

EUROPEAN PHILANTHROPY MANIFESTO

Private resources for public good

Four key recommendations to introduce
a Single Market for Philanthropy

1
RECOGNISE
philanthropy
and **ENGAGE**
WITH IT

2
FACILITATE
cross-border
philanthropy

3
ENABLE
AND PROTECT
philanthropy

4
CO-GRANT AND
CO-INVEST for
public good
and civil **SOCIETY**

The “European Philanthropy Manifesto” is a call to policy makers in Europe to work towards a **Single Market for Philanthropy** which includes a better recognition of philanthropy in EU legislation as well as at national level; supports cross-border philanthropy across the EU; and decreases today’s barriers for philanthropy in order to leverage the impact of donors’ and foundations’ spending of private resources for public good.

Institutional philanthropy in Europe includes more than 147,000 donors and foundations with an accumulated annual giving of nearly 60 billion euros. Besides funding and investments, these organisations combine an outstanding set of expertise, deep knowledge and excellent stakeholder networks in the areas of their activities that can be leveraged significantly with the appropriate framework conditions.



WHAT

Philanthropy and philanthropic organisations are a critical part of our democratic and pluralistic societies. More and more citizens want to do good: They want to help address societal issues, express themselves, and connect and collaborate with others who share their ideals – ideals that often stem from indignation about injustice, from care for the most vulnerable, from passion to stimulate new trends and ideas, and from a sense of responsibility for preserving valuable nature and culture.

WHY

Motivated by these ideals, many individuals and philanthropic organisations support endeavours from which we all benefit, such as education, health, science, international development, environment, culture and fighting poverty. Philanthropy's contribution to society is therefore unique. This must be cherished, stimulated and rewarded persistently. Recognition by politicians and by governments is crucial. Especially now, when citizenship, participation and caring for each other are more important than ever in light of the serious challenges to these democratic ideals in some parts of Europe. Philanthropy, alongside the wider civil society, plays a key role in defending and promoting the values enshrined in Article 2 of the EU Treaty, which include respect for human dignity, human rights and the rule of law.

HOW

Philanthropy needs a policy and regulatory environment that allows it to unleash its full potential. Of concern however is evidence indicating that regulation as well as the wider political climate are increasingly challenging civil society and philanthropic actors' activity. More guidance is needed to ensure that policy developments at national and EU level do not conflict with European Union law and European core values. Moreover, it appears that philanthropic actors generally do not yet enjoy the full freedom of the European Union internal market when it comes to recognition of legal personality, transfer of seat, cross-border mergers, free flow of funds for charitable purposes across borders, non-discriminatory tax questions or the lack of tailor made/dedicated and reasonable policies regarding anti-money laundering regulations within the European Union. The January 2018 joint DAFNE-EFC study on enlarging the space for philanthropy¹, has identified new opportunities to help shape and protect philanthropy's operating space.

¹ Breen, Oonagh B., "Enlarging the Space for European Philanthropy", published by the EFC and DAFNE, 2018. (www.philanthropyadvocacy.eu)

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Four key recommendations to introduce a Single Market for Philanthropy

1

RECOGNISE philanthropy and ENGAGE WITH IT

- Philanthropy and its important role in supporting civil society, community cohesion and European values such as democracy and rule of law **must be better recognised in the EU Treaties** and by EU policymakers.
- The **Treaty Freedoms and EU Fundamental Rights** shall be clearly applied to donors and foundations of all different types, shapes and sizes to allow institutional philanthropy to unlock its full potential for our democratic society.
- Politicians should speak up to protect the sector and promote the important role of philanthropy publicly, e.g. by initiating a European Year for Philanthropy.

2

FACILITATE cross-border philanthropy

- The core of the Single Market for Philanthropy is about acknowledging the free flow of capital within Europe as well as ensuring more meaningful application of the non-discrimination principle to **eliminate administrative barriers and facilitate tax-effective cross-border philanthropy**.
- Politicians must **stop foreign funding restrictions** and should ensure access to banking/financial services and safe and secure channels for cross-border philanthropic flows within but also outside the EU.
- National laws and EU level policy should **facilitate cross-border philanthropy** in line with EU fundamental rights and values, and Treaty Freedoms.
- The Single Market for Philanthropy should allow mutual **recognition of legal personality and enable cross-border mergers and move of seats** for institutional philanthropy within the EU.
- Politicians should consider developing a **supranational legal form for organised philanthropy**.





3

ENABLE AND PROTECT philanthropy

- European philanthropy could be more effective if it enjoyed a **better overall operating environment and better protection mechanisms**. This includes the view that national laws and EU level policy should facilitate philanthropy and be in line with EU fundamental rights and values, and Treaty Freedoms.
- In this regard, there should be continued monitoring by the European Commission and FRA to **ensure that EU and national legislation impacting the philanthropy sector is compatible with fundamental rights and European values**.
- The European Commission should continue to launch **infringement proceedings** where there is a breach of EU law and associated Charter rights.
- National and EU level **rules on tax evasion, money laundering and counter-terrorism financing rules must be proportionate to the risks they seek to address** and must not unduly restrict legitimate charitable activities.
- The philanthropy sector must continue to have **access to financial services** to do its work and carry out safe cross-border transfers.
- We also call on politicians to work towards a **fairer VAT deal** for charities.

4

CO-GRANT AND CO-INVEST for public good and civil society

- The EU could leverage the impact of private resources for public value by introducing financial instruments that 1) act as a catalyst for co-granting with philanthropy and 2) **stimulate co-investments by de-risking mission-related investments of institutional philanthropy**.
- Furthermore, we call for an **EU Justice, Rights and Values Fund** to complement and leverage philanthropic engagement in European civil societies under pressure.
- In the next Multi-Annual Financial Framework, the EU must ensure that resources are available for civil society organisations to develop medium to long-term plans to promote fundamental rights, rule of law and democracy, beyond specific time-bound EU related projects; and to sustain watchdog roles and respond to threats.

The DAFNE and EFC joint advocacy project “Philanthropy Advocacy” acts as a monitoring, legal analysis and policy engagement hub for European philanthropy. Its main objective is to shape the national, European and international legislative environment by implementing the European advocacy roadmap for a Single Market for Philanthropy.

Please find more information on www.philanthropyadvocacy.eu

Donors and Foundations Networks in Europe (DAFNE)

DAFNE is Europe’s largest network of donors and foundations associations. With 27 member associations with a collective membership of more than 10,000 foundations and grant-makers, DAFNE is a leading voice of European foundations. We are involved in advocacy, capability building, promotion of philanthropy and research. Our aim is to strengthen the philanthropic sector in Europe and to enhance professionalism and effectiveness of national associations.

DAFNE is a member of WINGS, an associate partner of OECD netFWD and an active supporter of #NextPhilanthropy. DAFNE is running jointly with the EFC the “Philanthropy Advocacy” project.

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European Foundation Centre (EFC)

As a leading platform for philanthropy in Europe, the EFC works to strengthen the sector and make the case for institutional philanthropy as a formidable means of effecting change. We believe institutional philanthropy has a unique, crucial and timely role to play in meeting the critical challenges societies face. Working closely with our members, a dynamic network of strategically-minded philanthropic organisations from more than 30 countries, we:

- Foster peer-learning by surfacing the expertise and experience within the sector
- Enhance collaboration by connecting people for exchange and joint action
- Advocate for favourable policy and regulatory environments for philanthropy
- Build a solid evidence base through knowledge and intelligence
- Raise the visibility of philanthropy’s value and impact

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