

SEIZING THE OPPORTUNITY FOR PHILANTHROPY IN LUXEMBOURG

THE SYMPOSIUM...

23 April 2008

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Context

A new impetus for philanthropy in Europe... and Luxembourg?

Although corporate and individual philanthropy is seeing a considerable revival in a number of European countries, Luxembourg is not yet participating in this trend. With the contribution of the private sector to charitable initiatives expected to grow, this symposium aims to consider a possible framework for Luxembourg to boost the commitment of donors and their impact on beneficiaries.

Different traditions depending on the country

Although charitable giving has been an integral part of European society for centuries, the development of contemporary legal systems since the 18th century has influenced the emergence of different approaches to the roles, responsibilities and financing of the “third sector”.

This has in turn shaped the relationship of European society to charitable giving:

- The Netherlands, Switzerland and Scandinavia (where the corporate approach is prevalent), and the United Kingdom and Ireland (characterised by economic liberalism) view private initiatives as a desirable complement to government action.
- Other European countries like Luxembourg where the legal system is based on the Napoleonic code, tend to consider social action as the responsibility of the state. In these countries, citizens and companies may contribute through state structures, or failing that, the church.

Strong growth in Europe

However, since the 1980s, this situation has changed considerably in many European countries.

For example, 4,000 foundations have been set up in Spain since 1995 (a 56% increase), while in Germany, 800 foundations are currently created every year. In France, corporate charitable giving tripled in volume between 2003 and 2005 to 1 billion euros per annum. Alongside this, France, Germany, the UK and the Netherlands have experienced a significant development in the not-for-profit sector, with a 30% increase in employment noted between 1990 and 1995, a trend that has since gathered pace.

Strong potential in Luxembourg

Although Luxembourg is heavily involved in the field of development aid, data shows that this is not matched by comparable commitment to financing of charitable initiatives in the corporate sector. In light of experience in neighbouring countries, there is significant potential to increase this contribution.

In a recent study, Charities Aid Foundation (CAF) estimated that charitable giving represented 0.14% of GDP in France in 2003 and 0.22% in Germany. If we consider that Luxembourg is somewhere between these countries, with contributions to charitable giving at

around 0.18% of GDP, one arrives at an estimate of around 50 million euros of donations in 2006.

In Great Britain, private donations amounted to £8.9 billion (around 14 billion euros) for 2005/06, which is 0.68% of GDP. If we extrapolate these figures to Luxembourg, this would have amounted to 185 million euros in 2006.

Providing the philanthropy sector with the framework to grow

FSG Social Impact Advisors held a series of round tables at the end of 2007 to establish the state of play of the philanthropy scene in Luxembourg. Representatives from associations and foundations based in Luxembourg, NGOs active abroad, the corporate sector and players from the cultural world, research and education were invited to participate in four round-table discussions.

The findings have identified the factors that are encouraging or impeding the development of charitable giving and have been used to define the topics for discussion during the symposium.

The act of giving is still unquestionably based on the motivation or the desire of donors, citizens and companies to commit. Some find giving easier than others, perhaps because of their own experience. Philanthropic giving is also determined by the means available, as well as the intensity of the beneficiary organisation's "demand" and its resources.

The concrete proposals for promoting development of philanthropy in Luxembourg are as follows:

* **Reform of the legal and tax framework;**

* **The provision of advice and mediation services between donors and beneficiaries based on the model of umbrella organisations** (King Baudouin Foundation, Charities Aid Foundation, Fondation de France, etc);

* **An awareness-raising and communication campaign to inform individuals and companies on their role and ways of getting involved.**

The presentations and debates during the day will address each of these proposals and, we hope, contribute to opening up new perspectives for philanthropy in Luxembourg.

Tax framework in Europe and Luxembourg

1. Comparison of the Tax Treatment of Donations

	Belgium	France	Germany	Spain	Great Britain	Luxembourg
Tax benefit	Only applicable to donations in cash or works of art Individuals: Deduction from taxable income Companies: Deduction from taxable earnings	Individuals: Tax reduction of 66% of the donation in cash Companies: Tax reduction of 60% of the donation in cash	Individuals: Deduction from taxable income Companies: Deduction from taxable earnings	Individuals: Tax credit of 25% of the donation in cash Companies: Deduction from taxable earnings of 35% of the value of the donation	Individuals: Gift Aid & exemption from capital gains tax on donations of assets Companies: Deduction from taxable earnings	Individuals: Deduction from taxable income Companies: Deduction from taxable earnings
Minimum donation to get tax benefit	€30	No	No	No	No	€120
Cap	Individuals: 10% of income Companies: 5% of earnings to a maximum of €500,000	Individuals: 20% of income (may be spread over 5 years) Companies: 0.5% of turnover (may be spread over 5 years)	Individuals: 20% of income (may be spread over 5 years for donations of over €25,000) Companies: 20% of earnings or 0.4% of turnover (may be spread over 5 years)	Individuals: 10% of income (may be spread over 10 years) Companies: 0.1% of turnover (may be spread over 10 years)	Individuals: - Companies: -	Individuals: €500,000 or 10% of income Companies: idem
Government authorisation required	Donations of over €100,000	No	No	No	No	Donations of over €12,500
Donation and/or succession rights	0-25% depending on type of donation, region and beneficiary. Donations between not-for-profit associations of €100.	No	No	No	No	4.8% (public institutions); 7.2% (not-for-profit associations)

FSG Social Impact Advisors for Banque de Luxembourg

* The British government pays tax corresponding to the donations it receives from private individuals.

Source: FSG Social Impact Advisors, based on a survey conducted in 2007 by the European Foundation Centre "Legal and Fiscal Environments".

2. Comparison of the Legal and Tax Regulations for Foundations

	Belgium	France	Germany	Spain	Great Britain	Luxembourg
Creation requires authorisation	Yes, but only for public utility foundations	Yes	Yes	Yes, but if the criteria are met, the authorisation cannot be refused	No (registration with the Charity Commission; if the criteria are met, no right to refuse)	Yes
Minimum donation required for creation	€25,000 for public utility foundations; No for private foundations	In general no, except for recognised public utility foundations: contribution of €1,000,000	€50,000	€30,000 (accumulated over the first 5 years)	No	Not specified
Income tax required on profitable activities	No as the profitable activity is marginal	No as long as the profitable activity is marginal	No, unless not correlated to the object of the foundation and exceeding €30,678 per annum	Generally, no. Exceptions are taxed at a reduced rate of 10%.	No as the profitable activity is marginal	Yes: profitable activity is subject to corporation tax (~30%, depending on <i>commune</i>)
Tax on financial income	15-25% depending on asset category	No	No	No	No	No

FSG Social Impact Advisors for Banque de Luxembourg

9 points about the Symposium

- The Symposium on 23 April, the first event devoted to Philanthropy in Luxembourg, will bring together 350 participants representing interested parties in philanthropy in Luxembourg, including representatives of the Luxembourg Government, individuals with specific knowledge of the subject, company directors, charitable associations, and professionals in the charitable sector.
- The purpose of the Symposium is to explore and promote the conditions that would enable Luxembourg to encourage the private sector's support for projects of social interest.
- This initiative is intended as a response to the fact although corporate and individual philanthropy is seeing a considerable revival in several European countries, Luxembourg is not yet one of them.
- Over 20 European and American experts will contribute during the Symposium to open up new ideas for philanthropy in Luxembourg.
- In various working groups, participants will discuss the state of play in the Grand Duchy, best European practices, legislative and tax issues, and new professional services that have been created as a result of this recent development.
- Initiated by Banque de Luxembourg, the event enjoys the Esteemed Patronage of Her Royal Highness the Grand Duchess. The Symposium will be inaugurated by Jean-Claude Juncker, Prime Minister of Luxembourg, and the closing speech will be made by Jacques Santer, Honorary Minister of State and former President of the European Commission.
- Preparatory round-table discussions held with key players in Luxembourg identified 6 principal hindrances to the development of philanthropy in Luxembourg:
 - o Lack of knowledge about how to act
 - o Insufficient access to information on possible beneficiaries
 - o Lack of infrastructure support for donors
 - o Difficulty of appreciating the impact that can be generated by charitable actions
 - o A tax framework with little incentive for giving
 - o An outdated legislative environment
- The main levers identified to develop philanthropy are:
 - o An overhaul of the legal and tax framework
 - o Establishment of a benchmark organisation such as an umbrella foundation that would offer consultancy and facilitate exchanges between donors and beneficiaries, based on the model of the King Baudouin Foundation, the Charities Aid Foundation, and Fondation de France);
 - o More information and awareness for individuals and companies on their role and on different ways in which they could engage.
- A dedicated website has been created to coincide with the Symposium and provide information for everyone: www.philanthropie.lu

Programme

08.00-08.30 am

Welcome message

08.30-09.00 am

Philanthropy, the new impetus in the private and public spheres

Public authorities, citizens and the corporate sector are experimenting with new forms of organisation. What is driving this new impetus? What role can philanthropy play in this context?

• Jean-Claude Juncker, Prime Minister, Luxembourg

With an introduction by Pierre Ahlborn, Chief Executive Officer, Banque de Luxembourg

09.00-10.00 am

"New Philanthropy": a European overview

The rapid rise of philanthropy in Europe reveals the demands of some and the creativity of others. What are the expectations and roles of private donors today? What are the needs and challenges for the beneficiary organisations? Who are the stakeholders in this booming "sector"?

• Luc Tayard de Borms, Managing Director, Fondation Roi Baudouin, Belgique

• Mathew Bishop, Chief Business Writer, The Economist, Grande-Bretagne

• Arno Krause, President, Forum Europa, Germany

Hosted by Volker Then, Managing Director, Centre for Social Investment, University of Heidelberg, Germany

10.00-10.30 am

State of play in Luxembourg: the view from key players

Leading players in the Luxembourg "philanthropy chain" met recently to identify the factors that could stimulate or hamper donations.

Hosted by Philippe Depoorter, Head of Philanthropy Advisory Services, Banque de Luxembourg

• Laurent Probst, Partner, PricewaterhouseCoopers, Luxembourg

• Marie-Paule Planchard, Founder Handicap International, Luxembourg

• Frantz Charles Muller, President, Fondation Hëllef fir d'Natur, Luxembourg

• Dr Mario Di Cato, President, Fondation de Recherche Cancer et Maladies du Sang, Luxembourg

• Bertram Pohl, President, Bertram Pohl Foundation, Luxembourg

10.30-11.00 am

break

11.00 am -12.00 pm

Legislation and tax: challenges and levers of development

The legal and tax framework determines the level of contributions from individuals and the private sector. In recent years, there have been significant innovations in this area in a number of European countries. Cross-border donations and the status of a European

foundation are of vital importance in this context. Foundations and legal professionals analyse and discuss best practices.

- Russell Prior, Executive Director, Company & International Services, Charities Aid Foundation, United Kingdom
 - Xavier Delsol, Lawyer and Partner, Delsol & Associés, France
 - Ludwig Forrest, Project Manager, TGE (Transnational Giving Europe), Fondation Roi Baudouin, Belgium
 - Volker Then, Managing Director, Centre for Social Investment, University of Heidelberg, Germany
- Hosted by André Prüm, Dean of the Faculty of Law, Economics and Finance, Director of the Economic Law Laboratory, University of Luxembourg, Luxembourg

12.00 – 01.30 pm

Lunch

01.30-03.00 pm

Professionals serving donors

The efficiency of donations is the primary requirement of the donor and a real challenge for the sector. New intermediaries and advisors are responding to the needs of donors. What kinds of services are they offering? What is their added value?

- Martin Brookes, Chief Executive, New Philanthropy Capital, United Kingdom
- Sharath Jeevan, Chief Executive, Global Giving UK, United Kingdom
- Dominique Allard, Director of the Philanthropy Centre, Fondation Roi Baudouin, Belgium
- Etienne Eichenberger, Co-founder, Wise Partnership, Switzerland
- Virginie Seghers, Consultant, sponsorship and corporate social responsibility specialist, France

Hosted by Marc Elvinger, Lawyer, Luxembourg

03.00 – 03.45 pm

Which model for Luxembourg?

- Marc Pfitzer, Managing Director, FSG Social Impact Advisors, has been meeting with various players in Luxembourg in the run-up to the symposium and will discuss his avenues for reflection and recommendations for Luxembourg. With an introduction by Philippe Depoorter, Head of Philanthropy Advisory Services, Banque de Luxembourg

03.45 – 04.15 pm

Conclusion and outlook

- Jacques Santer, Honorary Minister of State, Luxembourg

Highlights of the Symposium

Working together – the philanthropy enterprise

The scene was set - an ambitious programme and high-profile speakers. And a question: would the public respond? The organisers needn't have worried - the 'Seizing the Opportunity for Philanthropy in Luxembourg' symposium played to a full house at the Philharmonie on 23 April. In the days running up to the event, they actually had to turn people away.

It all started with a simple statement. While philanthropic initiatives are taking Europe by storm, there is very little going on in Luxembourg. And yet, there is plenty of money around: the country's generosity is exemplary in the field of development aid. So what is hampering the movement? It all has to do with obstacles, legislative and tax impediments that are preventing things getting off the ground.

One of the highlights of the symposium was the announcement by Prime Minister Jean-Claude Juncker of a series of proposals to be submitted to the Luxembourg parliament in the next few weeks. It looks like the situation could change very quickly. But it's not enough to get things moving. The country needs to decide on the direction it will take.

The question is: what can be done to improve the efficiency of the Luxembourg philanthropy scene? Speakers from the philanthropy scene were invited to discuss the wide range of systems in place in Europe – from the UK system, with its focus on the aim of the charitable organisation and its supplier regulatory framework, to the stricter centralised French model. A vast choice indeed.

Whatever system is implemented, two traps should be avoided. Philanthropists need elbow room, but should not be left to their own devices. Some state regulation is needed for monitoring charitable foundations and checking abuses. The framework must be flexible enough to allow donors to get more closely involved in their enterprise and deploy their resources in other countries if required. It must not, above all, stifle the genius (defined by a combination of creativity and capacity to act quickly) of the private individual, which makes their approach so effective and so original.

But this genius must not act in isolation – the second pitfall. The philanthropic initiative has so much more impact when it is a joint enterprise between donors, beneficiaries – and philanthropy professionals who exist to make the most out of contributions from both sides. The other challenge is to attract the public. Raising awareness of initiatives amongst the public will ensure that they too get involved. Only then will they accept the more favourable tax regimes for foundations. The aim is to liberate living forces. "We need to fight the Bill

Gate's syndrome," says Luc Tayart de Borms, managing director of the King Baudouin Foundation "and get away from this fascination with massive donations. Philanthropy is not just for the super rich." The message is: avoid the clichés. There is no typical donor profile. Amongst the many thousands of different types of donors, there is a place for everyone.

Opening speech

"Reflect hard and act quickly." The Luxembourg Prime Minister Jean-Claude Juncker opened the symposium by expressing his interest in philanthropy, his desire to boost development of the sector and to take action as soon as possible.

His view is that the State must play a role, but he underlined that it cannot do everything. Philanthropists must also contribute by offering their support and specific talents - namely speed and flexibility. He illustrated his point by quoting French philosopher Pascal who said, "J'aime les choses qui vont ensemble" *.

The head of government advocated a review of the role of philanthropy in Luxembourg. He called for a long-term outlook and suggested that the country should take inspiration from French and German experiences in philanthropy.

Jean-Claude Juncker says he is convinced that Luxembourg needs an umbrella structure – similar to the Fondation de France or the King Baudouin Foundation in Belgium. He asked for a set of proposals to be submitted to parliament on 22 May 2008. "Act quickly," he demanded. The ball is already rolling!

* I like things that go together.

The European Philanthropy sector

'New philanthropy': a European overview

Although philanthropy is as old as the hills, there's no denying the current rapid increase in interest in the phenomenon in Europe. The first round table of the symposium focused on a discussion of the state of philanthropy on the 'Old Continent'.

Luc Tayart de Borms, managing director of the King Baudouin Foundation, spoke of an "historical turning point", mainly due to the desire of successful baby-boomers to give something back. The rise in interest is also a challenge as the new breed of donor has new ideas of how to approach philanthropy.

Matthew Bishop, chief business writer of The Economist, referred to the stunning explosion in wealth over the past 30 years that is often concentrated in the hands of a few. How to deal with this new state of affairs? "The new situation calls for new approaches," says the journalist "and new models of social change" where philanthropy can play a significant role. Clarification is needed of this role and how it should fit with the State's role. "The philanthropist can pioneer initiatives," says Matthew Bishop, "spark innovation and bring

energy to explore new possibilities. The slower - but more powerful - State can then take up these ideas and ensure that the information gets out there."

"The model is interesting on one condition," points out Volker Then, managing director of the Centre for Social Investment at the University of Heidelberg in Germany. "The public must be able to identify with the effort and be convinced that the tax incentives offered to philanthropists are justified."

Challenges for Luxembourg

State of play in Luxembourg: the view from key players

The idea for the symposium arose out of the realisation that in comparison with the achievements of its neighbours in Europe and the United States, Luxembourg could do much more in the field of philanthropy. The statements projected on screen during the symposium set the tone: "Doesn't the State do everything?", "What can individuals do?", and "How can they get started?"

According to Frantz Charles Muller, president of the Luxembourg nature foundation, Hëllef fir d'Natur, projects need to involve all kinds of participants. The starting point is to find the balance between State action and philanthropic initiative, by leaving the philanthropist enough scope to act and providing the framework for this action to take form.

"The next step is to bring donors and beneficiaries closer together, not always an easy task, given their wariness of each other," explains Laurent Probst, partner at PriceWaterhouseCoopers in Luxembourg. "We are often contacted by charitable organisations, but we do not have any information about the applicants (associations and directors). And yet, as we say often enough, philanthropy is all about people."

Bertram Pohl from the Bertram Pohl Foundation agrees: "We need experts to advise us on what we need to do and how we should do it." The legal and tax system has to change – the current Luxembourg framework is too slow and too expensive. "It took us two years to register our foundation," our speaker is sorry to say.

Others have quite literally thrown in the towel when they see how long it takes.

"We need to encourage the development of philanthropy," concludes Laurent Probst. "Its ability to unite people from all walks of life from both the business world and Luxembourg society must not be underestimated."

Legislation and tax

Legislation and tax: challenges and levers of development

How can the framework be improved? What can be done to boost philanthropic engagement in Luxembourg? While the initial motivation comes from the individuals themselves, the legal and tax framework has determining role to play in helping to firm up and kick off the giving process.

"The authorities in Luxembourg are determined to get things moving," says André Prüm, dean of the Faculty of Law, Economics and Finance at the University of Luxembourg. The challenge now is to select the best regime from the variety of models that exist in Europe, ranging from the flexibility of the UK system to the centralised French system.

"In England and Wales, a charitable organisation is defined by its objective," explains Russell Prior, executive director of Company & International Services at the UK-based Charities Aid Foundation (CAF). "In fact, there is a wide range of forms that charities can take. All registered charities are supervised by the Charities Commission, the independent regulator for charitable activity in England and Wales that oversees compliance with the charity's officially-published objectives."

Xavier Delsol from French law firm Delsol & Associés is quick to point out that "France is at the opposite end of the scale. The charity's ultimate objective is less important than the legal form." The regulatory framework there is administered by the State through the Interior Ministry and the State Council and "is extremely strict and perhaps not the most relevant," continues the speaker. "My advice to Luxembourg is to get away from the French model."

What about a harmonised European model? "I don't believe this is the right approach," replies Russell Prior, executive director, Company & International Services, Charities Aid Foundation in the United Kingdom. "Trying to find a common denominator would undermine the diversity of current systems - and some countries would risk losing their freedom."

Variety, it would seem, opens more doors than it closes in the field of philanthropy.

Advice for donors

Professionals serving donors

People interested in launching philanthropic initiatives have many questions. What will be the impact of their donation? What difference will it make? Where can they get reliable information on beneficiary organisations?

As a relatively new player in the philanthropy chain, the intermediary is helping donors find answers to their questions by providing a link between donors and charitable organisations. "People looking for projects are not able to assess the potential of the beneficiary while non-governmental organisations (NGO) are not under enough pressure to produce tangible results," explains Martin Brookes, chief executive of New Philanthropy Capital in the UK. "There is still not enough talk about performance, but the time has come to do more and do it

better by getting more information out. That's what the intermediaries are there for – to bridge the gap and in doing so, help to harmonise the market."

The role of intermediaries is therefore to inform. But that is not their only job. They also listen and provide support to the donor. "Giving is a choice," continues Etienne Eichenberger, co-founder of the Wise partnership based in Switzerland. "We have talked a lot about legislation impeding charitable giving. Donors themselves face a number of important – and difficult – choices." He then goes on to discuss the types of decisions that donors must make, such as selecting an organisation and a project, understanding their own expectations, measuring the impact and learning from others. "Our aim," continues the speaker "is to provide a professional approach to this arduous but exciting process."

Intermediaries see so many different kinds of situations that their profession could almost be compared to an art form. "We talk a lot about the new and old philanthropy," points out Dominique Allard, director of the Philanthropy Centre at the King Baudouin Foundation, "when in actual fact philanthropy is a patchwork of all kinds of practices. Intermediaries first need to understand the extraordinary diversity of family situations and types of wealth, and the immense variety of projects and expectations. It is only then that they will be able to get the maximum impact out of each case."

Which model for Luxembourg?

"The time has come to forge ahead!"

The strong message from Marc Pfitzer is a call to action. Marc is managing director of the consultancy FSG Social Impact Advisors that organised a series of round tables with charities and other Luxembourg players in the run-up to the symposium. His analysis of the findings is clear - Luxembourg has waited too long.

Making up for lost time is no easy task, but Marc has some tips. "It's not a matter of copying what other countries are doing and pasting it into Luxembourg. The idea is to look around and select the best ideas." He goes on to say that Luxembourg "needs to be a pioneer. You have to set your priorities according to what is going on here in this country. Your choices need to be based on the concerns of the donors, no matter what their profile."

He has one underlying guideline for Luxembourg. "You have to be local, and you have to be understood and accepted. If you don't have consensus on a local level, you will not make progress. This said, Luxembourg can also have an impact beyond its borders on a regional and even a European scale."

Ambition should not be at the expense of restraint and caution. "Such an undertaking needs time, resources and lots of passion," warns Marc Pfitzer. But what takes so much time? Setting up a community foundation that can provide the much-needed boost for the Luxembourg philanthropy sector, similar to the Fondation de France or the King Baudouin Foundation, takes years, even decades.

What matters is to build a solid and robust framework. "You don't need to get the big guns out at the start," reassures the speaker, "but you need to position your soldiers little by little and slowly make your capital work for you. It is vital to ensure that the undertaking is economically sustainable."

Closing speech

The job of closing the symposium fell to the ex-president of the European Commission, Luxembourg Honorary Minister of State, Jacques Santer. After congratulating Banque de Luxembourg on its inspiration for the symposium, Santer called for the interest in philanthropy to be shared with civil society. He thanked Jean-Claude Juncker for his opening address that was "more than just formality. It was a speech of substance that opened up perspectives. The world order is faced with all kinds of contradictions," points out Jacques Santer. "While capitalist globalisation raises concerns, it has also seen the creation of networks of solidarity and a growing desire of individuals and the corporate community to serve causes. Philanthropy is a response to a very current issue."

But what is the scope for the development of philanthropy in Luxembourg? That question was at the heart of the discussions. Jacques Santer notes that other countries that were as timid as Luxembourg some years ago have experienced a philanthropy boom following changes in legislation. How to explain the paradox that Luxembourg is a model in development aid and not in philanthropy? There is no reason that the country should not express the same generosity in this field. "The potential is amazing," says the Minister.

The problem is the obstacles to the development of the sector in Luxembourg. The law, which dates back to the 1920s, has never been subject to a full review. Luxembourg has only a handful of support organisations and the country lacks expertise. But this can change. "It's time for reform," declares Jacques Santer. "We need to take the bull by the horns and conduct a full review of the legal and tax framework in the sector." Action!

Speaker Profiles

Jean-Claude Juncker - Prime Minister, Luxembourg

Pierre Ahlborn - Chief Executive Officer, Banque de Luxembourg

Matthew Bishop - is Chief Business Writer/New York Bureau Chief of The Economist, based in New York. Matthew is the author of several Economist special survey supplements, including most recently "The Business of Giving", which looks at the industrial revolution taking place in philanthropy. He has served as a member of the Advisors Group of the United Nations International Year of Microcredit 2005. He has been honoured as a Young Global Leader by the World Economic Forum. His book, "Philanthrocapitalism", (with Michael Green) will be published in September 2008.

Arno Krause - is the founder and honorary president of the ASKO-EUROPA foundation and the Europrofession foundation. He is also president of the board of the Forum EUROPA foundation in Luxembourg and the board of trustees of the EAO (European Academy Otzenhausen, Saarbrücken), and is honorary member of the presidency of the Europa Union in Germany and the board of directors of the European Policy Institute in Berlin.

Luc Tayart de Borms - with more than 20 years' experience, Luc Tayart de Borms is the Managing Director of the King Baudouin Foundation in Brussels. He is also involved in a number of major organisations in the world of philanthropy as President of the Network of European Foundations for Innovative Cooperation (NEF), Treasurer of the King Baudouin Foundation United States, trustee of the European Venture Philanthropy Association (EVPA) and member of the board of the European Cultural Foundation (FEC).

Volker Then - since July 1, 2006, he has been the Managing Director of the Centre for Social Investment at Heidelberg University. Previously, he set up the Philanthropy and Foundations division of the Bertelsmann Foundation (Germany), of which he was Director from 1999 to 2006. Dr. Then is a member of numerous boards and committees, including the Editorial Board of "@lliance" (UK), and the boards of three German foundations.

Philippe Depoorter - Head of Philanthropy Advisory Services, Banque de Luxembourg

Dr. Mario Di Cato - is a haematological cancer specialist at the Centre Hospitalier de Luxembourg. A regular speaker at international conferences on cancer-related diseases, he also sits on the Advisory Board of the European Society for Medical Oncology (ESMO). Dr. Di Cato is the founding President of the Luxembourg Research Foundation for Cancer and Blood-Related Diseases where around twenty researchers, laboratory assistants and biologists carry out applied research in the field of cancer and genetics.

Frantz Charles Muller - began his career at the Luxembourg Forestry Commission in 1966 and is today President of the Hëllef fir d'Natur foundation and Natura (the Luxembourg league for nature and environmental protection), an umbrella organisation with 40 members. He is also President of the Council for the protection of nature and as Honorary Director for the National Youth Service, he is involved in youth organisations including scouting and youth hostels.

Marie-Paule Planchard - following a career in marketing and international trade with the countries in the Southern Hemisphere and a stint in India, Marie-Paule Planchard-Maldague was appointed co-director of communication and finance at Handicap International in Brussels. She went on to set up the Luxembourg arm of the association which she managed from 1997 to 2007, where she is still head of institutional representation and direct marketing. She is currently working as consultant under the commercial name Citizendeal.

Bertram Pohl - comes from a long line of passionate philanthropists. His great-grandfather Franz Ströher, founder of the Wella group, was involved in charitable initiatives, while his grandfather Karl Ströher, was a renowned collector, patron and benefactor of the art world.

The Bertram Pohl Foundation continues this tradition with the aim of supporting and encouraging youth in a wide range of areas in Europe.

Laurent Probst - is partner in charge of the Research & Development programme and Marketing & Communication at Pricewaterhouse Coopers (PwC) Luxembourg. The Research & Development unit is specialised in Investment Management and monitoring the development of Luxembourg's economic policy, specifically in biotech and logistics. Through PwC's Socially-Responsible Committee, Laurent and his team are involved in the group's philanthropic activities.

Xavier Delsol -is lawyer and partner at Delsol & Associés based in Paris, Lyon and Marseille, where he is responsible for the "Non-profit organisations and third sector" department. He is founder of the Juris Service publishing house and the Juris Associations bi-monthly journal for non-profit making organisations, where he was Chief Editor for more than 20 years. Xavier gives regular training courses and is a lecturer at the Sorbonne University in Paris (masters in "Engineering and Management of Associations") and at the prestigious French business school, HEC, on its "Alternative Management" programme.

Ludwig Forrest - is philanthropy advisor at the King Baudouin Foundation in Brussels and works at the KBF Centre for Philanthropy, which provides information, guidance and tailor-made strategic philanthropy advice to private donors, families, businesses and professional advisers. His main objectives are to foster and simplify European cross-border giving through the Transnational Giving Europe network www.givingineurope.org and to help donors and beneficiaries to find effective solutions for their philanthropy projects.

Russell Prior - joined Charities Aid Foundation (CAF) in the autumn of 2005 where he is in charge of charitable giving programme development for companies, individuals and charities, and head of CAF's international projects. Until recently he was Chair of the National Finance Hub, a body funded by the UK Government to develop financial sustainability in the Third Sector in the England. Two decades with Barclays provided Russell with a wealth of knowledge and experience of the UK and international banking and finance sector.

André Prüm - was elected Dean of the Faculty of Law, Economics and Finance at the

University of Luxembourg in October 2005 where he is professor of corporate law and criminology. In 1996, he set up the Economic Law Laboratory in Luxembourg and has contributed to a series of draft laws which lead to recent legislation in corporate law, trust and fiduciary contracts, securitisation, competition and electronic commerce.

Dominique Allard - as member of the Executive Committee and secretary to the Board of Directors of the King Baudouin Foundation since 1986, Dominique Allard is head of project development for individuals, organisations and companies interested in contributing to a better society. He is head of the King Baudouin Foundation Centre for Philanthropy, which informs and guides philanthropists in Belgium and in the rest of Europe, and undertakes project management on their behalf.

Martin Brookes - with 15 years' experience as an economist at Goldman Sachs International and the Bank of England, Martin Brookes' appointment at New Philanthropy Capital (NPC) has been a fascinating challenge. Martin has taken it up and has real opportunities to use his background in his function as Director of Research and now Chief Executive. Martin is responsible for managing NPC's research programme and strategy. His research interests include information flows and measuring charity results. Martin also sits on the Economic and Social Research Council.

Etienne Eichenberger - after starting out his career with Nestlé in India before moving to Stephen Schmidheiny's Avina Foundation, Etienne Eichenberger joined the World Economic Forum to take charge of the global agenda on humanitarian security, global governance and international development. In 2002, he co-founded the Wise philanthropy advisory consultancy with Maurice Machenbaum, which assists donors and their families in realising their philanthropic aspirations.

Sharath Jeevan - is Chief Executive of GlobalGiving UK. He previously headed up eBay's charity division in the UK, which he grew from concept to £5m funds raised in its first two years. He drove participation from over 2,000 UK charities involving corporate brands such as Virgin and Vodafone. Sharath previously held senior management positions at Booz Allen Hamilton, ActionAid and Contact Details.com. In May 2007 Sharath was recognised as 'one of the 50 most influential people in UK fundraising', by Professional Fundraising Magazine.

He was educated at the universities of Oxford and Cambridge, and INSEAD.

Virginie Seghers - is a sponsorship and corporate social responsibility (CSR) expert. Between 1994 and 2002, she was director of the Admical association for the development of corporate sponsorship projects which comprises 150 large companies that are active in sponsorship. A consultant working with large companies and NGOs, trustee of a number of foundations, CSR conference speaker at France's prestigious business schools, author of a number of recent books on social entrepreneurship and sponsorship, Virginie's aim is to provide a link between corporate initiatives and charitable projects.

Marc Elvinger - is lawyer and partner at Elvinger, Hoss & Prussen in Luxembourg. With a postgraduate degree in development law, he has extensive experience in the charitable arena. He has represented Luxembourg in the Liaison Committee of Development NGOs with the European Community Commission and was president of the Luxembourg "Cercle de coopération" which brings together a large number of Luxembourg Development NGOs. He has written a number of articles on North-South relations and cooperation to development.

Marc Pfitzer - is Managing Director and head of European projects at FSG Social Impact Advisors where he works with multinational corporations, foundations, NGOs, and public-private partnerships involving government agencies on strategic reviews and business planning, research leading to action and policy recommendations, initiative implementation, and evaluation. Prior to joining FSG, Marc served as Principal at the Boston Consulting Group based in Zurich, and during his studies, he worked with the World Economic Forum.

Jacques Santer - Honorary Minister of State, Luxembourg



LE GOUVERNEMENT
DU GRAND-DUCHÉ DE LUXEMBOURG
Service information et presse

Speech by Prime Minister Jean-Claude Juncker
Subject: “Seizing the opportunity for philanthropy in Luxembourg”
at: Philharmonie, Luxembourg
Date: 23.04.2008 Time: 8.30am Length: 9 min

- The speech actually delivered is the true version -

Monsieur Ahlborn,
Honorary Minister of State,
Minister,
Ambassadors,
Deputies,
Excellencies,
Ladies and Gentlemen,

[...]

My presence here, dear friends, is the result of friendly lobbying by my predecessor, Jacques Santer – who I was never able to refuse when he gave me a mission. While he was Prime Minister, I aspired to every possible mission, and now that I am and he was, I allow myself as a general rule to be inspired by, as Monsieur Ahlborn described it, his wisdom and humanity.

First of all, I want to say to Monsieur Ahlborn, Monsieur Depoorter and Banque de Luxembourg how much I appreciate the initiative that you are taking. It is true that we often reflect on the inter-relationship that there could be between the State, public action, and philanthropy and philanthropic action. The State is responsible for collective needs, needs that have been distilled, discovered and collectively exposed and accepted. But the State cannot do everything. Although it is responsible for collective needs, it does not have the ability required to identify new needs, or the ability to appreciate the true value of specific needs that exist in our society.

While I encourage philanthropic action and while the government would like to give it a stronger framework, I do not advocate disengagement by the State. Philanthropic action is not there to discharge the State from its essential and secondary duties.

Pascal said: “I like things that go together.” And public action and philanthropic action are things that go together; which means that Luxembourg, which is so good at nurturing and feeding, encouraging and supporting so many ambitions, must now provide itself with a genuine policy of philanthropy, something that we do not have as I speak to you now.

In my preparatory work leading to this morning’s speech, I discovered many areas in which the government could act. There are many fiscal and regulatory barriers hampering philanthropic action that need to be eliminated. It’s not only about taxation of course: I do not believe that only tax optimisation will encourage and underpin philanthropic action. But it is clear that the tax framework for philanthropic action in Luxembourg is too short-sighted. A thorough review is needed of the tax rules governing philanthropic action.

We will do what is needed. We will do what is useful. We will not do everything that may come to light, even after review, as that would be unreasonable. Consequently, the

government – and it will announce this at the national address *[on 22 May 2008]* – will create a tax package, dare I say, and a regulatory package that will enable Luxembourg philanthropic action to develop more effectively.

I want us not to lose sight of the element of continuity in philanthropic action. That element of continuity is absolutely lacking at the moment. I want us to accord greater importance to the advisory activity that should be offered to those who seek goals for their philanthropic action. I want us not to forget the cross-border aspects of philanthropic action and policy that we can develop together. I want us to take inspiration from the experience, expertise, and know-how of our French, German and Belgian neighbours.

I want us to establish an umbrella structure, a framework that will give philanthropic action a structure of organised generosity. I want this framework, which we believe should be in the legal form of a public utility foundation, to be fully independent.

When I say that the State should not be disengaged, when I say that the State must be the instigator, when I say that the State must give the impetus, when I say that the State can be an inspiration, I also mean that the State cannot be the only force driving the creation of this framework. I want this foundation to be independent. I want to see it associated with the charitable works of Grand-Duchess Charlotte, which are themselves rooted in long experience, in many instances going back several decades, and have a know-how and expertise that is unparalleled in other Luxembourg organisations and associations. I want those charitable works to be closely linked without abandoning the missions in which they are currently involved.

I want us to do all this rapidly. I want to be able to present to parliament a set of – in inverted commas – ‘philanthropic’ measures on 22 May 2008. I urge all those who have honoured me with an invitation to this symposium to get to work, with this date in mind. If, on that date, we are not a position to tell parliament of our philanthropic ambitions, we will have missed a wonderful opportunity.

I have learnt, after an already long life in politics – that some probably think has already been too long – that if you have an idea, if you can manage to rally a significant number of friends around that idea, you should act quickly. Reflect hard and act quickly. That is the key to achieving all the ambitions expressed.

Consequently, Ladies and Gentlemen, I invite you – well, not all of you – to parliament on 22 May 2008 where we will try to set the tone based on the work you achieve. For my part, I wanted to set my tone as we begin this morning.

Thank you.

SIP/23.04.2008

Banque de Luxembourg

Established in Luxembourg since 1920, Banque de Luxembourg offers wealth management expertise to private and professional investors in Luxembourg and Europe.

Our philanthropy advisory services are the natural extension of our objective to be at our clients' sides at every stage of their life, with analytical and project management expertise, and in-depth knowledge of their expectations.

As a committed sponsor of the Luxembourg social and cultural scene, the Bank organised this symposium to promote the development of philanthropy in Luxembourg.

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