20/10/2023

**Philea 2023 Manifesto update draft**

For comments

Philea is currently updating its Manifesto ahead of the EU elections. Following input received via the Annual Forum, different Committee reviews and an online consultation as well as hands on review by the Philea Legal Affairs Committee (LAC) at its meeting on 9 October 2023, below is the draft updated Manifesto as it stands on 19 October 2023 for comments until 27 October 2023.

### CURRENT DRAFT NEW DRAFT

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| **Four recommendations:**   * RECOGNISE philanthropy and ENGAGE WITH IT * FACILITATE cross-border philanthropy * ENABLE AND PROTECT philanthropy * CO-GRANT AND CO-INVEST for public good and civil SOCIETY | **Four recommendations for a European philanthropy strategy:**   * ENABLE the legal toolbox for philanthropy * FACILITATE cross-border philanthropy * EXCHANGE with philanthropy * PARTNER with philanthropy for public good   *(NB: the recommendations below are in the order of the current Manifesto to facilitate comparison. In the final updated version, these will be placed in the order listed above).* |
| **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. | **EXCHANGE with philanthropy**   * We call for regular and more structured exchanges and dialogue between EU policymakers and national policymakers with the philanthropy sector, including a structured dialogue with the European Commission involving different Directorates General around philanthropy. * Together with the wider civil society sector, we call for a better implementation of Article 11 of the TEU, which requires EU institutions to maintain an open, transparent and regular dialogue with civil society. EU institutions should conclude a civil dialogue agreement, recognising civil dialogue as an essential element of European participatory democracy. * We call on the European Parliament to continue the Parliament Intergroup on Social Economy and to consider the creation of an Intergroup on Philanthropy. * We welcome the Social Economy Gateway and believe this should be further built up for information exchange. Politicians should promote the important role of philanthropy publicly by considering, among other initiatives, establishing a European Year for Philanthropy. |
| **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. | **FACILITATE cross-border philanthropy**   * Building on the Social Economy Action Plan, we call for the EU to create a Single Market for Philanthropy, which acknowledges the free flow of capital within Europe. To foster this barrier-free system for philanthropy it is essential to ensure a more meaningful application of the non-discrimination principle to eliminate administrative barriers and facilitate tax-effective cross-border philanthropy. Solutions can include: - A directive on mutual recognition of public-benefit organisations within the EU - Guidance to Member States  - The creation of templates to facilitate cross-border philanthropy as is foreseen with the Council recommendation on social economy frameworks * Policymakers at European and national levels must refrain from introducing foreign funding restrictions (e.g. by requiring specific reporting and listing of organisations receiving foreign funding) and respect the freedom of association which includes the right to funding – from within and across borders. * We call for a swift adoption of the current European Cross-Border Association (ECBA) proposal and consideration of a similar national legal form for foundations as well as a supranational legal form for organised philanthropy. * The Single Market for Philanthropy should: - Allow recognition of legal personality of public-benefit foundations without further registration processes in another EU Member State  - Enable cross-border mergers and move of seats for institutional philanthropy within the EU |
| **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 counterterrorism 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. | **ENABLE the legal toolbox for philanthropy**   * The Treaty Freedoms and EU Fundamental Rights, including the freedom of association and expression and the free flow of capital, should 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. We call on Member States to provide for an enabling legal framework for philanthropy and foundations and for the EU to consider Minimum Standards for the application of the Freedom of Association. * We call on Member States to enlarge the toolbox where needed such as enabling philanthropic organisations to engage in impact investing with both their programme and endowment investments. In the context of endowment investments, public actors could support the creation of financial instruments that would enable philanthropic organisations to invest their endowment in products that are linked to their mission and are acceptable in terms of financial risks. * We call on national, EU and international policymakers to make sure that rules on money laundering and counterterrorism financing are proportionate to the risks they seek to address and do not unduly restrict legitimate charitable activities. * There should be continued monitoring by the European Commission and Fundamental Rights Agency to ensure that EU and national legislation impacting the philanthropy sector is compatible with EU law and fundamental rights and that infringement proceedings are launched in case they are not. * Banks and financial services should respect the right to freedom of association and exercise a fundamental rights impact assessment when designing and implementing policies that affect philanthropic organisation’s access to resources. * We also call on EU and national policymakers to work towards a fairer VAT deal for charities and allow for compensation schemes to recover irrevocable VAT costs. |
| **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 coinvestments by de-risking missionrelated 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. | **PARTNER with philanthropy for public good**   * The EU should consider partnering with philanthropy to protect civic space, democracy, rule of law and fundamental rights; and to work towards digital, green and social transitions. * EU policies should take into account that foundations of different sizes and scales can come in as co-funders, co-investors, implementers and also recipients of EU funding. * The EU should review their financial rules to enable more partnerships and co-funding opportunities with philanthropic organisations and consider more flexible support to those civil society organisations receiving EU funding. * The EU and InvestEU implementing partners should develop together with philanthropy a co-investment facility as was announced in the Social Economy Action Plan at the end of 2021. Member States should also jointly develop co-investment facilities at the national level. * 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 via the EU CERV programme and beyond. |
| * **TAGLINE**: Private resources for public good - Four key recommendations to introduce a Single Market for Philanthropy * **INTRODUCTION**: The “European Philanthropy Manifesto” is a call to policymakers 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 philanthropic organisations 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. | * **TAGLINE**: Single Market for Philanthropy – Four key recommendations to unlock private resources for public good * **INTRODUCTION**: The “European Philanthropy Manifesto” is a call to policymakers in Europe to work towards a Single Market for Philanthropy building on developments in 2020-2023, namely the Social Economy Action Plan and Council Recommendations for Social Economy; Council Recommendations on Civic Space; and the Commission’s legislative proposal for a European cross-border association. * Philanthropy and foundations are part of our pluralistic and democratic societies. They are means for citizens and other donors to contribute to creating a society that works for people and the planet. Philanthropic organisations can take different forms such as local and community foundations; smaller or larger players; and foundations that own companies (enterprise foundations) or foundations that are set up by companies, just to name a few. * Foundations are part of the wider social economy and civil society and at the same time they are also supporting other social economy and civil society actors. In this context, philanthropy is also calling for the EU Civil Society Strategy alongside the wider civil society, and supporting wider social economy calls. |
| * 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 philanthropy(1), has identified new opportunities to help shape and protect philanthropy’s operating space. | * WHAT? In ways big and small, foundations and philanthropic organisations and actors are helping to make life better for the people in Europe and around the world. Europe is one of the most generous continents in the world, home to the largest number of public-benefit foundations and millions of citizens that want to do public good. The philanthropic sector continues to demonstrate dynamic growth today. Philanthropy refers to foundations and philanthropic organisations (which can take different legal forms), corporate funders and individuals using their own private resources strategically for the public good. Philanthropy supports programmes from which we all benefit, in areas such as education, health, science, environment, culture and international development. It plays a crucial role within civil society, complementing government and private sector initiatives. A unique characteristic of philanthropy is its ability to respond in real-time to the critical challenges facing our societies, while simultaneously taking a longer-term view. * WHY: Motivated by these ideals, 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 the activities of philanthropic actors. More guidance is needed to ensure that policy developments at national and EU level do not conflict with EU law and European core values. Moreover, it appears that philanthropic actors generally do not yet enjoy the full freedom of the EU 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 treatment or tailor-made/dedicated and reasonable policies regarding anti-money laundering regulations within the EU.  [See Philea’s legal and fiscal country profiles and “Comparative Highlights of Foundation Laws” for details on the European philanthropic operating environment.](https://philea.eu/how-we-can-help/policy-and-advocacy/analysing-the-legal-environment-for-philanthropy-in-europe/) |

### Suggestions? Comments?

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