

2. INTERVIEW MIT GERRY SALOLE, CHIEF EXECUTIVE OFFICER DES EUROPEAN FOUNDATION CENTRE



Gerry Salole

was appointed Chief Executive of the European Foundation Centre (EFC) in 2005. The EFC is an association of over 230 public-benefit foundations and corporate funders active in philanthropy in Europe and elsewhere.

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For some years now, the landscape of foundations in Europe has been developing very dynamically. The legal and fiscal framework conditions are evolving. In your opinion, where – with regard to these fields – do the main challenges for a continued positive development of the European foundations landscape lie?

Our key challenge now lies in ensuring that, following the recent adoption by the European Commission of a regulatory proposal, the European Foundation Statute becomes a reality. Ultimately this now rests with national governments and EU decision makers, but the efforts of foundations in continuing to make the case for the Statute and sending a strong message to decision makers at both national and European level will be crucial to ensuring that the European Foundation Statute makes it across the finish line.

Apart from the Statute, there are a host of other ongoing developments in the arena of legal and fiscal affairs that we must stay abreast of and engaged with: changes to wider legislative and fiscal frameworks, such as the ongoing developments in the field of cross-border taxation of public-benefit organisations and their donors, and the current discussions at international level on foundations' transparency and accountability and the role of self-regulation in promoting this, for example.

According to you, why would the introduction of a European Foundation Statute be of great significance? Which hopes and expectations does the EFC have towards such a statute?

First and foremost, the European Foundation Statute will enable foundations to do what they do best, better – with this tool, foundations will be able to increase their efficiency and maximise their contribution to the public good in Europe. The reduction in administrative costs and the increase in legal certainty will ease and enhance foundations' cross-border operations. More broadly, the Statute would give a clear, internationally recognised label to foundations working across borders in Europe, thus promoting their transparency and accountability. This is of increasing importance as more and more foundations are working in more than one EU Member State.

The EFC's hope is that the Statute will create a level playing field for transnational philanthropic activity in Europe and will strengthen the sector for the long term and the challenges ahead.

Please state an example of a textbook case in which such a European Foundation Statute would come to bear?

Any EU-based foundation for which having an international dimension to its outlook and activities is essential could benefit from the tool. For example, if three individuals, all resident in different EU member states, wanted to pool resources to establish a foundation to support pan-European projects in the field of cultural and educational activities, they could use the European Foundation form to do this. Doing so would bring a number of benefits: the organisation would receive full legal recognition in all the Member States in which it chose to operate; administration of the foundation's international activities (e.g. operations, projects, grantmaking and investments) would face fewer bureaucratic hurdles; and both the foundation and its donors would be eligible for tax treatment equal to that received by (donations to) local public-benefit foundations in the Member State in question.

Are European foundations prepared for the challenges that lie ahead of them? What is working well and in which areas is work still to be done?

In the last 20 years or so, we have seen the European foundation sector grow significantly in number and mature to become a more connected, informed, stronger community of peers capable of responding effectively to the many challenges facing today's society. But challenges of global proportions are already at our doorstep, such as those posed by migration, poverty, climate change and cultural conflict, to name but a few. European foundations cannot tackle these alone. That is why the EFC has joined forces with the Council on Foundations and Worldwide Initiatives for Grantmaker Support (WINGS) to set up the Global Philanthropy Leadership Initiative (GPLI) to advance the practice and impact of philanthropy at the global level. The initiative has several key objectives:

Improving the legal and regulatory environment for philanthropy in a global context; developing models for improving and increasing collaboration in philanthropy in a global context; identifying key opportunities to engage with policy makers/multilateral organisations. Meanwhile inside Europe, foundations must also strive to ensure that their voice is heeded on the policies that affect not only this global work but also developments of national and transnational im-

portance. This is the impetus behind the establishment of the forthcoming Foundation House in Brussels, which I believe will provide a powerful communications platform to discuss important policy issues and facilitate the sector's work by connecting foundations with NGOs and Brussels' policy and decision makers. Of course, all of these challenges cannot be addressed without the further training and professionalisation of the sector. As a new wave of philanthropists and donor groups become active, we must be ready to equip them with practical tools and skills they will need to provide strong and strategic leadership in the future. That is why the Centre is concentrating considerable efforts in developing its professional development training programme and projects such as Grantcraft – an initiative offering practical guides and materials to grantmaking organisations in Europe and worldwide.

Which role does the Swiss foundation sector play within the scope of these discussions? In your opinion, which are the strengths and weaknesses and which impact would the introduction of a European Foundation Statute have on Switzerland, as a non-EU country?

Swiss foundations are key players in the European foundation sector. Swiss foundations share with foundations across the continent a mandate to use the private resources with which they have been entrusted to the benefit of the wider public – they contribute substantially to the sector's collective effort to address European and global challenges on the issues that affect us all: poverty, education, environment, health, science, research and development, to name just a few. They also bring important perspectives to the table on matters such as transparency of and professional development within the foundation sector. Swiss foundations' participation in international networks and platforms such as the EFC and the Donors and Foundations Networks in Europe (DAFNE) is important – for all of us.

What would the introduction of a European Foundation Statute mean for Switzerland? Switzerland is not part of the EU or EEA. Hence EU rules are not applicable unless Switzerland concludes bilateral treaties with the EU. Switzerland could of course recognise the European Foundation as a legal form and could provide for a nondiscriminatory treatment to tax exempt public benefit foundations according to Swiss law.

Thank you for your statements.