

Giving news

Luxembourg fosters a culture of giving

By Ben Eyre

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The Foundation de Luxembourg has been launched, less than one year on from Prime Minister Jean-Claude Juncker's declaration that it was time for the country to develop a philanthropy policy.

Speaking at a national symposium to generate philanthropic involvement from Luxembourg's private sector in April 2008 he laid down the premise that has led to the official launch of the foundation this month.

The foundation is a joint initiative of the Luxembourg government and the charity Oeuvre Grande-Duchesse Charlotte, and has received support from the King Baudouin Foundation of Belgium and the Fondation de France. It will inform philanthropists, further a culture of giving and develop links between donors and charities that need their involvement. The foundation will conduct its own projects, have an advisory capacity and develop public understanding of philanthropy.

This first national event in 2008, *Seizing the Opportunity for Philanthropy in Luxembourg*, discussed the prospects for giving in the country.

The event provided a forum for those with philanthropic expertise and those with a desire to foster a culture of giving; as well as a launch-pad for the foundation. On the same day Prime Minister Juncker also announced that the legal and tax framework for charitable donations would undergo a complete review. Changes to regulations and the development of the foundation have been rapid.

"Because Luxembourg is a small country with very effective dialogue between different stakeholders, things have moved very fast," Philippe Depoorter, director of Banque de Luxembourg, which launched the symposium, told Philanthropy UK.

Prime Minister Juncker, former Prime Minister and EC President Jacques Santer, Banque de Luxembourg, the media and the international philanthropy community have all contributed.

In December a number of significant changes to the tax treatment of philanthropy were ratified by the government of Luxembourg. The size of donation that individuals can claim relief on has doubled, and the controls on international philanthropy have relaxed considerably.

Etienne Eichenberger of Geneva-based consultancy wise, which contributed to the process, told Philanthropy UK that he was impressed by the speed of developments under the inclusive leadership of the State and Banque de Luxembourg. *"It seems to us that there has been an evolution in the expectation of what the individual can do to complement what the state can do,"* he said.

wise, along with Banque de Luxembourg and FSG Social Impact Advisors, wrote the initial report about promoting philanthropy in Luxembourg in October 2007 following the first series of roundtables designed to build a consensus on developing philanthropy in Luxembourg.

"Different countries have different starting points. It's true that for some countries, tax reform is important but it's not the only part of the picture," said Mike Stamp, a consultant at FSG. *"Increasing the number of non-profits that are able to use donations effectively or changing the culture surrounding giving may be important too".*

"In countries like Belgium, France and Germany, traditional heavy reliance on the state for social provision is now being supplemented by private sector philanthropic initiatives. We hope to start seeing this in Luxembourg", explained Anne Canel, a philanthropy specialist at Banque de Luxembourg who has been responsible for early development of the Fondation de Luxembourg.

The extraordinary pace of development in Luxembourg has bolstered legislative support for philanthropy, and the launch of the Fondation de Luxembourg will aim to generate the understanding needed in Luxembourg for a positive public response.

"The most important thing for the foundation is to make it a national effort and get everyone involved in philanthropy," said Depoorter.

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