



Donors and Foundations Networks in Europe

WINTER MEETING

19-20 January 2017

BERLIN



Photo: Christian Thomas, Association of German Foundations

Foreword

The DAFNE Winter Meeting is always a special occasion – bringing a richness of knowledge and experience together over two days. 27 participants representing national associations and donors forums from 17 countries participated. Despite our diversity we face common challenges, and because of our common interests, working together is essential. In the rare opportunities to come together we pack as much in as we can – exchanging, learning, identifying opportunities for collaboration and collective action – always with the purpose of helping our members in their work to improve the operating environment for and practice of philanthropy.

The purpose of this report is to record and enable wider sharing of issues discussed within the DAFNE membership and beyond. I am grateful to all participants for their invaluable contributions to discussions and in particular wish to acknowledge, on behalf of all participants, the work of Bettina Hesse for her support in the organisation of the meeting and her note-taking, and the wonderful hosting by the Association of German Foundations.

James Magowan

Co-ordinating Director
DAFNE

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Appendix 1 - Participants

1. Country Updates

Members reflected on challenges in relation to the operating environment, philanthropy practice and operational issues, and discussed actions being taken.

These are summarized below:

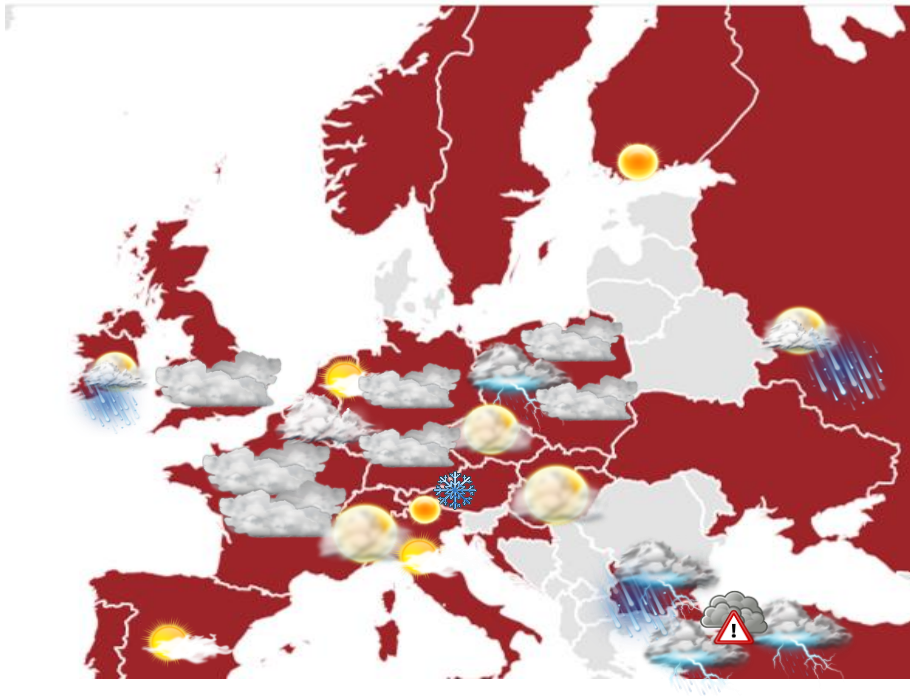
Challenges

Operating environment	Philanthropy practice
Manage political instability and change in the enabling environment (legal and fiscal issues) – protection / building new relationships. Raise profile and awareness in order to meet demand for greater public scrutiny and trust (media and public perception). Continued poor return on investment (for some)	Develop a coherent agenda (go beyond ad hoc collaboration to coalitions of interest). Improve transparency and build a more comprehensive quantitative and qualitative evidence base. Making the case for philanthropy.
Operational issues Increase membership Improving efficiency and effectiveness Financial sustainability	

Actions

Internal and external communications (visibility / impact) Developing relationships with an increasingly broader range of stakeholders Advocacy work (in collaboration with others) Member survey / consultation and better management of member relations Developing service offered to members (including new methods eg digital dialogue / ThinkLab and promoting member collaboration / strategic action) Development of charters and codes of principles / practice

A weather map of the operating environment was presented, indicating complex and changeable conditions across Europe. It was noted however that behind the prevailing clouds and storms were brighter skies and that members were equipped for and coping with inclement weather. The importance of sharing knowledge, finding inspiration and solutions, and for mutual support and collective action was highlighted.



2: Global Diplomacy Lab (GDL)

Senta Höfer (Federal Office of Foreign Affairs, expert for public-private partnerships), Susanne Salz (founder of 'United Actors'), Imran Simmins (South African diplomat in Berlin) presented the work of the GDL which challenges traditional diplomacy



Photo: Christian Thomas, Association of German Foundations

methods. With 100 members from different professional backgrounds they have sought to find new ideas and approaches by engaging in inter-disciplinary (public – private – NGO) discussions. GDL uses a variety of techniques such as 'Fish Bowl' and 'Open Situation Room' in order to approach issues differently. They suggested that governments are increasingly interested in the work of foundations – noting in particular their ability to innovate and to operate in the longer term. Members were invited to consider joining (or to encourage foundation participation) GDL.

3. The Operating Environment for Philanthropy

James Magowan, DAFNE and Hanna Surmatz, EFC opened the session providing the context for a joint study 'Enlarging the Space for Philanthropy' that aims to identify relevant international/European law and guidance that is informing national legislation and practice that defines the operating environment, and to identify opportunities (legal and other) for the development of alternative instruments that can facilitate philanthropy across borders in Europe. This will be undertaken with assistance from Dr Oonagh Breen, University College Dublin (UCD) and with input from DAFNE and EFC.

Dr Breen provided contextual background to the study identifying the relevant jigsaw pieces that would be taken in to consideration and posed the questions 'How big is the space for philanthropy?' (suggesting that change and relative space were as important as absolute space) and 'what is the capacity for regulation at EU and national level to influence the activity of non-profit (and philanthropic) activity.'



She highlighted lessons learned as follows:

- **Civil Law and Common Law differences matter!** Europe is a complex legal environment, which will change again with occurrence of BREXIT.
- **Promulgating Nonprofit Regulation at European level is difficult!** Absence of a valid Treaty basis exacerbates this problem, requiring MS unanimity.
- The inability of the EU to easily regulate NPs can be both good and bad, depending on the measure in question (enabling or prohibitory). **To what extent can EU Commission become an enabler of CS through soft law?**
- The loss of the ESA and the EFS = victims of this complex legal regime. New potential proposal for Statute for social and solidarity-based enterprises on the table. Will it suffer the same fate? **What lessons have been learnt from previous failures?**
- **What space exists to protect CS within the emerging Framework on the Rule of Law?**

James Magowan, DAFNE presented a summary of member responses to a consultation aimed at gathering evidence of the ‘closing space’ for philanthropy. He presented a framework to cluster characteristics, examples and actions, based on benign, tightening and restrictive environments.

Environment	Benign	Tightening	Restrictive
Characterised by	Consultation and engagement	Over-zealous application of international standards / Directives De-risking or inadvertently putting grantees at risk (notably Human Rights organizations) Focus on religious organizations and those involved in Human Rights	Active measures to close civil society orgs or particular activities
Examples	Risk analysis Codes of Good Practice Foundation sector proposals adopted	Rigorous application of FATF; AML; CRS	Decrees to close organizations perceived as being of threat to national security Foreign Agent designation Very restrictive financial control
Actions taken	Close collaboration with relevant regulatory authorities / government	Monitoring and lobbying (often in collaboration with others) Providing information to members Gathering intelligence / information from members on adverse effects Sharing experience between countries Promoting positive public discourse	Close monitoring of legal environment Building strong coalitions of interest Awareness raising

Hanna Surmatz, EFC provided a comprehensive briefing on developments affecting the space for philanthropy including:

- Tax discrimination of cross-border philanthropy
- Counter terrorism and money laundering policy / EU supranational Risk Assessment / AML Directive
- Fight against tax evasion: Common Reporting Standards
- EU VAT consultation

She highlighted the importance of gathering evidence from practice in respective countries in order to compare and contrast and to inform regulators and policy makers.

With regard to tax discrimination and cross border philanthropy the theory is that there should be non-discrimination in taxation of philanthropy within the EU. The practice however is that there are different approaches and there is a need for practical and policy solutions. EFC and Trans-national Giving Europe are working on these.

The success in respect of FATF (Recommendation 8 revision) was noted as an example of the effectiveness of collective action. The importance of engaging in the national risk assessment process was highlighted. Possible dates for forthcoming relevant FATAF and Moneyval on-site visits were noted.

FATF

Ireland, Oct/Nov 2016
Denmark, Oct/Nov 2016
Portugal, Feb/Mar 2017
United Kingdom, Feb/Mar 2018
Finland, Jun/Jul 2018

Moneyval

Czech Republic, Feb 2017 (now likely 2018)
Ukraine, Feb 2017
Slovakia, July 2017
Poland, 2018

The process and timetable for the EU supra-national level risk assessment was described. It was noted that the Commission's preliminary assessment indicated that non profit organizations represented a significant threat for the collection and transfer of funds for terrorist financing, and given that there is no harmonised regime or common control system in Europe that the vulnerability level was high.

It was noted that the Common Reporting Standard was clearly identified as an issue that would impact on some endowed foundations in the UK and that this is another area where more national level information needs to be gathered.

The EU VAT consultation process was presented along with proposed options. DAFNE members were encouraged to consider these and to express their preference and to engage with the relevant national authorities. DAFNE and EFC through ECCVAT will issue a joint response in March.

4. Development of an advocacy agenda

Building on the legal and fiscal issues and evidence from countries identified in the previous session the work of TUSEV in Turkey and the Polish Donors Forum was shared.

Both highlighted challenges associated with working in a politically unstable environment. In Turkey, with a state of emergency prevailing, many NPOs have been closed, and thousands of civil servants have been removed from their posts, and there is uncertainty about the future role of the NPO sector. In Poland the image of foundations is poor (often there are mis-perceptions of foundations in negative media coverage) and new legal framework is expected along with the establishment of a national centre for the development of civil society.

Both highlighted the need for monitoring and the building of capacity within the respective countries, they highlighted the value of European solidarity and for sharing of examples of legislation and regulatory systems.

In considering the DAFNE advocacy agenda it was noted that we should build on positive points of reference, such as tax allowances in France, self regulation in Finland, positive public and state recognition of the role and value of foundations in Germany etc.

5. DAFNE Activities

Two significant activities from 2016 were selected for review and to inform thinking for 2017. They were the European Day of Foundations and Donors (pan-European 1st October) and the Corporate Foundations Knowledge Exchange (Fontainebleau, 5-6 December).

European Day of Foundations and Donors

The day (the 4th annual event) served to help raise awareness of the work of foundations and to recognise their work. 14 countries participated in 2016.

Successes:

- Wide range of activities with variety of themes
- Video with messages from 12 countries
- Join the light social media campaign
- Common # and enhanced social media presence
- Launch of European Foundation Sector report

Lessons:

- Start earlier in planning and sharing of resources
- Gather relevant data and identify common messages (themes / issues)
- Consider a new #
- Use DAFNE hub more effectively and DAFNE website as a communications vehicle

Corporate Foundations Knowledge Exchange

This was the first event organized by DAFNE in conjunction with a member for 'Members of Members' hosted by INSEAD in Fontainebleau it was co-organized by CFF and DAFNE.

Successes:

- 87 participants from 10 countries
- Highly engaging programme mixing external expertise with sharing of knowledge - participants learnt from the content and the highly participative approach and made many international connections
- The topic was specific to the audience and there was added value from international participation
- Was of particular value to smaller associations and where the development of work with Corporate Foundations was evolving (however there was an imbalance in the size of delegations)
- Raised profile and awareness in France in particular and leveraged resources (financial and non-financial) and developed relationship with INSEAD

Lessons

- Offered the possibility to consolidate within country and internationally around a common interest area and to engage potential members
- The concept of the country delegation-led by a DAFNE member is critical to the success of this type of event and in ensuring there is continued work on the topic at national level.
- There is an appetite from participants to continue with the exchange (SwissFoundations offered to host) – some ideas on theme of impact / next generation

DAFNE Engagement Strategy and Action Plan

James Magowan presented the DAFNE Engagement Strategy and Action Plan. He stressed that the purpose was to:

- Accommodate diversity (size, resources, language, contexts)
- Balance equality & building capacity (being relevant to all)
- Preserve the community (while growing)
- Work with limited resources (proving value of active participation)
- Encourage stakeholder involvement (opening to others)

He presented the DAFNE Action Plan framework which was designed to ensure coherence from actions through to the overall Vision as shown below.

Vision

DAFNE will create a dynamic, effective and sustainable mechanism as a connector between national associations and donors forums across Europe

Mission

To 'hard-wire' the circuit and to energize activity within it

Goals

Build resources

Build skills, knowledge and expertise

Build relationships

Build reputation, recognition and influence

Strategic priorities

Membership Network and Synergies

To facilitate peer learning; sharing and exchanging experience; transferring knowledge; and identifying and leveraging synergies.

Data and Research

To build a robust evidence and knowledge base and seek to maximize and utilize its pool of knowledge

Advocacy

To enhance the effectiveness of advocacy work at European and national levels

Communications

To scan and gain a perspective on the European ecosystem and vice versa and facilitate communication via relevant channels

General activity in relation to each pillar and 'flagship engagement projects' proposed are:

Membership Network and Synergies

1. DAFNE Winter Meeting
 2. DAFNE/WINGS session on 4Cs at Wings Forum (Feb 21-24)
 3. Proposed DAFNE session at Ariadne conference (5-7 April)
 4. DAFNE Summer Meeting (31 May)
 5. Engage with Wings and other peer organizations involved in the development of philanthropy infrastructure
 6. Bilateral / multilateral exchanges
 7. DAFNE members speaking at or participating in other member hosted events
- Flagship Engagement Project: Providing Connections

Data and Research

1. Gather and analyse association and foundation sector level data
 2. Maintain updated country profiles on website
 3. Engage with other researchers as appropriate on data collection and analysis
 4. Monitor external affairs and informing members as appropriate and bringing issues from the membership to the attention of other relevant stakeholders
- Flagship Engagement Project: Measuring Up

Advocacy

1. Implementation of Action Research Project - Protecting the funding operating environment
 2. Implementation of DAFNE / EFC Joint study - Enlarging the Space for Philanthropy (interim findings to be presented at EFC conference June 2017)
 3. Sharing of experience on the role of Associations in policy work at national level and identification of common issues on the advocacy agenda at global, European and national levels
 4. Development of an advocacy agenda for DAFNE
 5. Facilitation of a Policy Exchange
 6. Cooperation with EFC and liaison with other relevant stakeholders on advocacy issues
- Flagship Engagement Project: The Voice of DAFNE

Communications

1. General liaison with members
2. Activation and management of Knowledge Hubs within the members portal
3. Regular tweeting
4. Updating News and Resources sections of website as appropriate

5. 6 issues of DAFNE Digest
 6. European Day of Foundations and Donors (1 October)
 7. External representation on behalf of the network and liaison with stakeholders / strategic partners
- Flagship Engagement Project: DAFNE Storyboard

6. Behind the date and in front of policy and practice

Prof. Theo Schuyt and Barry Hoolwerf ERNOP / VU University Amsterdam presented data from the Giving Europe study due to be published in the next few months. They highlighted the value of data in gaining and sustaining legitimacy of the philanthropy sector and in drawing country comparisons. They stressed that the Giving Europe study could

1. enhance the visibility of the foundation community and philanthropy in general.
2. contribute to the growth of an independent philanthropy sector in the EU, separate from governments and market players
3. enhance the legitimacy and effectiveness of the foundations community and philanthropy in general
4. contribute to the profiling and professionalization of philanthropy and the philanthropy sector

They welcomed the opportunity to engage with DAFNE members and requested on-going collaboration in order to improve data gathering and to disseminate findings.

7. Benchmark Me

The Bulgarian Donors Forum (BDF) and UK Association of Charitable Foundations (ACF) presented detail about who they are what they do and how. This session was designed to provide an opportunity for a more in-depth understanding of the operations of members but also to start to identify if there are 'bench marks' that could help in the on-going professional development of national associations and donors forums.

The presentations covered issues relating to governance, finance, member services and other activities. Common activities were seen to relate to each of the 4Cs (developed by WINGS and DFANE to assess the impact of infrastructure organizations) – Capacity, Capability, Connections and Credibility) included supporting members, advocating for the sector, connecting members nationally and internationally, and providing inspiration. BDF has an additional wider remit of the general promotion of philanthropy (and with the DMS platform) while ACF focuses on member interests i.e. foundations that are grant-makers of engaged in social investment (although reference was made to the knowledge sharing website Funder Network which is facilitated by ACF but open to all funders).

Despite differing contexts, history and structure there were sufficient matters in common in relation to operations to suggest that developing a bench-marking will help in the development of national infrastructure.

Appendix 1

PARTICIPANTS

DAFNE Members:

	Dr. James Magowan , DAFNE
Belgium	Diletta Brignoli , Belgian Federation of Philanthropic Foundations Luc Luyten , Belgian Federation of Philanthropic Foundations
Bulgaria	Krasimira Velichkova , Bulgaria Donors Forum
Czech Republic	Klara Splichalova , Czech Donors Forum
Finland	Liisa Suvikumpu , Council of Finnish Foundations Martin Löfman , Council of Finnish Foundations
France	Béatrice de Durfort , French Foundation Centre
Germany	Anke Pätsch , Association of German Foundations Bettina Hesse , DAFNE; Association of German Foundations Felix Oldenburg , Association of German Foundations Prof. Dr. Joachim Rogall , Association of German Foundations; Bosch-Foundation
Italy	Carola Carazzone , Associazione Italiana delle Fondazioni ed Enti della Filantropia Istituzionale (Assifero) Giorgio Righetti , Association of Foundations of Savings Banks (Acri)
Liechtenstein	Dagmar Bühler-Nigsch , Association of Liechtenstein Charitable Foundations (VLGS)
The Netherlands	Joost van Lanschot , Association of Foundations in the Netherlands (FIN) Suzette de Boer , Association of Foundations in the Netherlands (FIN)
Poland	Magdalena Pełacka , Polish Donors Forum Julia Kluczynska , Polish Donors Forum
Portugal	Mário Curveira Santos , Portuguese Foundation Centre
Spain	Isabel Peñalosa Esteban , Spanish Association of Foundations Rosa Gallego García , Spanish Association of Foundations
Sweden	Stefan Einarsson , Association of Swedish Foundations
Switzerland	Christian Götz , Swiss Foundations
Turkey	Liana Varon , Third Sector Foundation of Turkey
United Kingdom	Carol Mack , Association of Charitable Foundations David Emerson , DAFNE Treasurer

Observers:

Belgium	Gerry Salole , European Foundation Centre (EFC)
Denmark	Susanne Dahl , Bikuben Foundation
Germany	Anja Böllhoff , European Community Foundation Initiative (ECFI)

Speakers:

Belgium	Hanna Surmatz , European Foundation Centre (EFC)
Germany	Prof. Dr. Eckart D. Stratenschulte , European Academy Berlin
	Heike Catherina Mertens , Board Member of the Association of German Foundations, CEO of Schering Foundation
	Imran Simmins , Global Diplomacy Lab (GDL)
	Nina Leseberg , Association of German Foundations
	Senta Höfer , Global Diplomacy Lab, Federal Foreign Office
	Susanne Salz , Global Diplomacy Lab (GDL)
Ireland	Dr. Oonagh Breen , University College Dublin (UCD)
The Netherlands	Barry Hoolwerf , VU University/ERNOP
	Prof. Theo Schuyt , VU University/ERNOP