

Philanthropy

PROGRESSING WITH PRIDE

April 2008 saw Luxembourg's ambitions in philanthropy become wider public knowledge. The past 18 months have gone well.

Brian Power (text)

Prior to hosting a symposium entitled *Responsible Leadership in Times of Change*, the **Banque de Luxembourg** held a pre-conference on the subject of "Seizing the opportunity for philanthropy... 18 months on". How has the issue of charity been addressed, and what else can be done? **Jacques Santer**, Honorary Minister of State and former Prime Minister of Luxembourg, paid tribute to the speed in which a legislative framework to benefit philanthropy has been established in the Grand Duchy. As he points out, "*the first proposals to develop Luxembourg as a philanthropic centre were publicly put forward by Jean-Claude Juncker in April 2008, and the legislation was passed in December of the same year.*" Although Santer acknowledges there is still more work to do, he is nevertheless pleased with how things have developed, and praises Luxembourg's contributions to foreign aid, which as a percentage of GNP could put other nations to shame, and demonstrate "*the fact that Luxembourgish people, residents of Luxembourg, are in general open to philanthropy.*"

Indeed, the **Fondation de Luxembourg** was launched as part of the philanthropic initiatives undertaken by the government, and acts as an umbrella foundation, while bridging the gap between the financial sector and philanthropic projects. According to its Director-General, **Tonika Hirdman**, "*the Fondation has had good results so far. Under our umbrella, we have created three foundations, and have around twelve other potential donors. There is a genuine interest in us, and an expressed demand for our services. With 70 or so private banks present in Luxembourg, there is huge potential, but people are still not sure about how to go about making a donation.*"

IRONING OUT THE CREASES

The core aspects of the Fondation's business are to set things up quickly, to use money efficiently, and to be trusted and reliable. Furthermore, Hirdman is quick to point out that "*the Fondation's strategies enable it to set up a foundation under the umbrella in a matter of weeks.*"



Photo: Luc Deflorenne (archives.paperjam)

"Luxembourg is open to philanthropy"

Jacques Santer

Banque de Luxembourg's head of Philanthropy Advisory Services, **Philippe Depoorter** believes that donation is more attractive than it was before, but that more must be done: "*banks can certainly do more, but we need to increase the involvement of the wider public as well. These are long-term projects and will take time. And more publicity is required for the Fondation. A lot of people still don't know about it.*" Similarly, the process of running a successful foundation, not necessarily evident at the best of times, has been hindered by the financial crisis. Also, Depoorter adds that smaller foundations "*can encounter problems when it comes to auditing.*"

Clearly, additional steps must be taken to streamline certain aspects of giving. Hirdman speaks of "*an enormous but currently under-used opportunity for the financial sector, which should be integrated into business models,*" something which Santer agrees with. He highlights the potential for the government to show the outlines and provide

information with respect to this. Depoorter, himself a banker, also stresses that individuals who wish to get involved should be given the methods and ease-of-access. As Hirdman states, "*philanthropy is not just for the wealthy. Donations of time can be just as important as money. That said, smaller donors should have the possibility to give more easily. Here, internet portals, like those in other countries, are certainly a possibility.*"

Efficient philanthropy is about mentality as much as anything else, and cross-border donors and philanthropists are also being targeted by this country, but it is about communication as well. Depoorter believes that more and more Luxembourgish people are showing an interest. If they get more involved, this country can, in Hirdman's words, "*show the outside world that Luxembourg is more than just a tax paradise, but is a nation concerned with positive human values above all else.*" ●