



CONCLUSIONS PAPER

UNDESIRABLE FOREIGN FUNDING OF EXTREMISM IN EU COUNTRIES

Thematic Research Meeting

31st of March 2023 – Online

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KEY OUTCOMES

This conclusions paper provides an overview of the key findings that have resulted from an online RAN PS Thematic Research Meeting (TRM) on “Undesirable foreign funding of extremism in EU countries” held on 31st of March 2023. The online event gathered 43 participants from EU Member States (EU MS).

The TRM explored the complex and multifaceted phenomena of undesirable foreign funding and the role of associations in proliferating extremism in EU countries.

SOME OF THE KEY OUTCOMES OF THE MEETING WERE:

- 1.** Extremist movements increasingly rely on foreign funding, at times gained through various civil society type organisations, which pose a significant threat to the peace and security of the EU and EU MS.
- 2.** Extremist groups, including right-wing extremists, use multiple strategies and tactics to advance their agenda, while operating within and across borders. The transnational connectivity and structures make it a challenge to address and monitor the issue effectively. It requires specialised knowledge and tools to identify the funding of these groups.
- 3.** There is a shared understanding that undesirable foreign funding is a relatively new, and complex, topic that would benefit from further research that would contribute to a better understanding of the relations between foreign funding, associations, and the proliferation of extremism in EU countries.
- 4.** The proliferation of extremism in the EU and in EU MS through foreign funding of an untransparent nature increasingly poses a threat to the peace and security of the EU. It is an issue that is not confined to individual EU MS but spans across country borders, due to both the, at times ease of, the flow of money and extremist movements in the EU. This makes it a challenge to address and monitor the issue effectively, and thus it is crucial for Member States to strengthen further cooperation and develop measures and efforts to monitor and manage the problem.
- 5.** When it comes to undesirable foreign funding of right-wing extremism, a lesser explored spaces than jihadist funding, it is important for EU MS governments to implement targeted strategic approaches to combat right-wing extremism while also leveraging existing agencies, including from outside the CT and P/CVE space, with specialized expertise and investigative skills (e.g., financial crime, extremism, and tax expertise) to better understand the current trends, threats and risks, and practical solutions to disrupt right-wing extremist and affiliated networks.

This paper summarises the highlights of the discussion as well as the recommendations that were formulated by the participants and offers an outlook on potential follow-up topics.

HIGHLIGHTS OF THE DISCUSSION

Derived from previous PBC meetings held on the topic of undesirable foreign funding, the following definition contextualizes and details the phenomenon:

“Undesirable Foreign Funding refers to direct or indirect financial flows or donations from foreign state or non-state actors to natural or legal persons operating in the EU exerting or intending to exert malign influence on European societies by facilitating activities that challenge EU values, including its democratic principles, fundamental rights, and the rule of law. Such activities may lead to mistrust of governments and democratic institutions as well as incite discrimination, hatred, polarisation, segregation, and all forms of extremism.”

UNDESIRABLE FOREIGN FUNDING OF EXTREMISM IN THE EU

Extremist groups, including Jihadist as well as right-wing groups, can receive funding from **foreign sources that aim to support their extremist ideologies and their activities**. Those activities may include the spreading of radical ideologies, creation of environments conducive to radicalisation, recruitment of new members and carrying out operations. Furthermore, foreign funding may be used to support associations that are linked to extremist movements and activities, e.g., organisations or individuals that aim to proliferate extremist ideas and narrative such as radical imams/preachers or influential community figures.

Religious associations such as the Muslim Brotherhood, have been linked to extremist activities in several EU countries, according to presenters of the TRM event. Additionally, there are loosely affiliated organisations – e.g., non-government and civil society organisations – that are not created by Muslim Brotherhood members, rather they are infiltrated by them.

Associations may also be linked to right-wing extremism and receive foreign funding from individuals or organisations that support those ideologies.

THE MUSLIM BROTHERHOOD IN EUROPE

Participants started by investigating the complexity of identifying and monitoring the associations linked to extremist activities in EU MS, drawing on the case of the Muslim Brotherhood in Europe. It is sometimes said to be the organisation that everybody speaks about, but nobody really sees. Most of the network is composed by spin-offs of the Muslim Brotherhood, such as organisations like NGOs, educational organisations, social organisations, youth organisations and cultural centres, that have been created by Muslim Brotherhood members, actively downplaying their links to the organisation.

Various tactics and ideologies of the Muslim Brotherhood were discussed. The members of the Muslim Brotherhood often infiltrate other organisations without the individuals working for those organisations being aware of it. This suggests that the Muslim Brotherhood may be present in various sectors and institutions, without being identified.

The Muslim Brotherhood follows the Wazatiyaya ideology of Al-Qaradawi, which promotes an ideological middle-way between the extreme positions of jihadists and secularists. This means that the Muslim Brotherhood seeks to establish an Islamic State, without necessarily resorting to violent means to achieve its goal. The organisation utilises various tactics and

strategies to advance its agenda. Concerning infiltration, a German example demonstrated that specialised knowledge is required to identify funding aimed for this purpose. In the mid-2010s, Islamic Relief Germany and Worldwide were placed under investigation by German intelligence and authorities for suspected links to the Muslim Brotherhood and the potential use of funds (including government distributed aid funds) for extremist purposes. Additionally, Islamic Relief Germany and Worldwide had established relations with other non-governmental, civil society, and faith-based organisations in Germany – for instance, “Muslimische Jugend in Deutschland e.V.” – helping to spread the network and influence of the Muslim Brotherhood. In 2020, the German government officially ceased all funding to Islamic Relief Germany and Worldwide. In relation to this, participants critically questioned whether Member States were aware of these links, and thus participants emphasised the importance of looking beyond the EU-level, examining the national and local levels to identify potential threats.

Furthermore, the presence of the Muslim Brotherhood in Poland was explored. Providing an overview of the Muslim community in Poland, an example was given of four interrelated organisations that are connected to the wider European network of the Muslim Brotherhood. These organisations include the Muslim League, the Muslim Student Association, the Muslim Cultural Education Association, and the Muslim Relief Foundation, and they are connected in different ways, including memberships in umbrella organisations such as The Federation of Islamic Organisations in Europe (FIOE) and Forum of European Muslim Youth and Student Organisations (FEMYSO), whilst two of the organisations, the Muslim Student Association and Muslim Cultural Education Association, published books by prominent Muslim Brotherhood thinkers. In relation to this, a draft law on Non-Governmental Organisation transparency in Poland was discussed, as well as the effects of the *loi Séparatisme* in France, pointing to the advantages of having legislations to prevent foreign funding to associations linked to extremism.

STRUCTURES AND FUNDING OF RIGHT-WING EXTREMIST GROUPS IN GERMANY AND FINLAND

The second panel of the TRM focused on understanding the transnational aspects of violent right-wing extremist movements, its various income sources, and the challenges in disrupting existing groups, drawing on the cases of Germany and Finland.

In addition to identifying some of the possible income sources such as music and sports events, real estate, and organised crime, it was pointed out, that Germany has an advantage in dealing with extremism compared to other European countries, as extremism and violent extremism are not defined in criminal law. By not defining extremism and violent extremism in criminal law, Germany can avoid legal hurdles in investigating and prosecuting these types of offenses by using administrative law. This allows domestic intelligence services to investigate individuals and entities that pose a threat to the German constitution. Nonetheless, challenges to disruption exist. Issues such as limitations in mandate of domestic intelligence services to deal with non-violent entities, lack of transparency in financial transactions, and silos between different investigative agencies can make it difficult to identify extremist activities. However, the new action plan of the federal government against right-wing extremism financing aims to address some of the challenges.

Possible recommendations to counter the challenges to disruption were also explored, including designations. When it comes to undesirable foreign funding of right-wing extremist groups, and linked entities, a lesser explored space than jihadist funding, it is important for EU MS governments to implement targeted strategic approaches to combat right-wing extremism while also leveraging existing agencies, including from outside the CT and P/CVE space, with specialized expertise and investigative skills (e.g., financial crime, extremism, and tax expertise) to better understand the current trends, threats and risks, and practical solutions to disrupt right-wing extremist and affiliated networks. Finally, it was suggested to

increase transparency and data quality control to access electronic databases for fighting foreign funding of extremism.

In this panel, participants also investigated the strategy of non-violent extremist groups in Germany, and how they have evolved over the years. These groups often operate through small organisations and NGOs, making it difficult to track their financial sources. Since 2018, they have increasingly occupied spaces such as climate protection, women's rights, LGBTIQ LGTB rights and anti-racism demonstrations. These groups often seek to turn actors who have no links to extremism against the state by delegitimising the police and the rule of law. In relation to this, the need for transparency law is being emphasised, requiring NGOs to disclose their donors and financial structures, as well as obliging the management and board members to make public their affiliations with other organisations. Furthermore, other measures like creating a public database of Third Country funding for organisations would be an effective tool for EU MS governments to adopt.

Furthermore, this panel emphasised the current situation in Finland with regards to right-wing extremist organisations and their financing. Recently, the threat coming from the extreme right has increased in Finland, mostly from individuals or small groups. However, having an organisation plays an important role in their financing activities, mobilisation, and recruitment processes. Different right-wing extremist organisations that have been operating in Finland the past years include the Nordic Resistance Movement, which was banned in 2020, and the Blue Black Movement, an openly fascist organisation that takes part in elections. These groups have been mostly self-funded, using legal means to finance their activities.

Finally, it was discussed whether there are any indications of Russian influence on Salafi or Islamist groups in Europe. It was mentioned that there are Chechens fighting in the war in Ukraine on both sides of the conflict, and there is a concern that this may have potential backfires into Germany as it houses the largest expatriate community of Chechens outside Russia.

Additionally, there were arguments made for far-right extremism is illegal because of open racism and antisemitism. Despite this, there has been no public motion towards banning these organisations.

THE MISUSE OF PUBLIC FUNDS AND THE IMPORTANCE OF RETHORIC

The third panel of the TRM investigated the proliferation of extremism in the Nordic context, including the misuse of public funds in Sweden. In the 1960s, the Swedish press subsidy system was established to promote democracy by ensuring media diversity. However, the system has been exploited by some right-wing extremist media operators, using public funds to finance their operations. The most prominent case is arguably an organisation (the name was not mentioned), in Sweden that exploits press subsidies to run several media outlets, including a weekly and associated social media accounts. The organisation's senior figures and owners have a history of involvement in organised extremist groups, and the editorial staff of their main paper has recently attended meetings with neo-Nazis and provided propaganda material to the Nordic Resistance Movement. The organisation's paper further portrays neo-Nazi groups in a positive light and publishes pseudo-scientific conspiracy theories, anti-Semitic falsehoods, and pro-Kremlin narratives. Despite its direct and indirect links to violent extremism, the organisation has received more than 4 million Euros in Swedish state subsidies since 2013.

It was explored how certain organisations, defined by ethnicity and religion, can operate thanks to the Swedish funding system that allows and de facto encourages them to use government funding simply by adjusting and aligning their narrative. On the right-wing end in Sweden, there are a number of hurdles to prevent the financing of groups like the Nordic

Resistance Movement – a key one being that, at the time of the TRM event, majority of their activities (and other right-wing extremist groups) are considered “legal from a Swedish point of view.” This links with the fact that no neo-Nazi or right-wing extremist groups are banned in Sweden. As such, this type of financing is difficult to stop within the scope of the law. Members of Nordic Resistance Movement have also been shown to exploit Swedish social service programs, in particular the welfare support provided by the State.¹ Additionally, there are a number of cases where right-wing groups like the Nordic Resistance Movement establish other associations, not directly linked and/or difficult to trace back to them, which are then used in part to collect public funds and revert it back to support activities of the Movement.² However, in several cases over the years, Sweden would leverage tax laws and the Tax Agency to find, disrupt and punish individuals and associations engaged in illicit financial activities, for instance diversion of funds from one association to another to support right-wing activities, use of money for private expenses, etc. Additionally, investigations had revealed that the Nordic Resistance Movement received financial support from Swedish politicians secretly. While there are many hurdles in Sweden to prevent and combat these financing streams, banking services were shown to be a useful partner in Sweden as they have the ability, and have already done so, to close bank accounts linked to right-wing activities and financing, thus cutting off the ability to receive financial support from the Swedish state and sympathizers or members.³

The Muslim Brotherhood primarily emphasises a moral narrative around victimhood. The aim of this strategy is to exert a soft form of influence among Muslim populations in Europe. It is often adjusted to fit the concerns and grievances Muslims living in European society may face, or perceive to face, and appeal to both individuals and communities. At the same time, the influence strategy also focuses on making European society and governments appear as the perpetrators of Muslim populations concerns and grievances. Additionally, it is suggested that the Muslim Brotherhood in Sweden is not representative of the entire Muslim population, yet they are able to receive funding by claiming to represent the Muslim society at large. In extension to this, the participants discussed the line between Islam and Islamism and highlight the importance of mainstreaming a dialogue with all religious communities, respecting democratic and constitutional values without supporting or funding extremism.

RECOMMENDATIONS

The following are a list of recommendations stemming from the discussions and information exchanged at Thematic Research Meeting:

- > **Explore the development of legislation to prevent foreign funding to associations linked to extremism:** It is important to have laws in place that require NGOs to be transparent about their donors and financial structures and to make public their affiliations with other organizations. This will increase transparency and make it easier to identify any foreign funding that may be contributing to extremism.

¹ Erik Wiman, Frida Svensson, Frida Sundkvist, “NMR vill krossa staten – men lever på bidrag.” <https://www.aftonbladet.se/nyheter/a/7boxV/nmr-vill-krossa-staten--men-lever-pa-bidrag>

² Anders Dalsbro, “Upplät Sitt Privata Konto Åt Nazistiska NMR – Får En Skattesmäll | Expo.Se.” <https://expo.se/2018/10/uppl%C3%A4t-sitt-privata-konto-%C3%A5t-nazistiska-nmr-%E2%80%93-f%C3%A5r-en-skattesm%C3%A4ll>

³ Föreningen Grävande Journalister, “Nordfrontfilerna, Nominerad Guldspaden 2017 - Grävande Journalister.” <https://www.fgj.se/guldspaden/bidrag/nordfrontfilerna>

- > **Leverage and adapt existing legislation and measures:** All EU Member States have already available national legislation, constitution, and other policies and mechanisms that work adjacent to undesirable foreign funding and aspects needed to combat malign foreign funding and influence through funding. It is important to identify overlapping and consistent existing mechanisms already in place within EU MS's. This will help to streamline homogenous responses to challenges posed by new UFF cases.
- > **Taking concrete steps to act upon Recommendation 8 of the Financial Action Task Force (FATF):** "FATF Recommendation 8 requires that the laws and regulations that govern non-profit organisations be reviewed so that these organisations cannot be abused for the financing of terrorism."⁴ The FATF guidelines suggest that countries should enhance their ability to prevent the exploitation of NGOs and charitable sector for UFF of extremist purposes. At the same time, it stresses that countries should determine for themselves which NGOs are 'prone to terrorist funding abuse', while reducing emphasis on labelling charities as "especially at-risk", to ensure better prevent efforts without risking undermining the freedom of associations.
- > **Improve capabilities of key governmental agencies:** It is clear that national Financial Intelligence Units (FIUs) are fundamental to the supervision of the misuse of foreign funding for extremist purposes and addressing aspects of UFF, as well as intelligence and law enforcement agencies. It is vital to find ways to strengthen their prevent, rather than reactive, capabilities and better monitor and intercept UFF within MS borders.
- > **Increase evidence-based research on the topic:** There is a need to conduct further research on the use of foreign funding by extremist groups to better understand the phenomenon and what role associations play in proliferating extremism in EU countries. Without an acute understanding of the phenomenon, it may be difficult to develop measures and efforts to counter the issue.

⁴ FATF, "Best Practices on Combating the Abuse of Non-Profit Organisations." <https://www.fatf-gafi.org/content/dam/fatf-gafi/guidance/BPP-combating-abuse-non-profit-organisations.pdf.coredownload.pdf>

FURTHER READING

FURTHER READING LIST:

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