member States to take further measures against foreign interference, including large-scale disinformation campaigns, hybrid threats and hybrid warfare, with full respect for the freedoms of expression and of information, including in the form of setting up a sanctions regime; believes that this should include the introduction of a cross-sectoral and asymmetric sanctions framework, as well as diplomatic sanctions, travel bans, asset freezes and the stripping of EU residence permits from foreign individuals and their family members associated with foreign interference attempts, which should target as precisely as possible the decision-makers and bodies responsible for aggressive actions, avoiding a tit-for-tat environment, under Article 29 TEU and Article 215 of the Treaty on the Functioning of the European Union (TFEU) (restrictive measures) and firmly integrated within the Union's common foreign and security policy (CFSP) and CSDP pillars; calls on Member States to make foreign and domestic interference and disinformation a fixed point on the agenda of the Foreign Affairs Council; calls for the EU to define what an internationally wrongful act is and to adopt minimum thresholds for the triggering of countermeasures as a result of this new definition, which should be accompanied by an impact assessment to provide legal certainty; notes that the Council should be able to decide on sanctions related to foreign interference by majority vote, rather than unanimity; is of the opinion that countries engaged in foreign interference and information manipulation with the aim of destabilising the situation within the EU should pay the costs of their decisions and bear the economic and/or reputational and/or diplomatic consequences; calls on the Commission and the Vice-President of the Commission / High Representative of the Union for Foreign and Security Policy to submit concrete proposals in this regard;
138. Insists that, while aiming to preserve democratic processes, human rights and freedoms as defined in the Treaties, a sanctions regime must pay particular attention to the impacts on fundamental rights and freedoms of any sanctions imposed, in order to uphold respect for the Charter, and must be transparent as regards the grounds on which the decision to implement sanctions is taken; stresses the need for greater clarity at EU level regarding the scope and impact of sanctions against associated persons, such as EU nationals and companies;
139. Considers that while the nature of these hybrid attacks varies, their danger to the values, fundamental interests, security, independence and integrity of the EU and its Member States, as well as to the consolidation of and support for democracy, the rule of law, human rights, the principles of international law and fundamental freedoms, may be substantial in terms of either the scale of the attacks, their nature or their cumulative effect; welcomes the fact that the European Democracy Action Plan envisages that the Commission and the EEAS together develop a toolbox for foreign interference and influence operations, including hybrid operations and the clear attribution of malicious attacks by third parties and countries against the EU;
140. Points out that the understanding that certain foreign interference actions are seriously affecting democratic processes and influencing the exercise of rights or duties is gaining ground internationally; points out, in this regard, the amendments adopted in 2018 in the Australian National Security Legislation Amendment (Espionage and Foreign Interference) Act, which aims to criminalise covert and deceptive activities by foreign actors intending to interfere with political or governmental processes, impact rights or duties, or support the intelligence activities of a foreign government, by creating new offences such as 'intentional foreign interference';

141. Is aware that pursuant to Article 21(3) TEU the Union must ensure consistency among the different areas of its external action and among these and other policies, as defined in the Treaties; points out, in this respect, that foreign interference, such as the threat posed by foreign terrorist fighters and groups who influence individuals remaining in the EU, was also tackled through Directive (EU) 2017/541 of the European Parliament and of the Council of 15 March 2017 on combating terrorism¹;
142. Underlines that, in order to reinforce their impact, sanctions should be imposed collectively, based, where possible, on coordination with like-minded partners, possibly involving international organisations and formalised in an international agreement, considering also other types of reactions to the attacks; notes that candidate and potential candidate countries should also adopt these sanctions in order to align with the EU's CFSP; notes the important work done by NATO in the area of hybrid threats and recalls in this respect the communiqué of the NATO meeting of 14 June 2021, where it was reaffirmed that a decision as to when a cyberattack would lead to the invocation of Article 5 of the NATO Treaty would be taken by the North Atlantic Council on a case-by-case basis, and that the impact of significant malicious cumulative cyber activities might, in certain circumstances, be considered as amounting to an armed attack²; stresses that the EU and NATO should adopt a more forward-looking and strategic approach towards hybrid threats focused on the motives and objectives of adversaries, and should clarify in which instances the EU is better equipped to deal with a threat, as well as the comparative advantages of their capabilities; recalls that several EU Member States are not members of NATO, but nevertheless cooperate with NATO, for instance through its Partnership for Peace (PfP) programme and Partnership Interoperability Initiative (PII), and therefore underlines that any EU-NATO cooperation must be without prejudice to the security and defence policy of the non-NATO EU Member States, including those which have neutrality policies in place; stresses the importance of mutual assistance and solidarity in line with Article 42(7) TEU and Article 222 TFEU and calls for the EU to draw up concrete scenarios for the activation of these articles in the event of a hypothetical cyberattack; calls on the EU and all Member States to link the issue with the other aspects of their relations with the states behind interference and disinformation campaigns, in particular Russia and China;

Global cooperation and multilateralism

143. Acknowledges that many democratic countries all over the world are facing similar destabilisation operations carried out by foreign state and non-state actors;
144. Highlights the need for global, multilateral cooperation between like-minded countries in relevant international forums on these issues of crucial importance, in the form of a partnership based on common understanding and shared definitions, with a view to establishing international norms and principles; underlines the importance of close cooperation with the US and other like-minded states for the modernisation of multilateral organisations; welcomes the Summit for Democracy in that regard and expects it to result in concrete proposals and actions to tackle through collective action the greatest threats faced by democracies today;
145. Considers that, on the basis of common situational awareness, like-minded partners should exchange best practices and identify common responses to global, but also

¹ OJ L 88, 31.3.2017, p. 6.

² https://www.nato.int/cps/en/natohq/news_185000.htm

shared domestic, challenges, including collective sanctions, the protection of human rights and democratic standards; calls for the EU to lead the debate on the legal implications of foreign interference, to promote common international definitions and attribution rules and to develop an international framework for responses to interference in elections in order to establish a Global Code of Practice for Free and Resilient Democratic Processes;

146. Calls for the EU and its Member States to consider the right international formats to allow for such a partnership and cooperation between like-minded partners; calls for the EU and its Member States to initiate a process at UN level to adopt a global convention to promote and defend democracy that establishes a common definition of foreign interference; calls for the EU to propose a global democracy defence toolkit, to be included in the convention, containing joint actions and sanctions to counter foreign interference;
147. Welcomes the NATO statement of 14 June 2021, which recognises the increasing challenge posed by cyber, hybrid and other asymmetric threats, including disinformation campaigns, and by the malicious use of ever-more sophisticated emerging and disruptive technologies; welcomes the progress made on EU-NATO cooperation in the cyber defence field; welcomes Lithuania's establishment of the Regional Cyber Defence Centre involving the US and the Eastern Partnership countries; supports closer cooperation with partner countries in the area of cyber defence, in terms of information sharing and operational work; welcomes the discussions between the US and the EU on multilateral export controls on cyber-surveillance items in the context of the Trade and Technology Council;
148. Welcomes the initiatives already taken, in particular at administrative level, to share knowledge about the state of hybrid attacks, including disinformation operations, in real-time, such as the EEAS-established Rapid Alert System partly opened to like-minded third countries, the G7-established Rapid Response Mechanism, and the NATO Joint Intelligence and Security Division;
149. Underlines that global cooperation should be based on common values reflected in common projects, involving international organisations such as the OSCE and UNESCO, and setting up democratic capacity building and sustainable peace and security in countries facing similar foreign interference threats; calls for the EU to establish a European Democratic Media Fund to support independent journalism in (potential) enlargement and European neighbourhood countries and in candidate and potential candidate countries; highlights the practical needs, such as obtaining technical work equipment, regularly voiced by independent journalists from neighbouring countries;
150. Emphasises the urgent need to address climate mis- and disinformation; welcomes the efforts at COP26 to adopt a universal definition of climate mis- and disinformation and to outline actions to address the matter; calls for models such as the Intergovernmental Panel on Climate Change to be built on to create a global code of conduct on disinformation, a process that would provide the basis for a Paris Agreement on Disinformation;
151. Stresses the importance of providing a clear perspective for candidate and potential candidate countries and of supporting partner and neighbouring countries, such as those in the Western Balkans and the Eastern and Southern Neighbourhoods of the EU, since

countries such as Russia, Turkey and China are trying to use these countries as an information manipulation and hybrid warfare laboratory, aimed at undermining the EU; believes that the US is an important partner in countering foreign interference, disinformation campaigns and hybrid threats in those regions; is worried in particular by the role played by Serbia and Hungary in widely disseminating disinformation to surrounding countries; underlines that the EU should support and engage with these countries, as provided for in the NDICI Regulation¹; considers that its actions can take the form of promoting the EU's added value and positive impact in the region, financing projects aimed at ensuring media freedom, strengthening civil society and the rule of law, and enhancing cooperation on media, digital and information literacy, while respecting the sovereignty of such countries; calls for increased EEAS capacity in this regard;

152. Encourages the EU and its Member States to deepen cooperation with Taiwan in countering interference operations and disinformation campaigns from malign third countries, including the sharing of best practices, joint approaches to fostering media freedom and journalism, deepening cooperation on cybersecurity and cyber threats, raising citizens' awareness and improving overall digital literacy among the population in order to strengthen the resilience of our democratic systems; supports intensified cooperation between relevant European and Taiwanese government agencies, NGOs and think tanks in the field;
153. Calls for Parliament to actively promote an EU narrative, to play a leading role in promoting the exchange of information and to discuss best practices with partner parliaments across the globe, using its vast network of interparliamentary delegations, as well as the democracy initiatives and support activities coordinated by its Democracy Support and Election Coordination Group; underlines the importance of close cooperation with parliamentarians from third countries through tailor-made projects supporting a European perspective for candidate and potential candidate countries;
154. Calls for the EEAS to strengthen the role of the EU delegations and EU CSDP missions in third countries in order to reinforce their ability to detect and debunk disinformation campaigns orchestrated by foreign state actors, and to fund education projects strengthening democratic values and fundamental rights; strongly recommends the creation of a Strategic Communication Hub, initiated by the EEAS, to establish structural cooperation on countering disinformation and foreign interference, which should be based in Taipei; calls, in addition, on EU delegations to contribute to the EU's fight against disinformation by translating relevant EU decisions, such as Parliament's urgency resolutions, into their posted country's language;
155. Calls for the issue of foreign malicious interference to be addressed within the upcoming new Strategic Compass of the EU;
156. Calls for the creation of a permanent institutional arrangement in the European Parliament dedicated to the follow-up of these recommendations, in order to address

¹ Regulation (EU) 2021/947 of the European Parliament and of the Council of 9 June 2021 establishing the Neighbourhood, Development and International Cooperation Instrument – Global Europe, amending and repealing Decision No 466/2014/EU of the European Parliament and of the Council and repealing Regulation (EU) 2017/1601 of the European Parliament and of the Council and Council Regulation (EC, Euratom) No 480/2009 (OJ L 209, 14.6.2021, p. 1).

foreign interference and disinformation in the EU in a systematic way beyond the current mandate of the INGE Special Committee; calls for an improved institutionalised exchange between the Commission, the EEAS and Parliament through this body;

◦

◦ ◦

157. Instructs its President to forward this resolution to the Council, the Commission, the Vice-President of the Commission / High Representative of the Union for Foreign Affairs and Security Policy, and the governments and parliaments of the Member States.



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STUDY

Requested by the INGE committee



Investing in destabilisation: How foreign money is used to undermine democracy in the EU



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STUDY

Investing in destabilisation: How foreign money is used to undermine democracy in the EU

ABSTRACT

Foreign interference has become a major security threat for democracies. The European Union (EU) provides no exception and, in the last few years, has significantly stepped up its efforts to counter this threat. A specific type of foreign interference is the foreign funding of political parties. At the national level, regulations banning or limiting foreign funding are currently in place in most member states, but there is still significant variation across them. At the EU level, the recent reforms of the regulation on the funding of the Europarties and their associated foundations have banned contributions from abroad. Notwithstanding such welcome changes to party regulations, cases of foreign funding are still being reported in several member states, with foreign actors exploiting regulatory loopholes to channel funds or provide other types of support. To tackle this issue more effectively, regulatory convergence at the national level should be promoted, the transparency of party accounts should be enhanced, and the monitoring and sanctioning powers of the relevant control authorities strengthened.

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This study was originally requested by the European Parliament's Special Committee on Foreign Interference in all Democratic Processes in the European Union, including Disinformation.

The content of this document is the sole responsibility of the author(s), and any opinions expressed herein do not necessarily represent the official position of the European Parliament.

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Executive summary

The foreign funding of political parties is a tool that states have traditionally used to interfere in the politics of another country. Recently, the foreign funding of political parties has become one of the means through which autocracies are seeking to upset and disrupt the democratic process of other countries or the European Union (EU). Within the broader set of tools often catalogued as hybrid threats, party foreign funding emerged as a salient and worrying issue ahead of the 2019 European Parliament (EP) elections, when several attempts to provide support from abroad to anti-EU parties were documented. In the last few years, evidence of foreign funding to parties has been collected across the democratic world, in several EU member countries, former members, and beyond.

From the Leave.EU campaign organization in the Brexit referendum to the financial support offered by Russia to right-wing parties, financial resources from abroad have been used to finance political campaigns and the political activities of parties in several EU member states. By supporting political parties abroad, foreign states can nurture political allies, defending their interests when important political decisions are at stake (e.g. sanctions). Coupled with the spread of disinformation, and targeted cyberattacks against election infrastructures, such foreign interferences are designed to damage trust in democracies and their institutions. In the context of a pandemic crisis, the risks are magnified, and the necessity to protect democratic processes and values stronger than ever.

The objective of this study is to provide an empirical map and identify key policy issues in the regulation of party funding from third countries. The study also aims to explore possible avenues to counter foreign interferences with legislative and non-legislative actions at both the EU-level and in member states. The study is organised in three substantive chapters, and a conclusive chapter providing policy recommendations.

Chapter one introduces the issue of foreign interference and its impact on democratic politics and societies. After a brief contextualisation of the topic and a review of some recent reforms implemented by democracies outside the EU, the chapter presents the key actions taken by the EU to tackle hybrid threats. It shows that the EU has chosen a wide-ranging approach to confront the many destabilisation tools used by foreign states, stopping short of using military force. Finally, the chapter moves its focus to the issue of foreign funding of political parties and the regulation of online political advertising, introducing the European democracy action plan of December 2020 and the legislative proposals expected in 2021.

Chapter two presents a comparative overview of party regulations in EU member states, based on the Political Finance Database (International IDEA) and other sources. To illustrate the trend towards tightening the legal framework on foreign funding of parties, it reviews in detail a few selected cases of recent reform of party regulations or, at least, cases in which there has been discussion about reform, even in countries where, so far, a ban on foreign funding has been resisted. The chapter then explores the legal loopholes which, notwithstanding the existing legal frameworks, have been used to fund political parties and campaigns from abroad. Finally, an in-depth analysis of some prominent cases illustrates the different modes in which foreign support is provided to political parties, using legal or, allegedly, illegal channels.

Chapter three moves the focus from the national to the EU level. It provides a detailed map of the changes in the legal regulations of European political parties, particularly regarding their funding. Based on empirical data, it reviews the donations received from abroad by all the Europarties and their associated foundations in the period 2014-17, when this practice was legal. Finally, it discusses the role of the Authority for European Political Parties and European Political Foundations (hereinafter, the Authority), the challenges it faces and its future prospects.

Chapter four concludes with specific policy recommendations. It suggests that the issue of foreign funding of parties should be tackled both at the national and at the EU level. Even if the EU cannot regulate national parties, it should exert pressure on the national authorities to outlaw party funding originating from outside the Union. At the EU-level, regulatory reforms have moved in the right direction, and the direct foreign funding of Europarties and their foundations is forbidden. However, as funding from abroad may reach the Europarties in an indirect and round-about way, the Authority should be given adequate resources to properly monitor financial flows, also by strengthening its cooperation with the relevant national authorities,

1. The challenge of foreign interferences¹

'Global democracy continued its decline in 2020' according to the latest edition of the Democracy Index, whose value was the lowest since the series began in 2006.² Democratic backsliding' is also affecting the EU, with some member countries experiencing a significant deterioration of the quality of their democratic standards.³ Furthermore, the exceptional measures introduced to tackle the COVID pandemic have led to limitations on personal freedoms and enhanced the controls exercised by governments over citizens lives.⁴ In this difficult and uncertain context, democracy remains a fragile system. As EU leaders have often stressed, the 'resilience' of democratic systems is under pressure and countries – and the EU itself – should not be complicit and take it for granted.

Democracies are the main targets of foreign interferences, mainly sponsored by autocratic states. These operations take advantage of the openness of democratic systems and threaten core liberal values, human rights, as well as the proper functioning of societies and institutions. Foreign interferences – which are defined, by the US Cybersecurity and Infrastructure Security Agency, as 'malign actions taken by foreign governments or actors designed to sow discord, manipulate public discourse, discredit the electoral system, bias the development of policy, or disrupt markets' to undermine the interests of a country and its allies⁵ – include a broad and varied range of tools. (Online) disinformation is a very prominent example, but it is certainly not the only instance.

The threat that foreign interferences represent for democracy has been underscored at the highest political level. In its resolution on foreign electoral interference and disinformation, the EP acknowledged that they 'constitute a major challenge' and 'pose serious risks for European democratic societies and institutions ... and, ultimately, Europe's sovereignty'.⁶ French President Emmanuel Macron has also emphatically stressed the need to protect 'democratic freedom' as 'foreign powers seek to influence our vote at each election'. He further suggested that a 'European Agency for the Protection of Democracy' should be created *ad hoc* to tackle interferences and be accompanied by a ban on 'the funding of European political parties by foreign powers', in order to safeguard election processes.⁷

¹ The Author of this report would like to thank Federica Nava and Matteo Nebbiai for their research assistance and Dr. Claire Marie O'Neill for her linguistic review.

² The Economist, *Global Democracy has a very bad year*, 2.2.2021. <https://www.economist.com/graphic-detail/2021/02/02/global-democracy-has-a-very-bad-year>. Similarly, Freedom House finds that countries with declines in political rights and civil liberties outnumbered those with gains by the largest margin since 2006. Freedom House, *Freedom in the World 2021. Democracy under Siege*. Washington, DC. <https://freedomhouse.org/report/freedom-world/2021/democracy-under-siege>

³ See, e.g., Kelemen, R. 'Europe's Other Democratic Deficit: National Authoritarianism in Europe's Democratic Union'. *Government and Opposition*, 52(2), 2017, pp. 211-238; Lindberg, S. I. 'The nature of Democratic Backsliding in Europe'. *Carnegie Europe*, 24.7.2018.

⁴ Bentzen, N. *Foreign interference in democracies. Understanding the threat, and evolving responses*. Briefing, European Parliament, 09.2020.

⁵ Cybersecurity and Infrastructure Security Agency, *Foreign Interference*, <https://www.cisa.gov/publication/foreign-interference>

⁶ European Parliament, *Resolution on Foreign electoral interference and disinformation in national and European democratic processes*, P9_TA(2019)0031, 10.10.2019

⁷ Macron, E. *Emmanuel Macron's 3 ways to renew Europe*, World Economic Forum – Project Syndicate, 10.5.2019. <https://www.weforum.org/agenda/2019/05/renewing-europe/>

1.1. Foreign interferences and the threat for democracy

Several different tools and instruments, both of a physical and, increasingly, a virtual nature, fall under the rubric of foreign interference. Lying in a grey area between war and peace, such threats to liberal democracy are often categorised as 'hybrid'. This concept, used both in the academic literature and by EU institutions, captures a 'mixture of coercive and subversive activity, conventional and unconventional methods (i.e. diplomatic, military, economic, technological), which can be used in a coordinated manner by state or non-state actors to achieve specific objectives while remaining below the threshold of formally declared warfare'.⁸

In its resolution on foreign electoral interference, the EP describes the 'myriad of forms' taken by foreign interference, from 'disinformation campaigns on social media to shape public opinion, cyber-attacks targeting critical infrastructure related to elections, and direct and indirect financial support of political actors'.⁹ Such different types of foreign interference have two core elements in common according to Kristine Berzina and Etienne Soula: their 'malicious intent' and 'lack of transparency'.¹⁰ The former aspect distinguishes interference, whose objective is to disrupt and damage the institutions and procedures of democracy, from other legitimate practices of inter-state relations, such as public diplomacy.¹¹ The latter element points to the opaque and often covert nature of such operations, which are consequently difficult to identify and trace back to the sponsoring entity.

Foreign interferences have a damaging impact on the functioning of democratic systems. For instance, cybercrime can damage national electoral infrastructure and seek to delegitimize electoral results, thus weakening trust in institutions. Fake news and disinformation may distort the views of citizens and threaten their capacity to make informed decisions. Such operations can frame and impose narratives that polarise public opinion and undermine the quality of public debate.¹² Given the harmful consequences of foreign interferences for democratic quality, several countries outside the EU have recently stepped up their efforts and implemented various actions to tackle them.

For instance, in the United States, where Russian interferences in the 2016 presidential elections have been well documented, major steps have been taken. The Department of Homeland Security has designated election infrastructure as 'critical infrastructure and set up the 'countering foreign influence task force' to monitor threats. The FBI has also created a dedicated task force and enhanced its coordination with other federal agencies. In Australia, where foreign interferences from China are the main threat, a 'national counter foreign interference coordinator' has been appointed and a 'counter foreign interference task force' has been established. Several legislative acts – including one that restricts foreign donations to political parties – have been approved. Canada has also established a task force and amended its legislation on elections, prohibiting the

⁸ European Commission, High Representative of the Union for Foreign Affairs and Security Policy, *Joint Communication to the European Parliament and the Council. Joint Framework on Countering Hybrid Threats. A European Union response*. JOIN(2016) 18 final, Brussels, 6.4.2016.

⁹ European Parliament, *Resolution on Foreign electoral interference and disinformation in national and European democratic processes*.

¹⁰ Berzina, K. and Soula, E., *Conceptualizing Foreign Interference in Europe*, Alliance for Securing Democracy, 18.3.2020

¹¹ The distinction between legitimate and illegitimate practices of states in the affairs of other states has also been described as 'foreign interference' vs 'foreign influence'. Cf. Australian Government. Attorney General's Department. *What is the difference between 'foreign influence' and 'foreign interference'?*. Factsheet 2, February 2019.

¹² Tucker, J. A., Guess, A., Barberá, P., Vaccari, C., Siegel, A., Sanovich Stukal, S. and Nyhan, B., *Social Media, Political Polarization, and Political Disinformation: A Review of the Scientific Literature*, Hewlett Foundation, March 2018, pp. 51-62.

use of funds from foreign entities. New Zealand amended its Electoral Act in 2019, reducing the limit on foreign donations to political parties and candidates.¹³

1.2. Foreign interferences and EU responses

Particularly since 2015, following Russia's annexation of Crimea, the EU has significantly stepped up its efforts to counter foreign interferences. It has embraced a 'comprehensive' approach, employing several different tools, and strictly cooperating both with authorities in member states, where legal competences are often located, and international organisations. NATO, which has also significantly expanded its toolkit to tackle the new security threats, has been prominent in the latter group.¹⁴

The EU has employed the concept of 'hybridity' to capture the wide range of destabilisation tools falling under the threshold of military force – from disinformation to cyber-attacks, from disruption of energy supplies to the overt or covert financing of political parties – used by foreign actors. In the *Joint Framework on Countering Hybrid Threats – a European Union Response*, the European Commission and the HR presented such a broad-ranging approach, bringing together several existing EU policies, aiming at fostering the resilience of the EU.¹⁵ In successive strategic documents the concept of hybrid threat was further developed: the 2016 *Global Strategy* identified hybrid threats as a key challenge to EU security,¹⁶ while responses to hybrid threats were singled out in the 2017 *Joint Communication - A Strategic Approach to Resilience in the EU's External Action*.¹⁷

In June 2018 the Commission and the HR issued a *Joint Communication on increasing resilience and bolstering capabilities to address hybrid threats*, which identified areas in which action should be intensified, such as improving the capacity to detect hybrid threats, actions against chemical, biological, radiological and nuclear threats, strategic communication and disinformation, deterrence in the cybersecurity sector and resilience to hostile intelligence activity.¹⁸ Hybrid threats remained a high priority in the EU agenda during 2019, the year of the EP elections.¹⁹

Among the different hybrid threats, particular attention was paid to disinformation activities, defined as 'verifiably false or misleading information that is created, presented and disseminated for economic gain or to intentionally deceive the public, and may cause public harm'.²⁰ In March 2015 the European Council tasked the HR to prepare an *Action Plan on Strategic Communication*, aiming to improve the external image of the EU while, at the same time, refuting 'fake news'.²¹ From mid-2017 onwards, the Commission developed its strategic responses to the disinformation threat,

¹³ For an overview of the implemented measures, see Bentzen, N. *Foreign interference in democracies. Understanding the threat, and evolving responses*, cit., pp. 2-4. On New Zealand, see Library of Congress, *Global Legal Monitor*, 11.12.2019.

¹⁴ See Bressanelli, E., Di Palma, A., Inglese, G., Marini, S. and Repetto, E. *Institutions and Foreign Interferences*. European Parliament, Study. June 2020, Chapter 2. See also Maurice, E. *European Democracy, a fundamental system to be protected*. *European Issue*, no. 578. Fondation Robert Schuman, 30.11.2020.

¹⁵ European Commission, High Representative of the Union for Foreign Affairs and Security Policy, *Joint Communication to the European Parliament and the Council. Joint Framework on Countering Hybrid Threats. A European Union response*.

¹⁶ European External Action Service, *Shared Vision, Common Action: A Stronger Europe – A Global Strategy for the European Union's Foreign and Security Policy*, 28.6.2016.

¹⁷ European Commission, *Joint Communication to the European Parliament and the Council - A Strategic Approach to Resilience in the EU's external action*, JOIN(2017) 21 final, Brussels, 7.6.2017.

¹⁸ European Commission, *Joint communication to the European Parliament, the European Council and the Council - Increasing resilience and bolstering capabilities to address hybrid threats*, JOIN(2018) 16 final, Brussels, 13.6.2018.

¹⁹ European Council, *Conclusions*, Brussels, 20.6.2019.

²⁰ European Commission, *Communication to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions - Tackling online disinformation: a European Approach*, COM(2018) 236 final, Brussels, 26.4.2018.

²¹ European Council, *Conclusions*, Brussels, 20 March 2015

culminating in the *Code of Practice on Disinformation*, a self-regulation of online social companies, and in the *Joint Action Plan on Disinformation* to develop a coordinated response to challenges in the field (see further below).

With the EP elections approaching, and several instances of electoral interference observed at the level of the member states,²² in September 2018 the Commission presented a robust package on *securing free and fair European elections* including online transparency, election cooperation networks, protection against cybersecurity incidents, fighting disinformation campaigns and enhancing protection against data breaches by political parties.²³ While the EU can only directly regulate the EP elections, and national elections are regulated at the level of the member states, it can nonetheless issue recommendations and suggest best practices to its members.

Notwithstanding the fact that organised and systematic foreign interference campaigns had not been detected ahead of the 2019 EP elections, the issue remained highly salient in the EU agenda. The newly designated President of the European Commission – Ursula von der Leyen – gave special prominence to the issue in July 2019, in her first speech before the EP. Presenting the strategic agenda of the Commission for the 2019-2024 mandate, she described EU security challenges as ‘diverse and unpredictable’ and referred to several ‘serious and acute’ hybrid threats, requiring the EU to ‘step up its response and resilience’.²⁴

Specifically, in the section of her strategic agenda dedicated to ‘European democracy’, the President-elect made a strong plea to strengthen the EU’s capacity to protect itself from external interference, as ‘our democratic systems and institutions have come under increasing attack in recent years from those who wish to divide and destabilise our Union’. In concrete terms, she promised to present a *European democracy action plan* to address the threat of external intervention in European elections and to put forward legislative proposals ensuring greater transparency of paid political advertising and clearer rules on the financing of European political parties.²⁵ The democracy action plan was then listed in the Work Programme of January 2020 and confirmed in the adjusted Work Programme of May 2020.²⁶

In July 2020, the new *European Security Union Strategy* undertook to develop the EU’s resilience and revise the operational protocol to counter hybrid threats. It was followed, in December, by the new *Cybersecurity strategy*, which included proposals to revise the directive on the security of networks and information systems (NIS). In early December 2020, the Commission finally presented the *European democracy action plan*, detailing policy actions along three lines: the integrity of elections and political advertising; the fight against misinformation; strengthening media freedom and pluralism.²⁷

²² Cf. Brattberg, E. and T. Maurer, *Russian Election Interference: Europe’s Counter to Fake News and Cyber Attacks*, Carnegie Endowment for International Peace, 23.5.2018.

²³ European Commission, *Communication to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions Securing free and fair European elections A Contribution from the European Commission to the Leaders’ meeting in Salzburg*, 19-20.9.2018.

²⁴ von der Leyen, U. *A Union that Strives for More. My agenda for Europe. Political Guidelines for the Next European Commission 2019-2024*, 2019, p. 19.

²⁵ von der Leyen, U. *A Union that Strives for More. My agenda for Europe*, pp. 13, 21.

²⁶ European Commission, *Work Programme 2020: An ambitious roadmap for a Union that strives for more*, COM (2020) 37 Final, 29.1.2020.

²⁷ European Commission, *Communication from the European Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee on the Regions On the European democracy action plan*, COM/2020/790final, 3.12.2020

The EP has repeatedly pushed the EU to step up its efforts against foreign interferences. In its resolution of October 2019, the EP detailed the actions that the EU would need to implement to tackle this ‘major challenge’, discussing them further in the debate on the topic on 27 November 2019.²⁸ In June 2020, it voted to establish a Special Committee on Foreign Interferences on Democratic Processes, including Disinformation, which was constituted in September 2020 with an original mandate of 12 months, then extended by six additional months.

1.3. Foreign funding of political parties and campaigns

Foreign funding of political parties is a type of foreign interference that has received comparatively little attention, although the issue is certainly not new.²⁹ The Communist International, established after the Russian revolution, was meant to channel money to and, more broadly, support communist parties around the world. Political parties and movements in third countries were subsequently funded by the two superpowers – the USA and the USSR – during the Cold War period. More recently, foreign money has come to the aid of parties in the process of democratisation. For instance, after the fall of the Berlin wall, US and European parties and political foundations provided strong support – financial and other – to political parties in Central and Eastern Europe.³⁰

The issue received renewed attention in the early 2000s and was discussed, together with corruption, by the Venice Commission, which adopted the *Guidelines and Report on the Financing of Political Parties*, banning ‘donations from foreign states or enterprises’, with the exception of financial donations from nationals living abroad. In 2003, in its Recommendation on *Common Rules Against Corruption in the Funding of Political Parties and Electoral Campaigns*, the Committee of Ministers of the Council of Europe stated that ‘states should specifically limit, prohibit or otherwise regulate donations from foreign donors’.

More recently, foreign party funding has been used to unsettle the EU and its member states – as in the case of the funding of the Leave.eu campaign, ahead of the British referendum on EU membership, and to build internal support for the views of a foreign-state actor, as in the case of the Dutch referendum on the trade agreement between the EU and Ukraine.³¹ The foreign funding of political actors – not only political parties, but also election campaigns, individual candidates, think

²⁸ European Parliament, *Resolution on Foreign electoral interference and disinformation in national and European democratic processes*. For a summary of the actions advocated by the EP, see Bressanelli, E., Di Palma, A., Inglese, G., Marini, S. and Repetto, E. *Institutions and Foreign Interferences*, Annex 2, pp. 112-114.

²⁹ See Van Biezen, I. *Financing political parties and election campaigns – guidelines*. Strasbourg: Council of Europe publishing, 2003, pp. 27-29. See also Rudolph J. and Morley, T. *Covert Foreign Money. Financial loopholes exploited by authoritarians to fund political interference in democracies*. The Alliance for Securing Democracy at The German Marshall Fund of the United States, August 2020, pp. 65-66.

³⁰ See, e.g., Dakowska, D. ‘German Political Foundations: Transnational party go-betweens in the process of EU enlargement’. In W. Kaiser and P. Starie (eds) *Transnational European Union*, Routledge, 2005, pp.150-169; Bressanelli, E., *Europarties after Enlargement. Organization, Ideology and Competition*. Basingstoke, Palgrave Macmillan, 2014, pp. 24-26.

³¹ The non-binding referendum, held in April 2016, rejected the association agreement between the EU and Ukraine. There was a low turnout of 32 % with about two-thirds of the voters rejecting the agreement. Foreign interference by Russia was widely reported. Cf. Applebaum, A. ‘The Dutch just showed the world how Russia influences Western European elections’, *The Washington Post*, 8.4.2016; Higgins, A. ‘Fake News, Fake Ukrainians: How a Group of Russians Tilted a Dutch Vote’, *The New York Times*, 16.2.2017.

tanks, foundations, NGOs - is a 'delicate kind of foreign interference',³² as it is deeply intertwined with national politics and often very difficult to demonstrate with hard evidence.³³

In their systematic analysis of this phenomenon, Rudolph and Morley label this tool of foreign interference 'malign finance', and define it as 'the funding of foreign political parties, candidates, campaigns, well-connected elites, or politically influential groups, often through non-transparent structures designed to obfuscate ties to a nation state or its proxies'.³⁴ In their empirical analysis, they show that states like Russia and China are the most visible players in the field, but ultraconservative organisations in the USA have also actively financed and coordinated far-right movements in Europe, particularly in the run-up to the 2019 EP elections.

In the last few years, the EU has placed this issue under the spotlight. In September 2018, as part of its 'election package', the Commission asked member states to improve the rules on the transparency of political party financing. Through the European Cooperation Network on Elections, which brings together representatives of member state authorities with competence in electoral matters, a map of the extant legal regulations regarding various aspects of party financing – including funding from abroad – was made. The EP sounded the alarm on foreign party funding and its resolution on foreign electoral interferences expressed concern that

even where laws place restrictions on the sources of political funding, foreign actors have found ways to circumvent them and have offered support to their allies by taking out loans with foreign banks, as in the case of the Front National in 2016, through purchase and commercial agreements, as in the case of the allegations reported by Der Spiegel and Süddeutsche Zeitung on 17 May 2019 against the Freedom Party of Austria and by BuzzFeed and L'Espresso on 10 July 2019 against Lega per Salvini Premier, and the facilitation of financial activities, as reported by the British press in relation to the Leave.eu campaign.³⁵

The same resolution called on the Commission to address the issue of foreign funding for European political parties and foundations, and to start a discussion with member states to address the very same issues at the national level.³⁶ It therefore clarified that the issue of foreign funding could only be effectively tackled at both levels of governance. In more general terms, the need to counteract foreign interferences has continuously been reiterated by the EP in successive resolutions.³⁷

³² Special Committee on Foreign Interference in all Democratic Processes in the European Union, including Disinformation, *Working Document on the State of Foreign Interferences in the European Union, including disinformation*, December 2020, p. 6.

³³ Interestingly, the Venice Commission recommended a 'specific approach towards allowing the financing of a political party established in a member State of the EU by a political party from another member State of the EU, given the peculiar nature of the EU and transnational party cooperation within the Union' adding that, in the multi-level system of the EU, 'co-operation and to some extent integration of existing financing systems is not only unavoidable but also essentially necessary'. Venice Commission, *Opinion on the Prohibition of Financial Contributions to Political Parties from Foreign Sources*, adopted by the Venice Commission at its 66th Plenary Session, Venice, 17-18.3.2006, pp. 10-11.

³⁴ Rudolph J. and Morley, T. *Covert Foreign Money. Financial loopholes exploited by authoritarians to fund political interference in democracies*, p. 1.

³⁵ European Parliament, *Resolution on Foreign electoral interference and disinformation in national and European democratic processes*, par.7.

³⁶ European Parliament, *Resolution on Foreign electoral interference and disinformation in national and European democratic processes*, par. 37.

³⁷ European Parliament, *Resolution on EU coordinated action to combat the COVID-19 pandemic*, 2020/2616(RSP), Brussels, 17.4.2020, par. 58; European Parliament, *Report on Strengthening Media Freedom: the Protection of Journalists in Europe, Hate Speech, Disinformation and the Role of Platforms*, 2020/2009(INI), Brussels, 25.11.2020, par. 36.

The Commission headed by Ursula von der Leyen listed the revision of the regulation of European political parties and foundations among its priorities in her *Political Guidelines* for 2019-2024 and, in the *Work Programme* for 2021, embraced an ambitious plan:

*The European Democracy action plan to be adopted will be a stepping stone to improve the resilience of our democracies, address the threats of external interference in European elections and counter disinformation, as well as to support free and independent media. Next year, we will propose clearer rules on the financing of the European political parties and take action to ensure greater transparency in paid political advertising*³⁸

The issue also remained a priority for the Council of the EU. In its Conclusions of 15 December 2020, the Council confirmed its objective to 'protect our democratic societies and institutions from hybrid threats originating from hostile state and non-state actors'³⁹ while, more recently, the Portuguese Presidency pledged to 'pay particular attention to external threats to electoral processes in the Union and in the Member States' and to enhance the EU's ability to respond to hybrid threats.⁴⁰ Together, the strategic documents and statements from EU institutions show the prominence that the issue of foreign interference – including foreign party funding – has gained for the Union.

1.4. Disinformation and political advertising

Towards the end of April 2018, the Commission presented an action plan endorsing self-regulatory tools⁴¹ which was then followed by the Code of Practice on Disinformation, aiming to counter online disinformation and ensure transparency vis-à-vis political and issue-based advertising.⁴² This ambitious soft-law document – the first example worldwide of a set of self-regulatory standards adopted by big tech companies, on a voluntary basis, to tackle online disinformation – was signed by the online platforms Facebook, Google and Twitter, Mozilla, as well as by advertisers and elements of the advertising industry in October 2018, while Microsoft and TikTok joined the initiative in May 2019 and June 2020, respectively.⁴³

Despite its innovative nature, the Code of Practice suffered from a number of shortcomings.⁴⁴ The use of a self-regulatory instrument was considered only the first step to address an issue that constitutes a moving target, and the Commission itself underlined its importance as a framework to enhance the transparency of the platforms' policies.⁴⁵ Its self-regulatory nature could not coerce online service providers to implement the wide list of commitments that the signatories had agreed upon, such as closing fake accounts or the 'demonetization' of the providers of false or misleading information. In addition, the Code did not explicitly address the issue of foreign interference, tackling 'purveyors of disinformation' with no further characterization.

As for the latter aspect, some paradoxical issues became apparent a few months ahead of the 2019 EP elections. In an attempt to counter possible online foreign interferences in the electoral

³⁸ European Commission, *Work Programme 2021: A Union of vitality in a world of fragility*, COM (2020) 690 Final, 19.10.2020.

³⁹ Council of the EU, *Council Conclusions on strengthening resilience and countering hybrid threats, including disinformation in the context of the COVID-19 pandemic*, 15.12.2020.

⁴⁰ Portuguese Presidency of the Council of the EU, *Programme of the Portuguese Presidency of the Council of the EU*, 1.1.2021 – 30.6.2021, p.13.

⁴¹ European Commission, *Communication to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions - Tackling online disinformation: a European Approach*.

⁴² European Commission, *Code of Practice on Disinformation*, 26.9.2018.

⁴³ See European Commission, *Code of Practice on Disinformation*, 23.2.2021 (last update). <https://ec.europa.eu/digital-single-market/en/code-practice-disinformation>

⁴⁴ Bressanelli, E., Di Palma, A., Inglese, G., Marini, S. and Repetto, E. *Institutions and Foreign Interferences*, pp. 38-42.

⁴⁵ European Commission, *Code of Practice on Disinformation: First annual reports – October 2019*, pp. 1-2.

campaign, Facebook demanded that any individual, party, or organisation wishing to use the platform for political campaigning must be registered in the country where campaign adverts will be shown. This measure, although admissible within the broad scope of the Code of Practice, was strongly criticized by the EP, as well as by several Europarties, because it was liable to inhibit transnational campaigning within the EU, creating intolerable barriers to European democracy.⁴⁶

As the legal uncertainty became manifest, the debate moved in the direction of reforming the code in favour of a co-regulatory approach or, even, direct regulation by the EU. As Commission VP Věra Jourová stated already in early 2020: 'it is clear that [...] to achieve a healthy, balanced use of technology you will also need some degree of regulation, in particular addressed to the platforms'.⁴⁷ In addition, a stronger regulatory measure was also needed to support the monitoring and enforcement tasks carried out by competent national authorities, which could face a lack of capacity, resources, awareness, capability, and access to the online environment.⁴⁸

In relation to online political advertising, the Commission was expected to present a legislative proposal in 2021, building on the European democracy action plan, ensuring greater transparency and imposing limits on techniques such as microtargeting and user profiling. The new regulation was meant to complement the *Digital Services Act* – in this case, the Commission's legislative proposal was published in December 2020 – a horizontal framework for regulatory oversight, as well as accountability and transparency of the online space, in response to the emerging risks.⁴⁹

At the time of writing, a public consultation on the measures to increase transparency in political advertising was still open.⁵⁰ However, a previously published report on public consultation vis-à-vis the European democracy action plan provides very relevant information on election integrity and political advertising. The vast majority of the respondents to the consultation called for more impactful measures to counter foreign interference: 60 % of them were in favour of prohibiting foreign online targeted political content and more than 80 % believed that misinformation or fake accounts run by governments, including foreign governments, was one of the most urgent threats to the electoral process, both in the EU and its member states.⁵¹ Therefore, the consultation underscored a widely felt need for the EU to take swift action ahead of the next round of EP elections in 2024, to regulate online media and political advertising more tightly.

1.5. Protecting EU democracy against foreign interferences

As the European democracy action plan put it: 'Democracy cannot be taken for granted – it needs to be actively nurtured and defended'.⁵² Several years before, the Venice Commission indicated that the prohibition of foreign funding to political parties could be considered 'necessary in a democratic society' when foreign funding 'undermines the fairness or integrity of political competition, leads to distortions of the electoral process, poses a threat to national territorial integrity or when it inhibits

⁴⁶ Khan, M. (2019). 'Facebook rules on political advertising criticised by EU parties'. *Financial Times*. 29.3.2019.

⁴⁷ Jourová, V., *Opening speech of Vice-President Věra Jourová at the conference "Disinfo Horizon: Responding to Future Threats"*, European Commission, Brussels, 30.1.2020.

⁴⁸ Cf. European Commission. *Inception impact assessment on the Proposal for an initiative on greater transparency in sponsored political content, and other supporting measures* Ares(2021)622166, 26.1.2021.

⁴⁹ European Commission. *Proposal for a Regulation of the European Parliament and the Council on a Single Market for Digital Services (Digital Services Act) and amending Directive 2000/31/EC*. COM/2020/825final. 15.12.2020

⁵⁰ The feedback period was open from 22.1 to 2.4.2021; see European Commission, *Political advertising – improving transparency*. <https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/12826-Transparency-of-political-advertising>.

⁵¹ European Commission. *Report on the Public Consultation for the European Democracy Action Plan*, 2.12.2020, pp. 8, 11, 34.

⁵² European Commission, *European democracy action plan*.

responsive democratic development'.⁵³ The issue of foreign funding to political parties has emerged as a significant threat for EU democracy, in a context where foreign interferences have grown in scope and importance. Yet, it remains a difficult issue to tackle, as the rules on foreign party funding differ significantly among member states, and the Union does not have the legal competence to regulate national parties.⁵⁴ Notwithstanding such limits, which should nevertheless be taken into account when assessing EU policies in the field, significant progress has been made, both at national and EU level. Further targeted actions, with a timely implementation ahead of the 2024 EP elections, could make the Union a safer and more resilient democratic arena.

2. Party regulation at the national level

In its resolution on foreign interferences, the EP noted that, notwithstanding the existing rules, 'foreign actors have found ways to circumvent them and have offered support to their allies by taking out loans with foreign banks'.⁵⁵ The resolution made explicit reference to the external funding that the French *Front National* in 2016, the *Freiheitliche Partei Österreichs*, *Lega per Salvini Premier* in 2019, and the Leave campaign ahead of the referendum on EU membership in the UK, received from, or negotiated with, Russia or its proxies. As this chapter shows, 'loans with foreign banks' is only one of many ways in which foreign funding has been channelled to support political parties, sidestepping the extant legal regulations.

In what follows, a comparative overview of party regulations in the EU member states will be presented. This section will be followed by an in-depth analysis of some recent reforms. Despite the tighter regulatory framework, the next section shows that foreign states are still able to exploit legal loopholes. Their strategies will be illustrated with some prominent case studies.

2.1. Tackling foreign funding: a comparative framework

The foreign funding of political parties does not necessarily need to be a covert or illegal activity to exert undue influence on another country; it can also be a legal activity promoting democracy building and helping to strengthen political parties in a country's transition to democracy. The EU and its political parties themselves engaged in the latter type of activity ahead of enlargement to Central and Eastern Europe.

While acknowledging that not all foreign party funding serves the same purpose, the arguments against foreign contributions to political parties remain compelling. Foreign funding interferes with the autonomy and sovereignty of domestic politics, possibly deceiving voters and thus altering election outcomes. In addition, it is difficult – if not impossible – to make the donors accountable, as they are based in a different state and/or can be difficult to identify or trace. There is also a drawback for political parties themselves, as dependence on foreign money removes an important incentive to strengthen their internal organisation and make themselves capable of collecting their own resources, through their members and networks with society, the economic sphere, sister organisations and the like.⁵⁶

⁵³ Venice Commission, *Opinion on the prohibition of financial contributions to political parties from foreign sources*. Adopted by the Venice Commission at its 66th Plenary Session, Opinion no. 366/2006, Venice, 17-18.3.2006, pp. 12-13.

⁵⁴ Cf. Comai, G. 'EU takes its best action against foreign interference when tackling the big issues'. *Osservatorio Balcani e Caucaso Transeuropa*. 22.12.2020.

⁵⁵ European Parliament, *Resolution of 10.10.2019 on foreign electoral interference and disinformation in national and European democratic processes*, recital 7.

⁵⁶ Cf. Van Biezen, I. *Financing political parties and election campaigns – guidelines*.

A broad consensus has therefore emerged vis-à-vis forbidding the foreign funding of political parties. In its recommendations, the Council of Europe has prescribed states to 'limit, prohibit or otherwise regulate donations from foreign donors'.⁵⁷ In the early 2000s, when such recommendations were made, the regulatory framework was taking its early steps. Assessing the state of the art in the field, Ingrid Van Biezen observed that several countries had already adopted legal provisions restricting foreign donations. However, she also added that, with the exception of the UK, banning foreign donations in 2000, all these countries were newer democracies. On the other hand, the more 'liberal' countries with regard to foreign funding were all – except Greece – older democracies.⁵⁸ Therefore, the younger democracies in southern, central, and eastern Europe implemented more restrictive legal frameworks than the more mature democracies of western Europe. Not only were states with a long democratic history allowing foreign money to fund their political parties, but the threat was considered negligible given that, a decade later, the International Institute for Democracy and Electoral Assistance (International IDEA) could still conclude that, in the Anglo-American world at least, foreign contributions 'do not pose any major threats'.⁵⁹

Given the mounting evidence, the issue of foreign interference in parties and elections has currently gained a prominence which was hardly foreseeable just a few years ago. The election meddling of countries like Russia or China has prompted reforms of party regulations across the democratic world. Thus, to mention just a few recent cases, Australia has adopted new legislation in 2018 imposing limits on foreign donations and introducing the offence of 'intentional foreign interference'; Canada approved the Elections Modernization Act in 2018; South Africa reformed its law in 2019, while New Zealand banned foreign funding starting from 2020.⁶⁰

If the focus is placed on EU member countries, Table 1 shows the number and the share of EU countries – note that the UK is still included in the figures – which have (not) banned the foreign funding of political parties or candidates. The table elaborates on data extracted from the comparative political finance dataset, compiled by International IDEA.⁶¹

The dataset includes two questions on banning foreign funding to parties and candidates. Only two answers are possible, with a resulting binary response set. A ban is considered to be in place when regulations explicitly state that political parties are not allowed to receive donations from foreign citizens, foreign companies, foreign governments, or foreign organisations, or any of the above. This implies that – even within the group of countries banning foreign funding – differences can be important. On the other hand, if it is unclear or it is not explicitly stated that foreign funding is

⁵⁷ See Committee of Ministers, *Recommendation Rec (2003)4 of the Committee of Ministers to member states on common rules against corruption in the funding of political parties and electoral campaigns*, Council of Europe, Strasbourg, 8.4.2003, Art. 7.

⁵⁸ There was also an in-between category, with some countries introducing partial restrictions on foreign funding. Van Biezen, I. 'Political Parties as Public Utilities'. *Party Politics*, 10(6), 2004. Cf. also Van Biezen, I. *Financing political parties and election campaigns – guidelines*, p. 28.

⁵⁹ IDEA, *Funding of Political Parties and Election Campaigns. A Handbook on Political Finance*. Stockholm: International Idea, 2014, pp. 268-9.

⁶⁰ Cf. Law Library. Library of Congress. *Regulation of Foreign Involvement in Elections*. LL File No. 2019-017776. 8.2019, in particular the 'Comparative Summary', pp.1-3.

⁶¹ The coding is based primarily on legislation from each country. If relevant legislation could not be retrieved, written sources such as election reports or political analyses were sought. For some regions, information was gathered from organizations focusing on campaign finance. See under the heading 'sources' in IDEA. *Political Finance Database*. 2020. <https://www.idea.int/data-tools/data/political-finance-database>

banned from being used to specifically fund parties or candidates in election contexts, a ban is not considered to be in place.⁶²

Moving to the data, the upper section of Table 1 – showing whether foreign funding to parties is legal – shows that significant differences remain between the member states of the ‘old’ EU and the countries that have joined the EU since 2004. In 2020, most countries in the EU-15 had still not introduced a total ban on foreign funding. Contrariwise, all countries from Central and Eastern Europe (plus Croatia, Cyprus and Malta) had banned the foreign funding of political parties.

A very similar picture emerges from the lower section of Table 1 – illustrating whether there is a ban on the foreign funding of candidates – in which all but one country (Cyprus) in the newer category of member states forbid it. The change from 2014 to 2020 is also noteworthy, with three countries tightening their regulations (the Czech Republic, Estonia and Hungary). As for West European countries, a majority of them do not have an outright ban on donations to candidates.

Figures for the EU are similar to those reported for OECD countries: 68 % of the latter ban foreign donations to political parties, while 56 % ban donations to candidates. Regulations are, therefore, more restrictive with regard to parties than in relation to candidates. The OECD also notes the huge variation across countries.

Analysing regulatory provisions in 2016, it illustrates the heterogeneity of the rules with examples drawn from different continents. For instance, while Mexico has a ban on foreign donations and does not even allow Mexican citizens living abroad to donate to parties, Germany does not prohibit donations, but sets a (low) limit on how much foreigners outside the EU are allowed to contribute (EUR 1000). Israel does not allow foreign individual contributions in general elections, but it permits them in primary elections. The UK generally forbids contributions from abroad, other than from British citizens resident abroad who are still eligible to vote. These cases are therefore illustrative of the broad variation of regulatory norms which still exists in this field, notwithstanding a trend towards tightening regulations and restricting or outlawing foreign funding.⁶³

⁶² For further information, see International Idea, *Coding Instruction*, available at: <https://www.idea.int/data-tools/data/coding-instructions>

⁶³ OECD. *Financing Democracy: Funding of Political Parties and Election Campaigns and the Risk of Policy Capture*, OECD Public Governance Reviews. OECD Publishing, Paris, 2016, pp. 50-51.

Table 1: Foreign funding to political parties and candidates

Is there a ban on donations from foreign interests to political parties?				
	2014		2020	
	Yes (%)	No (%)	Yes (%)	No (%)
'Old' EU	8 (53.3)	7 (46.7)	7 (46.7)	8 (53.3)
'New' EU	12 (92.3)	1 (7.6)	13 (100)	0
Total	20 (71.4)	8 (28.6)	20 (71.4)	8 (28.6)

Is there a ban on donations from foreign interests to candidates?				
	2014		2020	
	Yes (%)	No (%)	Yes (%)	No (%)
'Old' EU	7 (46.7)	8 (53.3)	6 (40)	9 (60)
'New' EU	9 (69.2)	4 (30.8)	12 (92.3)	1 (7.7)
Total	16 (57.1)	12 (42.9)	18 (64.3)	10 (35.7)

Source: *International Idea* (2014; 2020).

2.2. Party regulations: recent debates and reforms

The binary categorization presented in Table 1, while useful to provide a general overview, conceals important differences among countries. Several EU countries currently ban foreign funding to parties and candidates, while a handful of them allow parties to be funded from abroad, such as Belgium, Denmark and the Netherlands. In-between these two categories, however, there is a 'grey' area in which states have some restrictions in place such as, for instance, only allowing limited donations from individuals or donations from ideologically like-minded parties,⁶⁴ but fall short of having a full ban on foreign funding.

Notwithstanding the significant variation that still exists on the regulation of foreign funding to political parties, recent cases of foreign interferences have fuelled the debate on introducing regulations even in those countries which have, so far, resisted them. In what follows, some prominent cases are analysed to illustrate this trend towards tighter regulation of foreign funding to parties. They have been selected because a full ban on foreign funding has recently been introduced (Italy); significant reforms of party finance regulations have been implemented, but do not include a complete ban on foreign donations (Sweden); they are among the few EU countries which still do not ban foreign donations, but the issue of regulating them has recently entered the political agenda (Denmark and the Netherlands).

⁶⁴ Berzina, C. Foreign Funding and Threats to the EU's 2019 Elections, *The German Marshall Fund of the United States*. 9.10.2018.

In Italy, the 2018 general election was the first election contested by parties without public funding. The reform of party funding, implemented with decree No 149/2013 and law 13 of 21 February 2014, introduced an obligation to declare anonymous donations of up to EUR 5000 to either parties or candidates. At the same time, limitations to donations from abroad were not introduced. Apparently, there was no need for such measures, as foreign funding to support domestic political activity was very limited. As Transparency International documents, only the centre-right *Forza Italia* and *Movimento 5 Stelle* (M5S) declared foreign funds.⁶⁵

After the 2018 general election, the new government, composed of an alliance between the League and the M5S, reformed party funding regulations, forbidding funding from abroad to parties, movements, foundations, and related associations. This reform was part of a broader plan to curb corruption, strongly advocated by one of the governing parties, the M5S, and implemented through law No 3/2019.⁶⁶ Yet, shortly afterwards, Decree Law No 34/2019⁶⁷ did allow foreign funding, even if only to foundations and associations. While also making explicit that such funds could not be redirected to political parties or candidates, the new rules made it more difficult to track the flows of money and detect irregularities, possibly hindering transparency and accountability.⁶⁸

Therefore, Italy has legislation currently in place forbidding donations to political parties and to lists contesting elections in municipalities with a population exceeding 15 000 residents⁶⁹ from foreign governments, public entities and legal persons based in a third country. In addition, anonymous donations are banned, there is a low threshold for disclosing the source of donations and sanctions for infringing the regulations.

Sweden is another interesting case. The country was criticised for the absence of any legislation on foreign funding and the lack of transparency on party income and finance by the Council of Europe's Group of States against Corruption (GRECO).⁷⁰ In 2014, party regulations were reformed. Parties represented in the Swedish Parliament or the EP were required to disclose their funding to the Legal, Financial, and Administrative Services Agency. Since April 2018, with a further reform of the Act on Transparency in Political Party Financing, all Swedish political parties (at all levels of government) have been asked to do so. Furthermore, all donations exceeding a few hundred euros have been banned,⁷¹ although information on specific individual donors have not been disclosed.

Such reforms of party regulations and the improvements in transparency and reporting obligations have been praised by GRECO.⁷² On the other hand, foreign contributions are still not specifically forbidden. Receiving money from a foreign power or someone acting on behalf of a foreign power

⁶⁵ Ferro, S. and Galinytè, A. *Partiti e fondazioni: quanto ne sappiamo davvero dei soldi ai politici?*, Transparency International Italia, Dossier No. 1, June 2018, p. 10.

⁶⁶ Legge 9 gennaio 2019, n. 3 - *Misure per il contrasto dei reati contro la pubblica amministrazione, nonché in materia di prescrizione del reato e in materia di trasparenza dei partiti e movimenti politici*. (18G00170) (GU n.13 16.1.2019).

⁶⁷ Presidente della Repubblica, *Decreto-Legge 30 aprile 2019, n. 34 - Misure urgenti di crescita economica e per la risoluzione di specifiche situazioni di crisi*. (19G00043) (GU n.100 del 30-4-2019).

⁶⁸ Mat, F. and Caranti, N. *Il finanziamento della politica in Italia*. Osservatorio Balcani e Caucaso Transeuropa. OBCT / CCI special dossier – 2. November 2019.

⁶⁹ Camera dei Deputati, Servizio Studi XVIII Legislatura, *Disciplina e trasparenza dei partiti politici e delle fondazioni*, 22.4.2020.

⁷⁰ "There is no ban on foreign donations nor on donations from legal persons or organisations with or without close links to the party, such as trade unions and other interest groups" Cf. GRECO, *Third Evaluation Round - Evaluation Report on Sweden on Transparency of Party Funding (Theme II)*, 16-19 February 2009, p. 9.

⁷¹ The threshold was set at SEK 2,325 in 2019. Law Library. Library of Congress (2019). *Regulation of Foreign Involvement in Elections*. LL File No. 2019-017776. August 2019, Sweden.

⁷² GRECO, *Third Evaluation Round – Second Addendum to the Second Compliance Report on Sweden. Transparency of Party Funding*, 3-7 December 2018.

is considered a criminal offence, if their purpose is to influence public opinion in matters fundamental to the governance of the country or a matter of national security.⁷³ Party regulations have not taken up this provision of the criminal code and, save for the circumstances specified above, foreign funding still remains possible.

In Denmark, the issue of reforming party finance regulation has entered the political agenda, but it has still not been fully implemented. As in the case of Sweden, GRECO has requested Denmark to act since 2009,⁷⁴ but has concluded that ‘no tangible progress’ had been made on the transparency of party funding at the end of 2016.⁷⁵ Notwithstanding some recent developments, GRECO remains ‘concerned by the lack of progress’ on a number of recommendations regarding the transparency of party financing (e.g. introducing a ban on anonymous donations to individual candidates; improving the monitoring system).⁷⁶

A step forward on tackling foreign interference came in 2018, when the Danish government put forward a plan with eleven initiatives to ‘strengthen Danish resilience against foreign attempts to influence our democracy and society’.⁷⁷ Some of the initiatives targeted political parties – for instance, the government offered support to parties on tackling cyber-attacks, as well as information meetings on the risks of foreign influence in the electoral campaign. Also, an inter-ministerial task force coordinating the response to misinformation campaigns was set up.⁷⁸ In 2019, Denmark amended its Criminal Act, to protect itself against the threat of influence campaigns launched by foreign governments. For unlawful activities carried out in connection with national elections or the EP elections, the expected penalty is a maximum of twelve years imprisonment.⁷⁹

In the Netherlands – another EU country where, as things currently stand, political parties and candidates are allowed to receive unlimited contributions from private individuals and legal entities, including donations from abroad⁸⁰ – in early 2018 the government announced its intention to introduce a ban to legislation in order to prevent external interference in domestic politics, following the recommendations of a report evaluating existing legislation on the financing of

⁷³ Law Library. Library of Congress (2019). *Regulation of Foreign Involvement in Elections*. LL File No. 2019-017776. August 2019, Sweden.

⁷⁴ GRECO evaluation report noted that “there are no legal restrictions or limits in respect of the sources and amount of private funding and support that may be provided to political parties or individual candidates. Contributions may be given through any form of activity and by anyone, including individuals, organisations enterprises (whether private or public) as well as from foreign sources. Cf. GRECO, *Third Evaluation Round - Evaluation Report on Denmark on Transparency of Party Funding (Theme II)*, 29 June-2 July 2009, p. 7. Transparency International has also warned about the risks of corruption due to a lack of transparency regarding donations to political parties; see Transparency International (2012). *Secretive Political Financing Opens Door for Scandal, Says First Denmark Corruption Study*. 12 January 2012.

⁷⁵ GRECO, *Third Evaluation Round – Fifth Interim Compliance Report on Denmark*, 28 November – 2 December 2016.

⁷⁶ GRECO, *Third Evaluation Round – Second Compliance Report on Denmark*, 17 – 21 June 2019.

⁷⁷ Ministry of Foreign Affairs of Denmark (2018). *Strengthened safeguards against foreign influence on Danish elections and democracy*. <https://um.dk/en/news/newsdisplaypage/?newsid=1df5adbb-d1df-402b-b9ac-57fd4485ffa4> The Ministry cites the 2017 Intelligence Risk Assessment by the Danish Defence Intelligence Service, claiming that foreign influence campaigns may pose a growing threat against Denmark. Danish Defence Intelligence Service, *Intelligence Risk Assessment 2017*. https://www.arctictoday.com/wp-content/uploads/2018/10/Risikovurdering2017_EnglishVersion.pdf

⁷⁸ Baumann, A. and Reinholt Hansen, A., ‘Danmark får ny kommandocentral mod misinformation’, *Tjekdet*, 12 August 2020. <https://www.tjekdet.dk/danmark-faar-ny-kommandocentral-mod-misinformation>

⁷⁹ Law Library. Library of Congress (2019). *Government Responses to Disinformation on Social Media Platforms: Denmark*. LL File No. 2019-017919.

⁸⁰ OSCE (2017). *The Netherlands. Parliamentary Elections 15 March 2017*. OSCE/ODIHR Election Assessment Mission Final Report. Warsaw, 7 June 2017. <https://www.osce.org/files/f/documents/a/d/321821.pdf>

political parties.⁸¹ The political debate on the issue had started earlier, with a motion adopted in 2016 by the lower house, asking the government to make proposals to restrict party financing.⁸²

In 2019, the government led by Mark Rutte announced that it would change the existing legislation, while the actual proposal was agreed upon by the cabinet in February 2020.⁸³ This proposal aims to prohibit party donations from outside the EU (except from Dutch expatriates) and to introduce complete transparency vis-à-vis EU donations from outside the Netherlands. At the time of writing, the Dutch lower house was dealing with the legislative proposal.⁸⁴

2.3. A not so rosy picture: regulatory loopholes

The existence in most EU states of party regulations banning foreign funding should provide a difficult environment for foreign interferences. Indeed, party laws have been regarded as a barrier against Steve Bannon's plan to support far-right populist parties in Europe ahead of the 2019 EP elections, as his campaign operations would have broken the law in most of the countries where he planned to intervene.⁸⁵

Yet, notwithstanding the tighter regulatory framework, cases of foreign party funding and election interference in the EU, but also beyond Europe, have grown. In its report on *Financing Democracy*, the OECD put a spotlight on the issue. While acknowledging that bans on foreign funding are in place in many OECD countries, it noted that through money-laundering schemes and other techniques – like setting up party branches disguised as other organisations, such as think tanks or foundations – foreign states were often able to get around them.⁸⁶

In a recent systematic attempt to map cases of foreign funding to political parties, Josh Rudolph and Thomas Morley identify seven types of 'malign finance'.⁸⁷ Through legal loopholes, foreign states have been able to 'sneak in' seeking to influence the domestic politics of another state. Such covert operations are difficult to identify and trace, as they are designed *ad hoc* to hide ties to the state promoting them. The seven strategies used by foreign states – mainly Russia and China – to support foreign parties are: (i) in-kind contributions, that is intangible or difficult-to-value benefits for political campaigns; (ii) straw donors with domestic citizenship or covert agents; (iii) shell companies and businesses; (iv) non-profit organizations, which are not required to disclose the identity of their donors; (v) online political advertisements, whose regulations are generally looser than for the print and broadcasting media; (vi) media outlets funded or supported from abroad; (vii) emerging technologies, such as cryptocurrencies and cashless payments, offering anonymity.⁸⁸

In the *Staff working document accompanying the report on the 2019 EP elections*, the European Commission observed that interferences can take many forms and occur 'through direct and

⁸¹ Kroet, C., 'Dutch ban on foreign funding for political parties would hit far-right PVV', *Politico*, 1 January 2018. For the report: <https://kennisopenbaarbestuur.nl/rapporten-publicaties/het-publieke-belang-van-politieke-partijen/>

⁸² Parlementaire Monitor (2016). Motie van het lid Amhaouch c.s. over buitenlandse financiering van politieke partijen en campagnes, KST3427022, 22 December 2016.

⁸³ Rijksoverheid (2020), *Ministerraad stemt in met wijziging van de Wet financiering politieke partijen*, 07 February 2020. <https://www.rijksoverheid.nl/actueel/nieuws/2020/02/07/ministerraad-stemt-in-met-wijziging-van-de-wet-financiering-politieke-partijen>

⁸⁴ The Author of this report is grateful to Dr Christel Koop for her advice.

⁸⁵ Lewis, P. & Rankin J. 'Steve Bannon's far right Europe operation undermined by election laws'. *The Guardian*, 21.11.2018.

⁸⁶ OECD. *Financing Democracy: Funding of Political Parties and Election Campaigns and the Risk of Policy Capture*, p. 54.

⁸⁷ Rudolph J. and Morley, T. *Covert Foreign Money. Financial loopholes exploited by authoritarians to fund political interference in democracies*.

⁸⁸ Rudolph J. and Morley, T. *Covert Foreign Money. Financial loopholes exploited by authoritarians to fund political interference in democracies*, pp. 9-11.

indirect opaque financial support of political actors, campaigns or other involved bodies'.⁸⁹ To detect the possibility of foreign interference via party funding, the European Cooperation Network on Elections (cf. Chapter 1) carried out a mapping of the electoral rules currently in place in EU member states. This mapping exercise confirmed that most, but not all members have a ban on foreign funding, but only about half require transparency for paid political adverts and just over a third have rules that control the broadcast media in the electoral context, which may allow foreign actors to circumvent existing restrictions and support political parties.⁹⁰

2.4. Through the backdoor? Cases of foreign funding to parties

Loopholes in the legal regulations have been used by foreign states seeking to influence the domestic politics of another country. This section reviews some prominent cases where documented evidence on foreign party funding exists, and a mix of techniques have been implemented to channel funds or support. Before exploring the cases, it is important to make a methodological point. This is a field where it is notoriously difficult to gather hard evidence and 'very difficult to prove exactly how foreign actors try to interfere'.⁹¹

In what follows, the comparative overview of the strategies to channel funding to parties and campaigns abroad is based on the systematic – and selective – collection of cases made by Rudolph and Morley in their *Covert Foreign Money*.⁹² The comparative map presented below (Table 2) is followed by an in-depth review of a few selected cases that are illustrative of the range of techniques used by foreign states to finance or support parties in the EU. Here, sources have been carefully checked, and they have only been selected when providing robust evidence of their allegations. Whenever the evidence is contested, the presentation of the cases explicitly acknowledges it.

What emerges from the comparative analysis is a complex picture, in which attempts, successful or otherwise, to support foreign parties rarely take place in an isolated fashion. Rather, they are often part and parcel of more systematic influence campaigns, in which different tools are used, with a mix of covert and overt tactics, and several actors play a role. They may also be part of a broader strategy to undermine several countries at once, within the EU or among Western democracies, as it was feared that it could have occurred in the run-up to the 2019 EP elections.

⁸⁹ European Commission. *Commission staff working document. Accompanying the document Communication from the Commission to the European Parliament, the Council and the European Economic and Social Committee. Report on the 2019 elections to the European Parliament*. SWD(2020) 113 final. Brussels, 19.6.2020, p. 32.

⁹⁰ European Commission. *Commission staff working document*, p. 41. Incidentally, the European Cooperation Network on Election has flagged the issue of 'transparency of political advertising and party funding' for future work.

⁹¹ European Parliament. Special Committee on Foreign Interference in All Democratic Processes in the European Union, including Disinformation. *Working Document on the state of the foreign interference in the European Union, including disinformation*, p. 1.

⁹² As Rudolph J. and Morley, T. *Covert Foreign Money. Financial loopholes exploited by authoritarians to fund political interference in democracies*, p. 8, indicate: 'Our data set and Appendix A only include incidents where there has been credible public evidence, assessed on the extent and reliability of the sources and outlets'.

Table 2: Evidence of covert foreign funding or support to parties in targeted EU countries

Type I	Type II	Type III	Type IV	Type V	Type VI	Type VII
In-kind donations	Straw donors and agents	Shell companies	Non-profits, foundations, think-tanks	Online advertisement	Media outlets	Cryptocurrencies and cashless payments
Czech Republic France Germany Sweden UK	Italy UK	France Italy Latvia UK	Austria* Estonia Germany Italy Poland Netherlands UK	n/a	Estonia Germany Latvia Lithuania Sweden	UK

Source: Re-elaboration of data from Rudolph and Morley (2020). *Austria was not included among the cases (Rudolph and Morley 2020, p. 31, footnote 336). Note that the table only includes EU countries and the UK.

To start with in-kind donations (Type-I), in March 2014 the French party *Front National* (from June 2018, *Rassemblement National*) received a loan from a Russian bank, possibly linked to the support that the party leader, Marine Le Pen, provided to the referendum backing the annexation of Crimea by Russia. In 2015, the French newspaper *Mediapart* published a series of text messages hacked from the mobile phone of a senior Kremlin official.⁹³ In the texts, the Russians show their appreciation of Le Pen's behaviour, and a Kremlin official wrote that 'it will be necessary to thank the French in one way or another'.⁹⁴ Eight months later, the FN received EUR 9.4 million through a loan from First Czech Russian Bank. Settled in Moscow, the bank was part of a Russian pipeline construction company that was owned by Gennady Timchenko, close to President Putin.⁹⁵ According to *Mediapart*, Alexander Babakov – Russian senator and Putin's advisor⁹⁶ – helped securing the loan.⁹⁷

Two months after the loan was signed, its existence was revealed by another *Mediapart* report.⁹⁸ In an interview, Le Pen publicly acknowledged the existence of the loan, denying that the money could influence the party's political positions. She justified the choice of a Russian bank claiming that

⁹³ Duparc, A. Laske, K. and Turchi, M. 'Crimea, Russian Loans and the Le Pens: the Kremlin's intriguing SMS messages', *Mediapart*, 4.4.2015, https://www.mediapart.fr/en/journal/france/040415/crimea-russian-loans-and-le-pens-kremlins-intriguing-sms-messages?_locale=en&onglet=full

⁹⁴ Duparc, A. Laske, K. and Turchi, M. 'Crimea, Russian Loans and the Le Pens: the Kremlin's intriguing SMS messages'.

⁹⁵ Sonne, P. 'A Russian bank gave Marine Le Pen's party a loan. Then weird things began happening' *The Washington Post*, 27.12.2018. https://www.washingtonpost.com/world/national-security/a-russian-bank-gave-marine-le-pens-party-a-loan-then-weird-things-began-happening/2018/12/27/960c7906-d320-11e8-a275-81c671a50422_story.html

⁹⁶ The EU and the US sanctioned Babakov for his activities in Ukraine.

⁹⁷ Duparc, A. Laske, K. and Turchi, M. 'La vraie histoire du financement russe de Le Pen', *Mediapart*, 2.5.2017. <https://www.mediapart.fr/journal/france/020517/la-vraie-histoire-du-financement-russe-de-le-pen>

⁹⁸ Turchi, M. 'How a Russian bank gave France's far-right Front National party 9mln euros' *Mediapart*, 24.11.2014. <https://www.mediapart.fr/en/journal/international/241114/how-russian-bank-gave-frances-far-right-front-national-party-9mln-euros>

French banks would not lend to the party.⁹⁹ Since then, the FN leader has no longer made a secret of taking loans from Russia. In 2016, she openly requested EUR 27 million from Russia to finance the 2017 presidential election campaign.¹⁰⁰

The Italian *Lega* has been the subject of media reports suggesting that a complex financial arrangement – involving intermediaries and shell companies (Type II and Type III) – was constructed to fund the party. A recording published by BuzzFeed – and subsequently reported by Reuters and the New York Times – linked the operation to Gianluca Savoini, a long-standing member of staff of Matteo Salvini, the party leader.¹⁰¹ On 17 October 2018, Salvini made an official trip to Moscow in his capacity as the Minister of Interior. During the visit, Salvini reportedly met Russian Deputy Prime Minister Dmitry Kozak, responsible for energy affairs.¹⁰² As on other occasions, Savoini was also in Moscow during Salvini's visit.¹⁰³ On 18 October, Savoini and a group of other Italians met a group of Russians in the lobby of Moscow's Metropol Hotel. The recording published by BuzzFeed reports that they discussed a deal to covertly funnel Russian oil money to the *Lega*.¹⁰⁴

Reportedly, the deal was to involve a major Russian oil company selling at least 3 million metric tons of fuel over the course of a year to the Italian oil company Eni (which has always denied any involvement).¹⁰⁵ The operations were to be carried out through intermediaries, with the sellers applying a discounted rate to these transactions. BuzzFeed valued the potential profit from such a discount at \$65 million.¹⁰⁶ In July 2019, *L'Espresso* released documents containing the details of two proposals of fuel selling, one sent to Rosneft and one to Gazprom, whose terms closely matched those of the Metropol discussion.¹⁰⁷

Salvini has always strongly denied that *Lega* ever received any funding from Russia¹⁰⁸, and BuzzFeed wrote that 'it's unclear whether the agreement negotiated at the Metropol hotel was ever executed'.¹⁰⁹ Asked about his presence in the recorded meeting, Savoini claimed that he went to the Metropol to meet local entrepreneurs.¹¹⁰ Prosecutors in Milan have opened an investigation into

⁹⁹ Mestre, A. 'Marine Le Pen justifie le prêt russe du FN'. *Le Monde*, 23.11.2014. https://www.lemonde.fr/politique/article/2014/11/23/marine-le-pen-justifie-le-pret-russe-du-fn_4528041_823448.html

¹⁰⁰ Bremner, C. 'Le Pen's party asks Russia for €27m loan'. *The Times*, 19.2.2016. <https://www.thetimes.co.uk/article/le-pens-party-asks-russia-for-euro27m-loan-kzxq8m7s30v>

¹⁰¹ Nardelli, A. 'The Unofficial Kremlin Fixer of Italy's Interior Minister Sat In Official Meetings in Moscow. Nobody Seems to Know Why'. *BuzzFeed*, 18.7.2018 <https://www.buzzfeednews.com/article/albertonardelli/matteo-salvini-gianluca-savoini-moscow> and Nardelli, A. 'I Took Part in The Moscow Oil Deal Negotiation with Salvini's Aide, Says an Italian Lawyer'. *BuzzFeed*, 13.7.2019 <https://www.buzzfeednews.com/article/albertonardelli/italian-lawyer-moscow-oil-deal-negotiation>

¹⁰² Tizian G. and S. Vergine, *Il Libro Nero della Lega*, Bari-Roma, Editori Laterza, 2019, pp. 157-58.

¹⁰³ Nardelli, A. 'The Unofficial Kremlin Fixer of Italy's Interior Minister Sat In Official Meetings in Moscow' and Tizian, G. and S. Vergine, '3 million for Salvini'. *L'Espresso*, 28.2.2019. <https://espresso.repubblica.it/attualita/2019/02/28/news/3-million-for-salvini-1.332104>

¹⁰⁴ Nardelli, A. 'Revealed: The Explosive Secret Recording That Shows How Russia Tried to Funnel Millions to the "European Trump"'. *BuzzFeed*, 10.7.2019. <https://www.buzzfeednews.com/article/albertonardelli/salvini-russia-oil-deal-secret-recording>; for the full transcript of the recording: <https://www.buzzfeednews.com/article/albertonardelli/salvini-russia-oil-deal-secret-recording>

¹⁰⁵ Nardelli, A. 'Revealed'.

¹⁰⁶ Nardelli, A., Grozev, C., Kozyreva, T. and Dobrokhoto, R. 'Unmasked'.

¹⁰⁷ Tizian, G. and S. Vergine. 'La trattativa Lega-Russia: ecco le carte segrete'. 18.7.2019. <https://espresso.repubblica.it/plus/articoli/2019/07/18/news/la-trattativaci-vediamo-nella-hall-ecco-i-documenti-1.337036>

¹⁰⁸ Reuters, 'Italy's Salvini denies his League party took money from Russians'. 10.7.2019.

¹⁰⁹ Nardelli, A. 'Revealed'.

¹¹⁰ Euronews, 'Italian prosecutors launch probe into Russia collusion allegations', 11.07.2019.

the deal, in which Savoini is accused of international corruption¹¹¹ and suspected to have acted as a *Lega* agent at the Metropol meeting.¹¹²

Straw donors (Type-II) are suspected of channelling foreign money into the UK. A report by the British Parliament Intelligence and Security Committee (ISC) dedicates a chapter to Russian expatriates, warning that 'the U.K. now faces a threat from Russia within its own borders' in the form of 'Russian oligarchs', members of 'Putin-linked elites'.¹¹³ The *Sunday Times* claimed that the report's classified annex names nine Russian business individuals who have donated to the Conservative Party.¹¹⁴

Companies with foreign funders have also been investigated as possible sources of foreign resources to British parties (Type-III). In the months leading up to the 2016 Brexit referendum, the Leave.EU campaign received £8 million from British businessman Arron Banks.¹¹⁵ According to some reconstructions, Banks attended several encounters with high-ranking Russian officials before the referendum.¹¹⁶ During these meetings, the Russians offered Banks a gold and diamond mines deal.¹¹⁷ Banks repeatedly denied any involvement with Russian officials, or that Russian money played a role in the Leave campaign.¹¹⁸ Nevertheless, Banks had raised the donation funds by borrowing £6 million from Rock Holdings Ltd., an Isle of Man company that Banks co-owns with Jim Mellon,¹¹⁹ a business partner and fellow backer of Brexit who invested in at least one of the deals with Russia.¹²⁰ The U.K. Electoral Commission referred the case to the National Crime Agency (NCA), suspecting that Banks was not the 'true source' of the funds.¹²¹ The NCA concluded that it has not received any evidence to suggest that Mr Banks and his companies received funding from any third

¹¹¹ Reuters, 'Italian prosecutors probe allegations of League oil deal: sources'. 11.7.2019. <https://www.reuters.com/article/us-italy-salvini-russia-idUSKCN1U61J1>

¹¹² Huffington Post, 'Per I PM di Milano Savoini era al Metropol come uomo della Lega'. 24.07.2019. https://www.huffingtonpost.it/entry/conte-chiede-salvini-non-risponde-chi-ha-pagato-la-missione-di-savoini-a-mosca_it_5d37fa66e4b020cd994b6cf0

¹¹³ Intelligence and Security Committee, *Russia Report*. 21.07.2020, pp. 15-18, 22. https://isc.independent.gov.uk/wp-content/uploads/2021/01/20200721_HC632_CCS001_CCS1019402408-001_ISC_Russia_Report_Web_Accessible.pdf

¹¹⁴ Harper, T. and Wheeler, C. 'Russian Tory donors named in secret report'. *The Sunday Times*, 10.11.2019. <https://www.thetimes.co.uk/article/russian-tory-donors-named-in-secret-report-z98nqpkx0>

¹¹⁵ Rudolph, J. 'Use Brexit delay to investigate Russian money'. *Atlantic Council*, 15.03.2019. <https://www.atlanticcouncil.org/blogs/new-atlanticist/use-brexit-delay-to-investigate-russian-money/>

¹¹⁶ Cadwalladr, C. and Jukes, P. 'Arron Banks 'met Russian officials multiple times before Brexit vote' *The Guardian*, 09.06.2018. <https://www.theguardian.com/politics/2018/jun/09/arron-banks-russia-brexit-meeting> and Harding, L. *Shadow State: Murder, Mayhem, and Russia's Attack of the West*, New York, HarperCollins, 2020, pp.211-212.

¹¹⁷ Harding, L. and Townsend, M. 'Timid, incompetent ... how our spies missed Russian bid to sway Brexit'. *The Guardian*, 26.07.2020. <https://www.theguardian.com/world/2020/jul/26/timid-incompetent-why-did-uk-spoops-miss-russian-bid-to-sway-brexit-russia-report> and Harding, L. 'Revealed: details of exclusive Russian deal offered to Arron Banks in Brexit run-up'. *The Guardian*, 9.8.2018. <https://www.theguardian.com/uk-news/2018/aug/09/revealed-detail-of-exclusive-russian-deal-offered-to-arron-banks-in-brexit-run-up>

¹¹⁸ Sabbagh, D. 'Arron Banks tells MPs: I have no business interests in Russia'. *The Guardian*, 12.06.2018. <https://www.theguardian.com/politics/2018/jun/12/arron-banks-tells-mps-i-have-no-business-interests-in-russia>

¹¹⁹ Belton, C. *Putin's people: how the KGB took back Russia and then took on the West*. Farrar, Straus and Giroux, pp. 440.

¹²⁰ Kirkpatrick, D. and Rosenberg, M. 'Russians Offered Business Deals to Brexit's Biggest Backer'. *The New York Times* 29.6.2018. <https://www.nytimes.com/2018/06/29/world/europe/russia-britain-brexit-arron-banks.html> and Cadwalladr, C. and Jukes, P. 'Revealed: Leave.EU campaign met Russian officials as many as 11 times'. *The Guardian*, 8.7.2018. <https://www.theguardian.com/uk-news/2018/jul/08/revealed-leaveeu-campaign-met-russian-officials-as-many-as-11-times>

¹²¹ The Electoral Commission, *Investigation into payments made to Better for the Country and Leave.EU*, 1.11.2018. <https://www.electoralcommission.org.uk/who-we-are-and-what-we-do/our-enforcement-work/investigations/investigation-payments-made-better-country-and-leaveeu>

party to fund the loans subject to the investigation, or that Mr Banks acted as an agent on behalf of a third party.¹²²

In the Netherlands, most political parties and four online platforms (Facebook, Google, Snapchat, TikTok) pledged to limit potential interferences of foreign states through online advertisement (Type-V) by signing a nonbinding Code of Conduct Transparency Online Political Advertisements on 9 February 2021.¹²³

Following a request by the Ministry of the Interior, negotiations on the Code of Conduct were led by an intergovernmental organization, the International Institute for Democracy and Electoral Assistance (International IDEA).¹²⁴ Despite the fact that ‘the Netherlands seems to have been spared from significant incidents so far’, with the code political parties undertook to ‘refuse direct purchases of political advertisements by foreign actors’ and ‘refrain from receiving foreign funding to pay for online political advertisements, other than from party members living abroad’. Similarly, online platforms pledged to ‘ban cross-border political advertisements from outside the European Union’.¹²⁵

3. Party regulation at the EU level

According to article 10(4) TEU, ‘political parties at European level contribute to forming European political awareness and to expressing the will of citizens of the Union’. For a formal definition, based on Regulation 1141/2014,¹²⁶ a European political party (in brief: Europarty) is ‘a political alliance which pursues political objectives and is registered with the Authority for European political parties and foundations’. Europarties are made up of national parties and/or individuals represented in several member states.

The EU’s ‘extra-parliamentary parties’ or, as they used to be called, ‘transnational federations’ were created ahead of the first EP direct election in 1979. For several decades Europarties have been marginal actors, loosely coordinating member parties ahead of the EP elections. However, their current role in the EU political system has become significantly more relevant. The Treaty of Lisbon gave them the important role of enhancing the EU’s ‘representative democracy’ and Europarties have been influential in the selection of the President of the European Commission through the so-called *Spitzenkandidaten* process. In addition, the political groups in the EP, to which Europarties, albeit organisationally distinct, are linked, shape the EU’s legislation through the ordinary legislative procedure.

Given this new institutional context, there may be an incentive for foreign states to seek to influence the EP elections or support Europarties with ideologically closer positions. As we shall see in the following sections, recent reforms of the regulations on the financing of Europarties and their

¹²² National Crime Agency, *Public statement on NCA investigation into suspected EU referendum offences*, 24.9.2019. <https://nationalcrimeagency.gov.uk/news/public-statement-on-nca-investigation-into-suspected-eu-referendum-offences>

¹²³ IDEA, *First national Code of Conduct on online political advertising in the European Union signed by Dutch political parties and global online platforms*, 9.2.2021. <https://www.idea.int/news-media/news/first-national-code-conduct-online-political-advertising-european-union-signed-dutch>; Ministry of the Interior and Kingdom Relations and IDEA, *Dutch Code of Conduct Transparency Online Political Advertisements*. <https://www.idea.int/sites/default/files/news/news-pdfs/Dutch-Code-of-Conduct-transparency-online-political-advertisements-EN.pdf>

¹²⁴ IDEA, *First national Code of Conduct on online political advertising in the European Union signed by Dutch political parties and global online platforms*

¹²⁵ Ministry of the Interior and Kingdom Relations and IDEA, *Dutch Code of Conduct Transparency Online Political Advertisements*.

¹²⁶ Art. 2(3). Regulation (EU, Euratom) No 1141/2014 of the European Parliament and of the Council on the statute and funding of European political parties and European political foundations, 22.10.2014.

foundations have banned foreign funding. Yet, as the previous chapter has shown, there are subtler ways for foreign elements to support political parties. Given that a new legislative proposal on the regulation of Europarties is expected in 2021, the lessons that have been learnt should be considered. In addition, as national parties are key contributors to Europarties' budgets, the issue of funding transparency should be addressed at the national level.

3.1. Regulating Europarties since Maastricht

For several decades since their creation, Europarties had no formal recognition in the EU legal system. This situation finally changed in 1992, when the Treaty of Maastricht introduced a 'party article' (art. 138A). Notwithstanding the ambition of the party article, the new framework fell short of providing either legal status or independent financial resources. Indeed, several years later, a special report of the European Court of Auditors on the financial arrangements for Europarties was still critical of the modalities through which Europarties were financially supported, as they relied on the resources provided by the EP.¹²⁷

With the Treaty of Nice, the party article (art. 191) was complemented by a second paragraph, indicating that the Council, using the procedure detailed by art. 251, should lay down rules for the funding of Europarties. Notwithstanding the important inclusion of a legal basis, declaration no. 11 ruled out the possibility that Europarties could campaign in the EU member countries, most importantly in the context of the EP elections.

A significant breakthrough was achieved in 2003, when Regulation No. 2004/2003 on political parties at European level and the rules regarding their funding was adopted. This regulation introduced public direct funding, which came from the general budget of the Union, and gave them legal personality in the member state in which they were registered. The regulation gave the EP the power to verify that Europarties met the conditions required for their financing. By providing them with financial autonomy from political groups, this regulation clearly represented a very important step for their institutionalisation.

However, the provision that conditioned the allocation of EU public funds on 25 % co-financing from other sources, made the national parties decisive in constituting and maintaining Europarties. Given that such resources could be obtained either through direct contributions from member parties – up to a ceiling of 40 % of the total – or through donations, most likely from party networks in society and the economic sphere, the largest and richest national parties could exercise a dominant influence.¹²⁸

In 2007, Regulation 1524/2007 introduced European political foundations, defined as entities or networks of entities which have legal personality in a member state, are affiliated with a political party at European level and which, through their activities, complement those of political parties. While foundations and Europarties are two separate legal entities, the former could only apply for funding through the political party to which they are affiliated. Importantly, the amended regulation finally allowed Europarties to finance campaigns for the EP elections. However, these resources could not be used for the direct or indirect funding of national political parties or candidates, or referendum campaigns.

¹²⁷ Court of Auditors Special Report No 13/2000 on the expenditure of the European Parliament's political groups, together with the European Parliament's replies. 28.6.2000.

¹²⁸ Bardi, L., Bressanelli, E., Calossi, E., Cicchi, L. Gagatsek, W. and E. Pizzimenti, *Political Parties and Political Foundations at European level. Challenges and Opportunities*, European Parliament, Study, 2014, p. 38.

It was the Treaty of Lisbon that, in its section on the democratic life of the Union, gave a new centrality to Europarties. Following Lisbon, a regulation of European political parties and their foundations was to be adopted in accordance with the ordinary legislative procedure (art. 224 TFEU). In 2011, a parliamentary report on the application of regulation 2004/2003 suggested amending the party regulation to introduce stronger sanctions for breaking financial rules and to enhance the transparency of private funding. Reducing the amount of private resources to be collected by each Europarty to only 10 % of its total budget was also proposed.

Following this report, in 2012 the Commission made a proposal to reform the party regulation. This proposal was critically received by the European Court of Auditors. In its opinion, the Court noted, among other things, how the draft regulation did not specifically regulate donations from private entities based in non-member countries or from international organisations, as it only prohibited donations from public authorities in non-member countries and undertakings controlled by these public authorities. Moreover, the Court observed that the Commission did not introduce any rule concerning loans, their sources and their terms and conditions. Without such provisions, the Court warned that there was a risk of the rules on donations and contributions being circumvented, for instance through loans at particularly advantageous conditions.¹²⁹

3.2. Funding Europarties: tightening regulations

Regulation 1141/2014, repealing regulation 2004/2003, largely took such criticisms on board, and introduced several important changes to the rules on Europarty funding. The new rules have been reformed to allow parties to become 'more visible' and 'effective' actors and, for that purpose, they have acquired a 'European legal personality' (art. 12). The regulation placed a stronger emphasis on the respect of the fundamental values of the EU, it created an Authority on Political Parties and Foundations at European level (hereinafter, the Authority), with monitoring and sanctioning powers, and it introduced additional limitations and prohibitions on certain types of donations. More generally, transparency requirements were strengthened.

Before the 2014 reform, limitations applied to donations from anonymous contributors, from undertakings under direct or indirect influence of public authorities, and from any public authority from a third country. As per regulation 2004/2003, parties could not accept anonymous contributions or donations from the budget of political groups in the EP. The new regulation further restricted such requirements (cf. Table 3). The article on foreign donations in the new regulation – art. 20(5) – is worth reporting in full, as it prescribes that Europarties and their foundations shall not accept:

(c) donations from any public authority from a Member State or a third country, or from any undertaking over which such a public authority may exercise, directly or indirectly, a dominant influence by virtue of its ownership of it, its financial participation therein, or the rules which govern it; or

(d) donations from any private entities based in a third country or from individuals from a third country who are not entitled to vote in elections to the European Parliament.

Therefore, the new regulation added a complete ban on any private funding – either from legal entities or individuals without voting rights in the EP elections – based in a third country. It also

¹²⁹ Court of Auditors Opinion No 1/2013 concerning the proposal for a regulation of the European Parliament and of the Council on the statute and funding of European political parties and European political foundations and concerning the proposal for a regulation of the European Parliament and of the Council amending Regulation (EU, Euratom) No 966/2012 as regards the financing of European political parties.

introduced an obligation to declare the sources of funding and the donors, with the exception of donations equal or below EUR 1500 per year and per donor while, for donations between EUR 1500 and 3000, the prior written consent of the donor is needed for disclosure. Single donations which exceed the value of EUR 12000 must immediately be reported to the Authority in writing and donations exceeding EUR 18 000 are forbidden.

While the threshold for disclosure and the ban on donations have been raised – i.e. the former from EUR 500 to EUR 1500, the latter from EUR 12000 to EUR 18000 –, the monitoring and sanctioning system has been strengthened, with onerous financial sanctions – excluding Europarties from funding for up to 10 years – and the Authority has been granted the power to de-register parties and foundations.

Notwithstanding such broad changes, demands to further amend the regulation were raised even before the new regulatory regime was implemented. In April 2016, in a letter addressed to the President of the EP, Martin Schulz, the leaders of the three largest political groups in the EP – the EPP, the S&D and the ALDE – asked to reduce the 15 % co-financing obligation. This request, which was later also supported by the Greens-EFA,¹³⁰ came about because some Europarties, particularly on the right-end side of the political spectrum, were suspected of irregularities. For instance, the EP bureau documented how one party and its affiliated foundation used charity boxes to collect small amounts of cash during internal meetings in 2016, while another party organised several events in 2016 leading to the indirect financing of national parties, which is also forbidden by the regulation.¹³¹

A case in point of misuse of EU funds was the system put in place by the Eurosceptic Alliance for Direct Democracy in Europe (ADDE), through which it received private donations which were later 'paid back' to the donor(s), in larger amounts, via contracts. The Swedish Health Consumer powerhouse, for instance, received a EUR 20 000 contract from the ADDE after donating EURO 12 000. Its funding was effectively suspended in 2016 after an audit disclosed the (illegal) use of EU funds in the 2015 British general election campaign.¹³² Similarly, another investigation discovered that the Movement for a Europe of Liberties and Democracy (MELD), and its related foundation had used EU funding to promote the Danish *Dansk Folkeparti* during a general election and an EU referendum campaign, and to organise the activities of the party *Solidarna Polska* in Poland.¹³³

Therefore, the Commission proposed an amended regulation tightening the rules for the registration of Europarties,¹³⁴ ruling out the possibility that individual parliamentarians, rather than national parties, could sponsor them. In addition, to avoid circular money flows and other dubious practices used to meet the co-financing requirements, the co-financing threshold was lowered to 10 % for parties and to 5 % for foundations. As the Court of Auditors noted in its opinion, these were welcome changes in order to increase transparency.¹³⁵ As Regulation 2018/673 entered into force,

¹³⁰ Nielsen, N. 'New EU party finance rules short circuit accountability'. *Euobserver*, 19.4.2018.

¹³¹ Nielsen, N. 'EU passes new rules to prevent far-right funding abuse'. *Euobserver*, 17.4.2018.

¹³² Rankin, J. 'Defunct Eurosceptic party linked to Ukip asked to repay €1.1m', *The Guardian*, 30.5.2018.

¹³³ Jacobsen, H. 'European Parliament tells MEP to return €400,000', *Euractiv*, 6.5.2016

¹³⁴ Procedure 2017/0219/COD, Proposal for a Regulation of the European Parliament and of the Council amending Regulation (EU, Euratom) No. 1141/2014 of the European Parliament and the Council of 22 October 2014 on the statute and funding of European political parties and European political foundations.

¹³⁵ Court of Auditors Opinion No 5/2017 concerning the proposal for a regulation of the European Parliament and of the Council amending Regulation (EU, Euratom) No 1141/2014 of the European Parliament and the Council of 22 October 2014 on the statute and funding of European political parties and European political foundations.

the Authority deregistered two Europarties and one political foundation, as they were no longer compliant with the regulations.¹³⁶

However, the decision to reduce the share of private funding was not without its critics, as it arguably binds Europarties even more tightly to Brussels, loosening their already feeble ties to civil society. In addition, the proliferation of hard-to-value in-kind donations and circular financial flows was not effectively tackled by the rules. The lowering of the threshold for private funding is deemed not to have gone far enough, and transparency rules are not considered sufficient regarding both the sources of donations and how money is spent.¹³⁷

A further amendment came with Regulation 2019/493,¹³⁸ which introduced a verification procedure and sanctions for parties deliberately attempting to influence the outcome of EP elections by exploiting infringements of personal data protection rules. While national supervisory authorities are in charge of monitoring breaches of the General Data Protection Regulation (GDPR), it is the Authority that decides on imposing sanctions, consisting of a penalty amounting to 5 % of the annual budget of Europarties or foundations and the suspension of EU funding for the following year. While the new regulation only targets Europarties, as the EU has no jurisdiction over national parties, the EU also recommends that national governments impose stricter transparency requirements for online advertising.¹³⁹

¹³⁶ They were the Alliance of European National Movements and Alliance of Peace and Freedom, and the foundation Europa Terra Nostra.

¹³⁷ Kergueno, R. 'Fraud and boats: Funding European Political Parties'. *Transparency International EU*, 9.11.2017.

¹³⁸ Regulation (EU, Euratom) 2019/493 of the European Parliament and of the Council amending Regulation (EU, Euratom) No 1141/2014 as regards a verification procedure related to infringements of rules on the protection of personal data in the context of elections to the European Parliament, 25.3.2019.

¹³⁹ Khan, M. 'EU targets European political parties that misuse voters' data', *Financial Times*, 26.8.2018.

Table 3: Regulating the funding of Europarties (2003-2020)

	Regulation 2004/2003	Regulation 1524/2007	Regulation 1141/2014
Funding	No more than 75 % of the annual budget from the general budget of the EU	No more than 85 % of the annual budget from the general budget of the EU	No more than 85 % of the overall eligible expenditure from the EU budget <i>* Up to 90 % of the annual reimbursable expenditure can be covered by the EU budget (Regulation 2018/673)</i>
Contributions cap	40 % max of the annual budget from member political parties	40 % max of the annual budget of a European political party from national political parties or a natural person	40 % max of the annual budget of a European political party from members EUR 18000 per year per natural person, unless parliamentarian
Donations cap	12000 per year and per donor from any natural or legal person	12000 per year and per donor from any natural or legal person	18000 per donor per year from any natural or legal person
Ban on			
- Anonymous donations	Banned	Banned	Banned
- Foreign donations	n/a	Ban on donations from any public authority from (a Member State or) a third country, including from any undertaking over which they have dominant influence	Ban on donations from any public authority from (a Member State or) a third country, or from any undertaking over which such a public authority may exercise, directly or indirectly, a dominant influence by virtue of its ownership of it, its financial participation therein, or the rules which govern it; or donations from any private entities based in a third country or from individuals from a third country who are not entitled to vote in EP elections

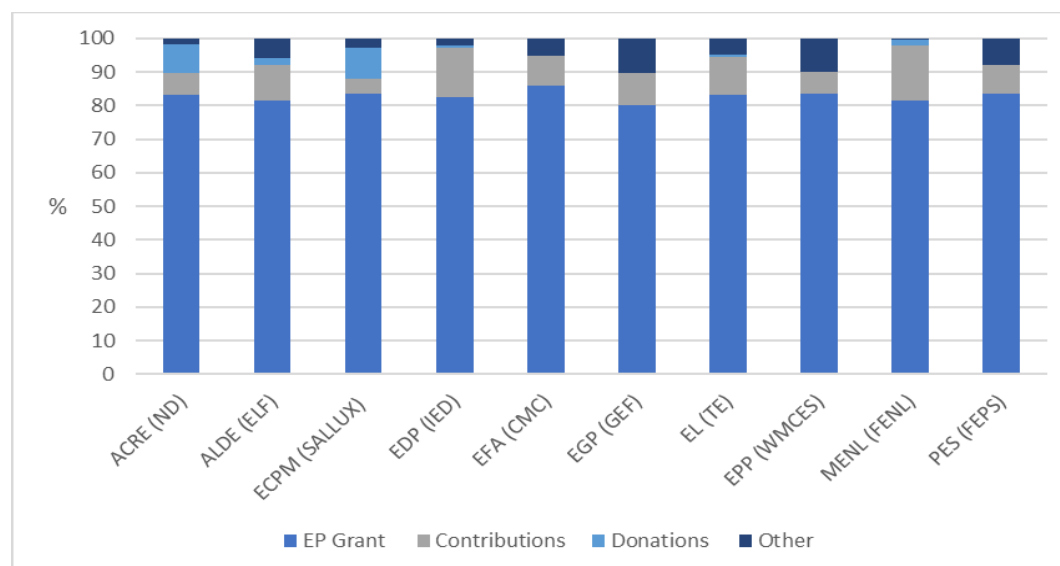
<p>- Other banned sources</p>	<p>Donations from the EP groups Any undertaking over which public authorities have dominant influence</p>	<p>Donations from the EP groups Any undertaking over which public authorities have dominant influence</p>	<p>Donations from the EP groups Any undertaking over which public authorities have dominant influence</p>
<p>Disclosure</p>	<p>Declare sources of funding and donations Except donations not exceeding EUR 500</p>	<p>Declare sources of funding and donors Except donations not exceeding EUR 500 per year and per donor</p>	<p>Public disclosure of the donors' names and the details of their corresponding donations is mandatory for any donation above EUR 3000. The disclosure of the donors' identity for donations between EUR 1500 and EUR 3000 can take place only with their written consent or is otherwise reported as a 'minor donation'. Donations received within six months prior to elections to the EP shall be reported on a weekly basis to the Authority in writing. Single donations over EUR 12000 shall be immediately reported to the Authority in writing</p>
<p>Monitoring / control</p>	<p>Control shall be exercised by the European Court of Auditors. on the basis of annual certification by an external and independent audit, to be transmitted, within six months of the end of the financial year concerned, to the EP</p>	<p>Control shall be exercised by the European Court of Auditors on the basis of annual certification by an external and independent audit, to be transmitted, within six months of the end of the financial year concerned, to the EP</p>	<p>Control of compliance is exercised, in cooperation, by the Authority, by the Authorising Officer of the EP and by the competent Member States. In addition, The Court of Auditors shall exercise its audit powers and OLAF may carry out its investigations.</p>
<p>Sanctions</p>	<p>Exclusion from funding Any funds improperly received by political parties at European level from the general budget of the European Union shall be refunded to that budget.</p>	<p>Exclusion from funding Any funds improperly received by political parties at European level from the general budget of the European Union shall be refunded to that budget.</p>	<ol style="list-style-type: none"> 1. Removing the Europarty from the Registry (when it had been found guilty of illegal activities, when it no longer fulfils the conditions or upon request of a Member State) 2. Financial sanctions (for both quantifiable and non-quantifiable infringements - non-compliance, failure to transmit the list of donors, criminal conviction, acceptance of banned donations and contributions, intentional omissions of information/incorrect or misleading information) 3. Exclusion of the party from funding for up to 5 years or up to 10 years for repeated infringements

3.3. Funding Europarties from abroad

The issue of foreign funding, which was not considered by regulation 2004/2003, has been more tightly regulated by regulation 1524/2007 and, especially, 1141/2014. However, going beyond the legal provisions, to what extent is foreign funding a real issue for European political parties and foundations? This question is addressed by reviewing the donations received by Europarties between 2014 and 2017.¹⁴⁰ Indeed, the ban on foreign donations introduced by regulation 1141/2014 only became applicable from the 2018 budgetary year. It is therefore possible – drawing on the data collected by the platform *Follow the Money* – to map the amount and origin of foreign donations received by Europarties and their associated foundations over the previous period.¹⁴¹

Observing the budgetary data provided by the ten Europarties and foundations that were eligible for funding in the 2014-17 period (cf. Figure 1), public funding from the EU budget obviously constituted the lion's share of their financial resources, representing 80-85 % of their income. Contributions – that is, membership fees and transfers from the member parties or individuals – were generally the second source of income, followed by donations. In any case, the cap on contributions from national parties (40 % of the total budget) was a long way from being achieved.

Figure 1: The funding of Europarties and their foundations (2014-17)



Source: Dataset 1 (April 23 2019). *Follow the Money*, 2019.

¹⁴⁰ See Bressanelli, E., Di Palma, A. Inglese, Marini, S. and E. Repetto, *Institutions and Foreign Interferences*, Chapter 5. The Author of this report would like to thank Sofia Marini for her work on the empirical data.

¹⁴¹ See Kuijpers, D. and L. Witteman. *Follow the Money (FTM). Tracking the cashflow of European political parties*, 2019. <https://www.ftm.nl/eu-party-finances>. Budgetary data for the 2014-17 period is provided by the EP on its website in unstandardised format.

Table 4: Third party funding to Europarties and their foundations (2014-17)

Europarty (Foundation) ¹⁴²	Origin of funding					
	From the EU		From outside the EU		Total	
	Amount (EUR)	%	Amount (EUR)	%	Amount (EUR)	%
EPP (WMCES)	3 204 867	87.4	462 210.3	12.6	3 667 077.3	100
EGP (GEF)	1 608 045	97	49 043	3	1 657 088	100
ACRE (ND)	869 759.5	80.9	204 765.3	19.1	1 074 524.8	100
ALDE (ELF)	591 201.5	74.9	197 980	25.1	789 181.5	100
EAF (EFF)	289 772	80.7	69 385	19.3	359 157	100
ECMP (SALLUX)	297 431	76.7	90 542	23.3	387 973	100
EUD (OEIC)	154 579.7	99.9	2 199	0.1	156 778.7	100
ADDE (IDDE)	136 590	45.3	164 829.5	54.7	301 419.5	100
MENL (FENL)	102 500	100	0	0	102 500	100
EFA (CMC)	68 477.8	100	0	0	68 477.8	100
EDP (IED)	43 090	100	0	0	43 090	100
EL (TE)	19 667	100	0	0	19 667	100
APF (Terra Nostra)	13 296	63.7	7 580	36.3	20 876	100
PES (FEPS)	4 294 027*	99.2*	36 000	0.8*	4 330 027*	100*
<i>Total</i>	<i>7 399 276.5</i>	<i>85.2</i>	<i>1 284 534.1</i>	<i>14.8</i>	<i>8 683 810.6</i>	<i>100</i>

Source: elaboration from Dataset 2 (April 30 2019) [Follow the Money](#). *Data not included in Dataset 2, FTM (2019).

¹⁴² EPP: European People's Party, WMCES: Wilfried Martens Centre for European Studies; EGP: European Green Party, GEF: Green European Foundation; ACRE: Alliance of Conservatives and Reformists in Europe, ND: New Direction - The Foundation for European Reform; ALDE: Alliance of Liberals and Democrats for Europe Party, ELF: European Liberal Forum; ECMP: European Christian Political Movement, SALLUX: Sallux; EAF: European Alliance for Freedom, EFF: European Foundation for Freedom; EUD: Europeans United for Democracy, OEIC: Organisation for European Interstate Cooperation; ADDE: Alliance for Direct Democracy in Europe, IDDE: Initiative for direct democracy in Europe; MENL: Mouvement pour une Europe des Nations et des Libertés, FENL: Fondation pour une Europe des Nations et des Libertés; EFA: European Free Alliance, CMC: Centre Maurits Coppieters; EDP: European Democratic Party, IED: Institute of European Democrats; EL: Party of the European Left, TE: Transform Europe; APF: Alliance for Peace and Freedom, Terra Nostra: Europa Terra Nostra; PES: Party of European Socialists, FEPS: Foundation for European Progressive Studies.

Donations represented a rather small share of the budget of Europarties and their foundations. They appeared to be more important for the Alliance of Conservative and Reformists in Europe (ACRE) and the European Christian Political Movement (ECPM), while being less relevant in the centre and, especially, on the left of the ideological spectrum.¹⁴³

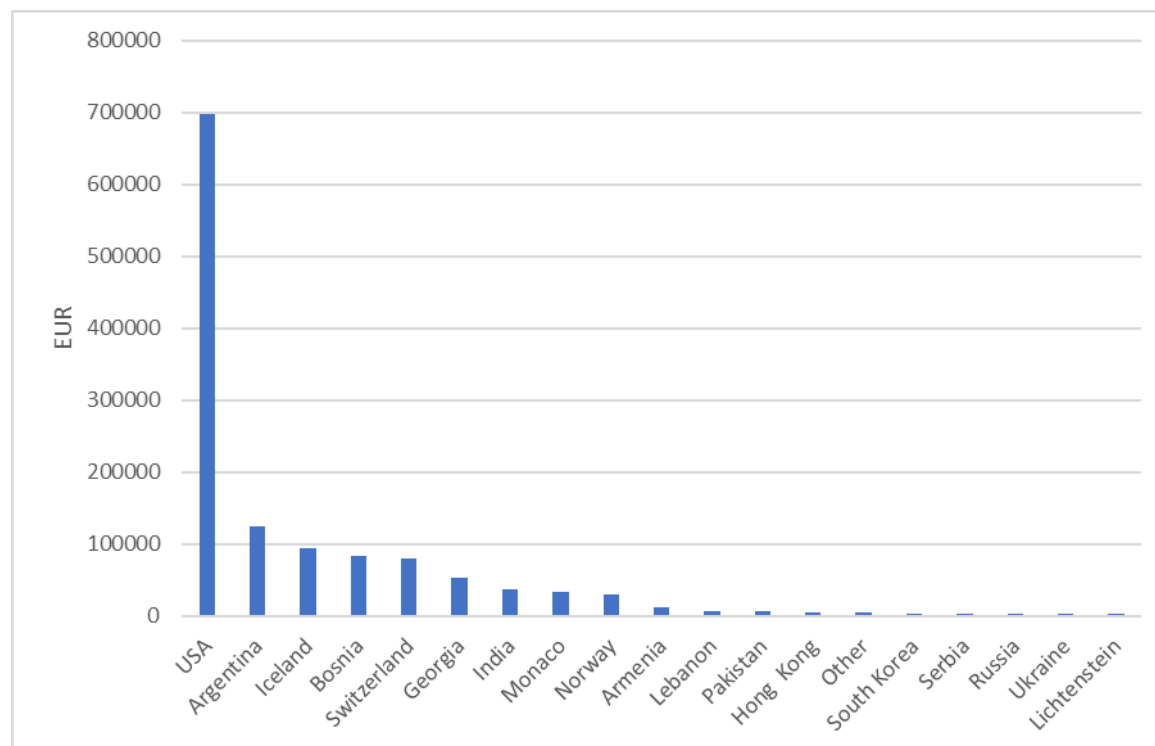
Table 4 further disaggregates the data on third party funding, showing the extent to which Europarties and their foundations relied on foreign funding. As the table shows, the overall share of 'internal' (EU) contributions and donations was slightly over 85 %. In other words, foreign funding amounted to about 15 % of the party/foundation income not covered by EU public funding. Concretely, it is about EUR 1 300 000, in a four-year period, for all Europarties registered with the Authority. To put this figure into perspective, over the same period the EU allocated more than EUR 153 million from its budget to Europarties.

Analysing the FTM dataset on donations, it appears that some Europarties or foundations relied more on foreign funding than others. The share of foreign funding was above the average for the Alliance for Direct Democracy in Europe (ADDE), the Alliance for Peace and Freedom (APF), the Alliance of Liberals and Democrats for Europe Party (ALDE), the European Christian Political Movement (ECPM), the European Alliance for Freedom (AEF) and the Alliance of Conservatives and Reformists in Europe (ACRE), with their associated foundations. It is worth repeating that, over the period here considered, foreign funding was legal and subject to standard reporting requirements. On the other hand, the Party of the European Socialists (PES), the European Green Party (EGP) and the Party of the European Left (EL) did not rely at all, or very little, on donations from non-EU countries.

Finally, it is worth looking more in depth at the origin of foreign funding. As Figure 2 shows, more than half of the overall amount originated in the United States. Donations from the USA benefitted most Europarties and associated foundations.¹⁴⁴ Other countries from which more than EUR 50 000 were transferred are Argentina, Iceland, Bosnia, Switzerland and Georgia. Interestingly, Russia is hard to spot in the graph, with only four donations tracked – each lower than EUR 1000 – directed to the European Greens.

¹⁴³ This is confirmed by empirical research focusing on an earlier period (2008-15). Cf. Katsaitis A. 'Following the Money: Exploring Business Financial Contributions to the European Union's Political Parties'. *Journal of Common Market Studies*. 58:5, 2020, p. 1347.

¹⁴⁴ Cf. Appendix A for additional details.

Figure 2: Sources of third country funding (2014-17)

Source: elaboration from Dataset 2 (April 30 2019) [Follow the Money](#).

3.4. The role of the Authority

Regulation 1141/2014 established the Authority for European Political Parties and European Political Foundations, for the purpose of registering, controlling and imposing sanctions on Europarties and their associated foundations in accordance with the EU legal framework. The Authority has legal personality and it is independent from any institution or government or from any other body, office or agency. In the performance of its duties, it is represented by its Director, who is appointed for a five-year non-renewable term by the EP, the Council and the Commission by common accord, on the basis of proposals made by a selection committee composed of the Secretaries-General of those institutions, following an open call.

The Authority was formally established on 1 September 2016 and has been fully operational since 2017. The 2014 Regulation, as amended in 2018, entrusted the Authority with a rich and diversified number of tasks. First, the Authority is in charge of keeping the Register of European political parties and foundations, verifying that they fulfil the requirements for registration and maintain their eligible status by complying with registration conditions and requirements. It also holds control and monitoring powers: Reg 1141/2014 states that it is the Authority and no longer the EP, as with the previous regime, that is in charge of reviewing documents concerning the financial year submitted by Europarties and their foundations. Since the 2018 financial year, the Authority has started to review their budgets.¹⁴⁵ Finally, the Authority has pervasive sanctioning powers, ranging from the removal of the party or foundation from the Registry, to financial sanctions and the exclusion of the party or foundation from funding for up to 5 years, or 10 years for repeated infringements. Therefore,

¹⁴⁵ The Authority started reviewing the documentation relating to the 2018 financial year in the summer of 2019. Cf. Authority for European Political Parties and Political Foundations. *Annual Activity Report 2019*. Luxembourg, Publication Office of the European Union, 2020.

the Authority plays a very important role in guaranteeing the transparency of the funding of European political parties and foundations and, more broadly, the functioning of the EU as a system of 'representative democracy' (Art. 10 TEU).

By assessing the applications of Europarties, the Authority acts as a gatekeeper to their access to funding and European legal recognition. To be registered, Europarties have to meet several conditions. They need to be based in a member state of the EU, their member parties must be affiliated to only one Europarty and should have representatives in at least a quarter (seven) of member states, considering the European, national or regional parliaments. Alternatively, member parties should have received at least 3 % of the votes in the most recent EP elections in seven or more member states. Moreover, Europarties should not pursue profit goals and must observe the founding values of the EU, as per art. 2 TEU, in their programme and activities.¹⁴⁶

Registered parties and foundations should continue to meet the conditions for registration. Information on contributions – not only membership fees, but all payments from members, such as provisions of goods or services below market value – is submitted yearly to the Authority. Donations – i.e. payments from non-members – are subject to specific reporting requirements: Europarties and foundations must immediately report to the Authority any donation exceeding EUR 12000 and, on a weekly basis, all donations received within 6 months prior to the EP elections. Anonymous donations are banned, but the names of the donors (natural persons) are not published if the donation is below or equal to EUR 1500, and only with the prior written consent of the donor if the donation falls in the range of EUR 1500-3000. In such cases, the total amount of 'minor donations' and the number of donors is published in aggregate form.¹⁴⁷

There are also limits on the expenditures of Europarties and their foundations. Europarties cannot directly or indirectly fund other political parties, especially parties or candidates in member states, or referenda campaigns. In the context of the EP elections, campaigning is possible, but funding of national parties and candidates is not. This creates some legal tensions, as the boundaries between EU and national competences are not always clear-cut. To make the right to campaign effective, the Authority, together with Directorate-General for Finance of the European Parliament, identified a set of practical principles.¹⁴⁸ In 2019, several Europarties also contacted the Authority describing difficulties encountered when setting up political campaigns on social media platforms. These parties explained that the restrictions imposed on them made it excessively difficult, if not impossible, to run truly EU-wide campaigns.¹⁴⁹

The Authority is also responsible – as per Regulation 2019/493 – for managing the verification procedure that aims to impose sanctions on Europarties or foundations that deliberately influence, or attempt to influence, the outcome of European elections by taking advantage of data protection breaches. The procedure is triggered as a result of an infringement decision adopted by a national data protection authority, and then transmitted to the Authority. So far, there have been no cases.

To guarantee transparency, particularly during EP election campaigns, it is crucial that the Authority acts quickly. Cooperation with similar authorities and institutions in the member states is another key element to ensure that the tasks allocated to the Authority are effectively carried out. It is

¹⁴⁶ Respect for human dignity, freedom, democracy, equality, the rule of law and respect for human rights, including the rights of persons belonging to minorities See Morijn, J. 'Responding to "populist" politics at EU level: Regulation 1141/2014 and beyond', *International Journal of Constitutional Law*, 17:2, 2019.

¹⁴⁷ Cf. Art. 32.1(e) of Regulation 2019/493. Donations are published on the website of the Authority and can be accessed at the following link: <http://www.appf.europa.eu/appf/en/donations-and-contributions.html>

¹⁴⁸ Authority for European Political Parties and Political Foundations, *Annual Activity Report 2019, 2020*, p. 14.

¹⁴⁹ Authority for European Political Parties and Political Foundations, *Annual Activity Report 2019*, p. 15.

therefore not surprising that the Authority has raised the issue of its administrative capacity since beginning its activities in 2017 with just two full-time employees, plus its Director. The Authority's requests for more staff have been taken on board and, by the end of 2019, the number of full-time employees had reached a total of eight, excluding the Director.

Insufficient administrative capacities are likely to negatively affect the Authority and jeopardise its ability to effectively oversee Europarties. The Authority has been criticised for failing to verify that the conditions for the registration of European political parties – in particular respect for the founding values of the EU, as per art. 2 TEU in their programme and activities – continue to be met.¹⁵⁰ More recently, a consultancy firm has filed an official complaint to the European Ombudsman for the alleged failure of the Authority to implement transparency requirements, criticising the lack of clarity of information on, e.g., the amount of private funding received by the Europarties since 2004.¹⁵¹

Furthermore, the Authority holds no direct inspective powers: in the performance of its tasks, it relies on the information it is provided with, including the 'National Contact Points', defined by Regulation 673/2018, in art. 2(10), as 'any person or persons specifically designated by the relevant authorities in the Member States for the purpose of exchanging information in the application of this Regulation'. Clear evidence of the scope of the Authority's competences, as well as of its enhanced co-operation with the National Contact Points, is shown in the Commission Delegated Regulation 2015/2401. This regulation entrusts the Authority with the responsibility of certifying, upon request, that the information provided by the party or foundation is correct, up-to-date, and compliant with applicable Union legislation 'after all reasonable checks have been made. Those checks shall include seeking confirmation of information from the relevant Member States' authorities, to the extent that the relevant national legislation provides a basis for the authorities concerned to do so'.¹⁵² In such cases, the Authority is dependent on information from the national authorities, thus reinforcing the inter-dependency between the EU and the national level.

4. Conclusions and recommendations

Foreign interferences are a significant threat for democracies. From the United States to Australia, from the EU to Canada, liberal democracies are facing a heterogeneous set of new challenges sponsored by foreign states. Funding political parties in third countries is one of the ways in which countries like Russia have attempted to influence the domestic politics of foreign countries. While this instrument is certainly not new – it suffices to recall the financing of political parties in different countries by the two superpowers during the Cold War years – recent cases of foreign funding of political parties have been reported in several EU member states. The harmful impact on democracy of such interference has compelled policymakers, both at the national and the EU level, to act: in several cases, party regulations have been tightened and transparency requirements strengthened. Furthermore, the reform of party regulations is often part and parcel of a broader set of actions designed to tackle foreign interferences. Notwithstanding the progress made in the last few years, there is still scope for improving the regulatory framework and for stepping up actions to curb foreign party funding. In what follows, five concrete policy recommendations are presented.

¹⁵⁰ Alemanno, A. and L. Pech. 'Holding European Political Parties Accountable – Testing the Horizontal EU Values Compliance Mechanism'. *Verfassungsblog on Matters Constitutional*, 15.5.2019.

¹⁵¹ European Democracy Consulting. *EDC Comments Authority for European Parties' reply to Ombudsman inquiry*. 22.10.2020.

¹⁵² Commission Delegated Regulation (EU, Euratom) 2015/2401 of 2 October 2015, art. 2.

1. *Promoting regulatory convergence on foreign party funding among member states.*

The rules on foreign party funding are quite heterogeneous. Despite a move towards banning foreign funding to political parties – as recommended by, among others, the Council of Europe – foreign party funding is possible in some member states, while other members countries have limitations in place, but fall short of banning it altogether. While the regulation of national parties remains a national competence, the Commission could issue recommendations pushing all member states to embrace a ban on foreign party funding. Given the current regulatory framework, it is possible to imagine the paradoxical situation in which foreign funds used to (legally) support a party in a member country are then used to finance Europarties. Also, intermediaries in the member states can be used to channel foreign money, as donations, to the Europarties. While there is an overall cap on contributions, there is no limit for donations (in the aggregate; individual donations cannot exceed EUR 18000).¹⁵³ While such cases remain speculative, foreign funding at the national level may boost representation in the EP, favouring parties which – in a covert and non-transparent way – receive instructions from outside the EU and aim to undermine it. There are, therefore, compelling reasons to extend the ban and outlaw foreign funding in all the member countries of the Union.

2. *Europarties should not be financed only by EU (public) money.*

Regulation 1141/2014, as amended by regulation 2018/673, increased the quota of EU funds to 90 % of the overall Europarty budget. The share of EU money (95 %) is even higher for political foundations. Since the first regulation on Europarties was introduced in 2003, the share of public funding has increased from 75 to 90 %. Such reforms addressed a real problem – for some Europarties especially, it proved difficult to raise money – while, at the same time, making it more complicated for private actors to have an undue influence on European parties and associated foundations. The shift towards public funding is fully understandable in a context in which the institutional development of Europarties had to be actively promoted by the EU. However, taking a further step towards a system of complete public funding is not to be recommended. Europarties already suffer from a tenuous link with society and weak recognition by EU citizens. The legal requirements to raise money either from members or through donations ‘forces’ them to keep and nurture relationships with political parties, social actors, economic players and, more generally, civil society. If Europarties are asked to play a role in the EU’s ‘representative democracy’, it is crucial that they do not only look inwardly to Brussels, but they should perform a linkage role between the Union and member states.

3. *The Authority for European political parties and foundations should be strengthened*

Regulation 1141/2014 set up the Authority, which has an important role to play registering and deregistering parties, monitoring party budgets and sanctioning European parties and foundations. Empowering the Authority further would ensure that the control it exercises on Europarties’ budgets is not merely formal. Given the different roles that the Authority is asked to play, it is crucial that it is adequately staffed and resourced.

In addition, the Authority could improve its own transparency and clarity vis-à-vis reporting information on funding. While information on donations to parties is published on its website, it

¹⁵³ Contributions could, in theory, also come from outside the EU, if membership includes non-EU based entities. In November 2020, however, the General Court ruled out this possibility for the Europarties (incidentally, the rules on membership for European political foundations are not as clear). Cf. Adam, M. *How to make political party and campaign financing more transparent: what rules do we need in the EU?* Hearing, INGE Committee, 23.2.2021.

could be more accessible, with data clearly presented in tables and graphs, and in a format readable by computer systems to allow any interested citizen to 'use' it. Incidentally, Europarties themselves should be pushed to publish clear information on their donors on their own websites.

4. Horizontal and vertical cooperation between institutions should be tightened.

The Authority on European Political Parties and Foundations, the European Parliament, the European Court of Auditors, the European Anti-Fraud Office (OLAF) and the national authorities all play a role in detecting suspected irregularities. Foreign funding to political parties can be legal or illegal, open or covert and can be channelled through intermediaries, agents, shell companies, associations, small anonymous payments, and other means. In the face of such a broad spectrum of actions, cooperation between national and EU authorities, and between the different EU authorities with competences on the matter, is crucial both to identify suspected foreign payments, and to take appropriate action. In particular, cooperation between the Authority and national contact points should be reinforced and transformed into a more formalised network of institutions scrutinising political parties and their funding.

5. Foreign funding of political parties is only one instance of foreign interference in democratic processes

Funding political parties is only one of the tools used by foreign states to interfere in democratic politics. It is often part of a broader set of influence operations carried out to disrupt elections, undermine trust in institutions and polarize the public debate. Policy actions to curb foreign funding of political parties should be embedded in a 'comprehensive approach' to tackling hybrid threats. Legislation on increasing transparency of political advertising is welcome, as well as actions to enhance cybersecurity – including election infrastructure – to counter disinformation, particularly online, and to promote independent fact-checking and quality journalism. In this regard, the timely implementation of the European democracy action plan is a very important milestone.

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Court of Auditors. *Opinion No 5/2017 concerning the proposal for a regulation of the European Parliament and of the Council amending Regulation (EU, Euratom) No 1141/2014 of the European Parliament and the Council of 22 October 2014 on the statute and funding of European political parties and European political foundations*. 18 January 2018.

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Annex

Annex: Foreign (extra-EU) donations to Europarties and foundations (2014-17)

Europarty (foundation)	Country	Amount (EUR)	Donations (no)
ACRE (ND)	USA	108 192	16
ACRE (ND)	Iceland	51 400	12
ACRE (ND)	Armenia	6 090	2
ACRE (ND)	Georgia	2 514.5	2
ACRE (ND)	Switzerland	586	1
ACRE (ND)	Israel	500	1
ACRE (ND)	Hong Kong	4 496.76	1
ACRE (ND)	Lichtenstein	18 000	2
ACRE (ND)	Dominican Republic	456.97	1
ACRE (ND)	Argentina	4 625.62	2
ACRE (ND)	Faroe Island	665	1
ACRE (ND)	Guatemala	930.54	1
ACRE (ND)	Tunisia	400	1
ACRE (ND)	Pakistan	5 908	1
ALDE (ELF)	USA	132 380	16
ALDE (ELF)	Switzerland	48 000	4
ALDE (ELF)	Serbia	2 000	1
ALDE (ELF)	India	12 000	1
ALDE (ELF)	South Korea	3 600	1
ECPM (SALLUX)	USA	50 541	11
ECPM (SALLUX)	Georgia	21 796	4
ECPM (SALLUX)	Switzerland	4 395	5

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ECPM (SALLUX)	Albania	1 000	1
ECPM (SALLUX)	Norway	12 810	3
EPP (WMCES)	USA	317 420	28
EPP (WMCES)	Switzerland	13 000	2
EPP (WMCES)	Serbia	124 540	2
EPP (WMCES)	Lebanon	7 250.49	1
EGP (GEF)	Georgia	4 000	1
EGP (GEF)	Switzerland	8 600	4
EGP (GEF)	Norway	29 563	4
EGP (GEF)	Russia	3 440	4
EGP (GEF)	Ukraine	3 440	4
PES (FEPS)	USA	36 000	3
EAF (EFF)	USA	45 385	5
EAF (EFF)	India	24 000	2
ADDE (IDDE)	USA	2 680.49	1
ADDE (IDDE)	Iceland	45 649	4
ADDE (IDDE)	Monaco	34 000	3
ADDE (IDDE)	Bosnia	82 500	2
APF (Terra Nostra)	Switzerland	3 000	2
APF (Terra Nostra)	USA	4 580	2
EUD (OEIC)	Switzerland	2 199	1

Source: elaboration from Dataset 2 (April 30 2019) [Follow the Money](#).

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