



Riga

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**To the Executive Vice President
of the European Commission Valdis Dombrovskis**

*Regarding the foreign funding directive
within the Defence of Democracy package*

We are writing to you to express our concern about the European Commission's proposal for a Directive establishing harmonized requirements in the internal market on transparency of interest representation on behalf of third countries which is foreseen to be adopted on 12 December 2023 as part of the Defence of Democracy package. This letter follows a [statement](#) issued in May by 230 civil society organizations across Europe¹.

Civil society plays a key role in vibrant and healthy democracies, in upholding the rule of law and defending fundamental rights. We share the Commission's concerns about malign interference and disinformation, including in the context of the upcoming elections to the European Parliament, especially because such interference targets checks and balances of the rule of law, which include civil society organisations and the media. However, tackling malign foreign interference in isolation will not be effective. Instead, this directive will have negative repercussions on Europe's role in protecting civil society and democracy in the world.

The proposed legislation creates a register of entities who carry out interest representation services or activities on behalf of third countries to "influence public decision-making processes in the EU".

Civic Alliance - Latvia is concerned that the proposal may breach EU primary law, affecting both fundamental rights such as association, assembly, expression, personal data protection, privacy, and economic freedoms like capital and establishment. For instance, it could limit people and organisation's ability to gather, express opinions, or engage in advocacy. Additionally, it imposes discriminatory capital restrictions on organizations carrying out services representation activities funded by third countries as compared to those being funded by EU countries and introduces added costs and administrative burdens that could hinder establishment freedoms. In addition, the public access to the data contained in the register with limited exceptions, or limitations on access to funding, would constitute a serious interference with Articles 7, 8 and 12 of the Charter, as already established by ECJ case law ([C-78/18](#) – Commission v Hungary; Joined Cases [C-37/20, C-601/20](#)).

By only capturing foreign funding through a public register and a special registry number to be displayed by organisations, the proposal could also lead to unintended consequences for civil society, such as

¹ <https://civilsocietyeurope.eu/wp-content/uploads/2023/07/230-Civil-Society-Organisations-Statement-on-EU-Foreign-Interference-Law-7-2.pdf>

refusal of entering into dialogue by authorities, stigmatisation and harassment, including of citizens that are members of civil society organisations.

In addition, the directive will undoubtedly undermine the EU's external efforts to strengthen civil society in third countries, as it mirrors foreign agent laws that the EU has actively opposed elsewhere. The negative impacts of foreign funding legislation on civil society have been well-documented, including in countries like the US, and the UK, and Hungary². More recently, foreign agent's laws have been proposed in candidate countries such as Georgia, Bosnia and Herzegovina, as well as in other countries like Kyrgyzstan and Kazakhstan.³ The safeguards contained in the proposal do not protect civil society from these adverse consequences and will therefore prove to be ineffective.

We therefore call on the Commission to remove the directive from the Defence of Democracy Package. Any future proposal should be built as a result of a thorough civil dialogue process, taking into account the different nature of interest representation as compared to civil dialogue.

We reaffirm our willingness to work with the Commission on strengthening our democracies.

Yours sincerely

Director

(signature*)

Kristīne Zonberga

* The document is signed with a secure electronic signature

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² <https://www.thegoodlobby.eu/wp-content/uploads/2023/11/TGL-Study-How-to-Evaluate-a-Foreign-Influence-Legislation-A-Comparative-Analysis.pdf> ; https://www.thegoodlobby.eu/wp-content/uploads/2023/11/Press_Conference_Handout_Nov_2023.pdf

³ https://monitor.civicus.org/globalfindings_2023/europeandcentralasia/