



**SOVEREIGNTY PROTECTION  
RESEARCH INSTITUTE**

## **SOVEREIGNTY RISKS**

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**Brussels would drastically limit national control  
over the foreign-funded pressure network**

2 April 2025



### BRUSSELS WOULD DRASTICALLY LIMIT NATIONAL CONTROL OVER THE FOREIGN-FUNDED PRESSURE NETWORK

## SUMMARY

Little attention has been paid in recent years to a draft EU directive that would introduce “European cross-border associations” (ECBAs) as a new organisational form. The real aim of the Brussels draft, according to the Sovereignty Protection Research Institute, is to privilege the European Commission-funded political pressure network that systematically attacks nation-state sovereignty. The proposal would give unprecedented legal and financial privileges to organisations taking the new form and drastically limit the means of national authorities. These organisations are not only beneficiaries of the proposal, but also important shapers of it; the Ökotárs Foundation, which has been revealed by the Sovereignty Protection Office to have played a key role in the redistribution of foreign funds in Hungary for more than 30 years to finance the political pressure network, was involved in the preparation of the directive.

## ANTI-HUNGARIAN MEP BEHIND THE DRAFT LEGISLATION

In 2023, the European Commission launched a legislative procedure to facilitate the cross-border activities of non-profit associations operating in the EU by creating a directive<sup>1</sup>. A draft directive on European cross-border associations is under preparation<sup>2</sup>, which was confirmed by the chairman of the EP’s Committee on Legal Affairs (JURI) in January 2025<sup>3</sup>.

**The rapporteur responsible for the subject is Sergey Lagodinsky, a German Green MEP who has been politically active against Hungary and Hungarian national interests in Brussels for years.** In 2021, on the basis of a recommendation by the Committee on Legal Affairs, for which Lagodinsky was also rapporteur, the European Parliament brought an action against the European Commission to prevent Hungary from receiving the EU funds it was entitled to by activating a political penalty mechanism called the rule of law<sup>4</sup>. In 2024, the MEP and his allies complained that the European Commission had released €10.2 billion in frozen funds to Hungary. On the initiative of the Lagodinsky and his allies, the European Parliament launched a new action against the European Commission to take away the funds allocated to Hungary<sup>5</sup>. In February 2025, Sergey Lagodinsky also launched a fierce attack on Hungary

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<sup>1</sup> The present analysis is based on the legislative document adopted by the European Parliament at “the first reading” on 13 March 2024. The legislative procedure is still ongoing. Source: [www.europarl.europa.eu/doceo/document/TC1-COD-2023-0315\\_HU.pdf](http://www.europarl.europa.eu/doceo/document/TC1-COD-2023-0315_HU.pdf)

<sup>2</sup> Source: [www.europarl.europa.eu/committees/hu/juri/documents/work-in-progress?textualSearch=hat%C3%A1rokon&memberRole=&rapporteurPersId=&committeeRole=&politicalBodyRefNum=&procedureYear=&procedureNum=&procedureCode-Type=&term=10&page=0](http://www.europarl.europa.eu/committees/hu/juri/documents/work-in-progress?textualSearch=hat%C3%A1rokon&memberRole=&rapporteurPersId=&committeeRole=&politicalBodyRefNum=&procedureYear=&procedureNum=&procedureCode-Type=&term=10&page=0)

<sup>3</sup> Source: [euobserver.com/whos-who-in-the-eu-parliament-committees/ar8ef822b6](https://euobserver.com/whos-who-in-the-eu-parliament-committees/ar8ef822b6)

<sup>4</sup> Source: [www.greens-efa.eu/en/article/press/meps-clear-path-for-parliament-to-sue-commission-over-releasing-funds-to-hungary](http://www.greens-efa.eu/en/article/press/meps-clear-path-for-parliament-to-sue-commission-over-releasing-funds-to-hungary)

<sup>5</sup> Source: [www.portfolio.hu/unios-forrasok/20240314/bepereli-magyarorszag-unios-penzei-miatt-az-ep-az-europaibizottsagot-674975](http://www.portfolio.hu/unios-forrasok/20240314/bepereli-magyarorszag-unios-penzei-miatt-az-ep-az-europaibizottsagot-674975)

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for its pro-peace stance calling for a speedy end to the Russian-Ukrainian war. **The German MEP argued that it was “time for Hungary to say goodbye” to the European Union and that Hungarians should “leave” or “step back”<sup>6</sup>.**

### A KEY PLAYER IN THE POLITICAL PRESSURE NETWORK WAS INVOLVED IN THE DRAFTING

The Brussels legislator is preparing legislation to introduce a “cross-border European association” in the legal systems of the Member States. Under the draft law, if a civil society organisation registers as an ECBA in any Member State in the future, it would

- automatically be free to operate in the other 26 Member States,
- have access to public funding in each of the Member States in which it operates, and
- be free to move its seat and assets within the European Union without any substantive interference from the host state.

**It is clear that Brussels did not have the interests of genuine civil society organisations in mind when drafting the draft directive, but those of political pressure organisations organised in international networks.** The main official rationale for the legislation is to make it easier for civil society organisations to overcome obstacles in the internal market, in particular mobility difficulties, and to contribute to improving competitiveness. The vast majority of traditional non-profit associations, however, have local interests and therefore have no cross-border activities, and the concept of competitiveness in the civil society sector is not, or only to a very limited extent, relevant. It is telling that an impact study commissioned by the European Commission also acknowledges that only 8 percent of non-profit associations operating in the EU carry out cross-border work<sup>7</sup>. It is also revealing that Sergey Lagodinsky, who was responsible for the preparation of the legislation, used to work for a state-funded organisation carrying out international political activities, the Heinrich Böll Foundation, which is linked to the German Alliance '90/Greens, as head of the EU and North American division<sup>8</sup>.

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<sup>6</sup> [x.com/SLagodinsky/status/1892599075972829337](https://x.com/SLagodinsky/status/1892599075972829337)

<sup>7</sup> Source: [op.europa.eu/en/publication-detail/-/publication/b67d8fbd-5b4f-11ee-9220-01aa75ed71a1/language-en](https://op.europa.eu/en/publication-detail/-/publication/b67d8fbd-5b4f-11ee-9220-01aa75ed71a1/language-en)

<sup>8</sup> Source: [lagodinsky.de/person/](https://lagodinsky.de/person/)

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**The new European organisational form would facilitate the cross-border activities of the political pressure network, the operation and financing of which has been uncovered in several reports by the Sovereignty Protection Office**, and which was exposed in the recent USAID scandal as a corruption scheme partly funded by US government money.

**The organisations in question are not just beneficiaries, but also active shapers of the legislation.** Among the NGOs that helped to prepare the Brussels Directive are a number of political pressure organisations<sup>9</sup> that have received direct funding<sup>10</sup> from the George Soros Open Society Foundations (including, but not limited to, the Ökotárs Foundation, the Irish Council for Civil Liberties, the European Civic Forum, Civil Society Europe, European Alternatives, the Human Rights Cities Network and Philea).

The Sovereignty Protection Office revealed and made public in December 2024<sup>11</sup> that the Ökotárs Foundation has played a key role in the redistribution of foreign funds in Hungary for more than thirty years to finance the political pressure network.

## LEGAL AND FINANCIAL PRIVILEGES WITHOUT NATIONAL CONTROL

If the Directive is adopted, political pressure organisations registered as ECBAs in other Member States **should be automatically recognised by Hungary without any evaluation and treated in the same way as associations established under national law.** Such organisations should be granted free and non-discriminatory access to public funding, irrespective of the Member State in which they are registered. **Brussels therefore intends to allow Hungarian taxpayers' money to be used to fund pseudo-civil society organisations registered in other Member States which would be carrying out activities in Hungary that would infringe Hungarian sovereignty.**

If the directive is adopted, Hungary would, as a general rule, not be able to restrict pressure organisations operating as ECBAs **from fundraising from any source, and national authorities would not be able to prevent them from obtaining funding from EU sources, such as foreign governments, under any circumstances.** It is therefore precisely the purpose of the Brussels proposal to make national action impossible against the anti-sovereignty funding practices and political pressure that the Sovereignty Protection Office has uncovered.

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<sup>9</sup> Source: [www.europarl.europa.eu/doceo/document/A-9-2024-0062\\_HU.html#\\_section4](http://www.europarl.europa.eu/doceo/document/A-9-2024-0062_HU.html#_section4)

<sup>10</sup> Source: [www.opensocietyfoundations.org/grants/past](http://www.opensocietyfoundations.org/grants/past)

<sup>11</sup> Sovereignty Protection Office: The impact of the activities of Ökotárs on Hungarian sovereignty. Source: [www.szuverenitasvedelmihivatal.hu/dokumentumok/The-impact-of-the-activities-of-%C3%96kot%C3%A1rs-on-Hungarian-sovereignty.pdf](http://www.szuverenitasvedelmihivatal.hu/dokumentumok/The-impact-of-the-activities-of-%C3%96kot%C3%A1rs-on-Hungarian-sovereignty.pdf)

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As a result of the freedom of relocation provided for in the draft, **Hungary would not have any real say in which political pressure organisations relocate their seats to Hungary.** Even more worrying for national sovereignty is that Hungary would have to ensure that the relocation of seat does not affect the assets of NGOs. In other words, the Brussels legislation would also allow pressure organisations **registered in other Member States to smoothly relocate their donations collected from sources outside the EU to our country.** A further concern is that political pressure organisations operating as ECBAs would be almost unremovable under Brussels' plans. The Hungarian authorities would not be able to stop the activities of organisations based in another Member State but also operating in Hungary. In fact, under the draft, even ECBAs based in Hungary could only be closed down by the Hungarian authorities through a complex, lengthy procedure based on particularly strict conditions.

**In the light of the above, it is clear that Brussels' primary objective with the forthcoming legislation is to provide legal and financial protection to political pressure organisations with a key role in the USAID corruption scandal and similar operational and funding profiles, whose activities significantly distort democratic will formation in our country. Therefore, the Sovereignty Protection Research Institute has assessed that there is a serious risk to national sovereignty if the scope and possibilities for national action against these organisations are narrowed.**