

# Wadden Sea World Heritage Foundation

## Feasibility–Necessities– Opportunities–Merits

Report of the Foundation Committee

January 2014





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Mette Fabricius Skov, Gertjan Lankhorst and Thomas Neiss (left to right).

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## EXECUTIVE SUMMARY

The Foundation Committee was appointed by the Wadden Sea Board with the overall aim to investigate the feasibility and merits of establishing a trans-national Foundation for promoting and supporting the conservation of the Wadden Sea World Heritage Property and promoting the brand Wadden Sea World Heritage.

The challenges and opportunities associated with the Wadden Sea World Heritage Brand, which is compounded by the anticipated inscription of the Danish part of the Wadden Sea on the List by mid of 2014, calls for the establishment of a Wadden Sea World Heritage Foundation. A Foundation is necessary to achieve the full potential of the Brand ensuring quality, credibility and consistency across the entire Wadden Sea and enabling and demanding stakeholders to pay into the Brand and commit themselves to its protection. It acts supplementary to the regular tasks of the Trilateral Wadden Sea Cooperation, governed by the Statement of Outstanding Universal Value for the Wadden Sea World Heritage. A foundation offers and is a prerequisite for private sponsors and donors from various sectors and businesses to engage in the protection of the Wadden Sea World Heritage in various ways.

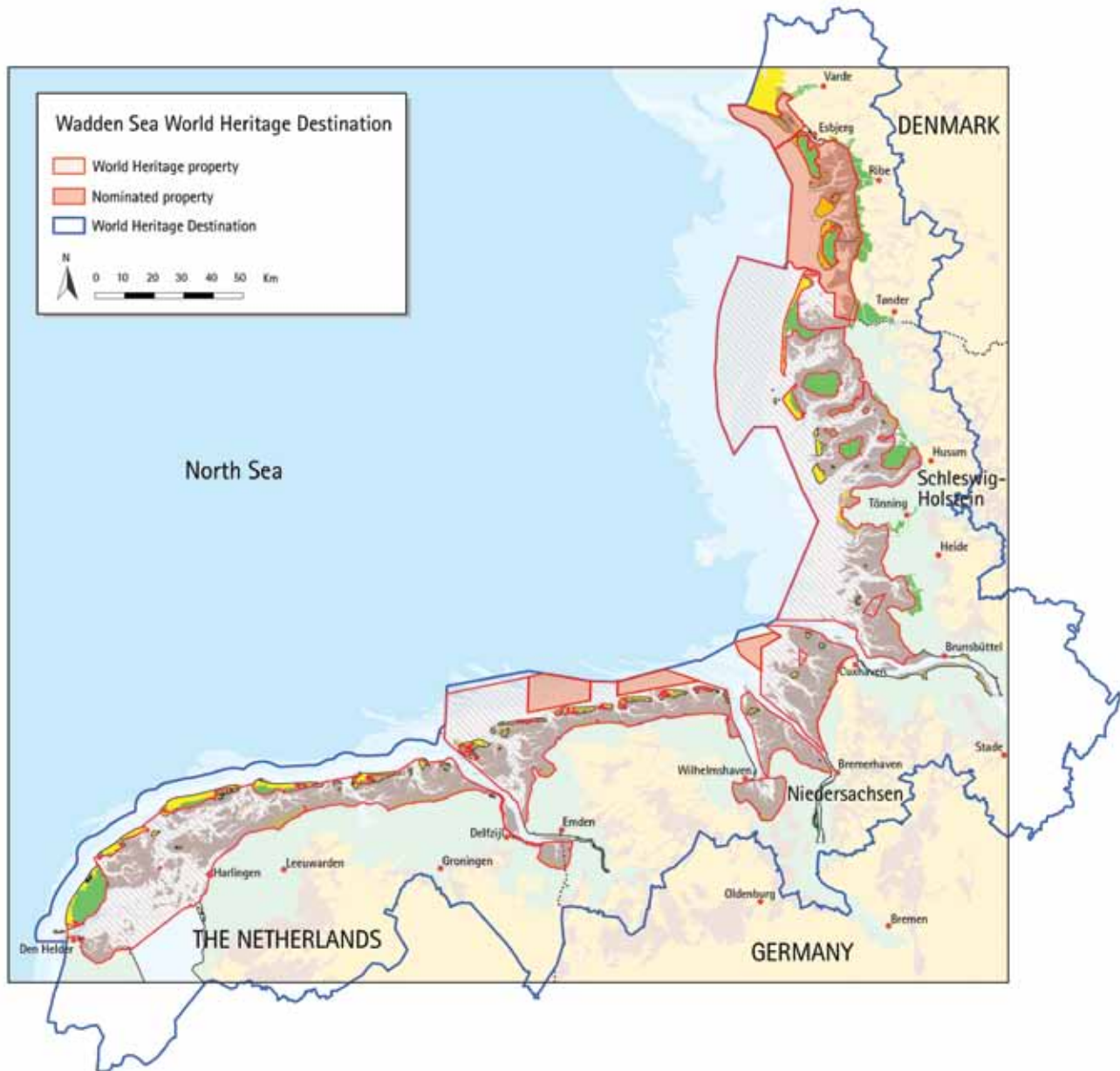
The vision and the objective of the Foundation should be fully aligned with the vision and objectives of the Wadden Sea World Heritage Strategy. The primary activities of the Foundation are to manage and communicate the Brand, to raise funds for the Wadden Sea World Heritage for projects, including acquiring co-funding from relevant European Union programmes and providing advice for stakeholders and other organizations.

There are great merits in establishing a Foundation as its activities are supportive of and provide significant added value to the Trilateral Wadden Sea Cooperation. It enhances ownership of the Wadden Sea World Heritage and its activities, promotes the pride and identity with the property, raises its profile nationally and internationally and provides an opportunity to use its Outstanding Universal Value to promote sustainable regional development as place-making catalyst.

The Committee recommends the Wadden Sea Board

1. The establishment of a Foundation as a private foundation according to German law with registration in Denmark and The Netherlands as a charitable organization to obtain tax regulations equal to national foundations; the transformation of the Foundation into an European Foundation should be considered once this legal option becomes available to use the additional benefits such an option provides;
2. The appointment of the Council of the Foundation consisting of 5-7 members and a chairperson representing the Wadden Sea World Heritage constituency by the Wadden Sea Board to guarantee the complementary character of the Foundation to the Trilateral Wadden Sea Cooperation and the appointment of its Advisory Board by the Wadden Sea Forum with additional relevant expertise;
3. The State Parties to furnish the initial capital of the Foundation in an amount of € 150,000 and to second four persons to the Foundation secretariat together with overheads and additional resources for an initial period of five years to create the basis for the Foundation to work and acquire additional funds and income.

The Committee recommends upon the approval of its recommendations, as appropriate, the Wadden Sea Board to make the Foundation operational, legally, organizationally and financially and to task a person with knowledge of the Wadden Sea World Heritage and esteemed within the World Heritage constituency with this assignment. Once the proposal has been endorsed by the Wadden Sea Board, as appropriate, the Foundation Council can assume its work on the basis of the initial annual contribution of the State Parties.





# 1. INTRODUCTION

In 2009, the Dutch-German Wadden Sea was inscribed on the World Heritage List as a natural property. Since an extension nomination encompassing the Danish Wadden Sea, and an offshore area off the Lower Saxon coast, submitted to the UNESCO World Heritage Centre by Denmark respectively Germany, as of mid of 2014 the entire Wadden Sea is anticipated to be inscribed on the prestigious List.

In order to further promote, strengthen, consolidate and enhance the natural values of the property in conjunction with regional sustainable developments, the Wadden Sea Board decided to investigate the feasibility and advantages of establishing a Wadden Sea World Heritage Foundation.

To this end a Committee of three persons was established which consisted of Mette Fabricius Skov, Director General of Aage V. Jensen Charity Foundation, Denmark, Thomas Neiss, former Director General of Nature Conservation of the Environment Ministry of the Federal State of North Rhine Westphalia, and Gertjan Lankhorst, CEO of GasTerra, The Netherlands, who also acted as its chairman. The Common Wadden Sea Secretariat supported the work of the Committee.

The Terms of Reference of the Committee in Annex 1 are to investigate the feasibility and merits of establishing a trans-national Wadden Sea World Heritage Foundation for promoting and supporting the conservation of the Wadden Sea World Heritage Property and for promoting the brand Wadden Sea World Heritage including

- The long-term vision including the objectives of the Foundation;
- The activities of the Foundation to be executed and/or promoted;
- The governance of the Foundation including different options and alignment with the duties of the Wadden Sea Board;
- The financing of the Foundation and its activities.

The Committee acknowledged the framework conditions governing the work of a foundation, as outlined in the Terms of Reference,

- The Statement of Outstanding Universal Value for the Wadden Sea World Heritage, as adopted by the World Heritage Committee, governs its work;
- The legal and administrative responsibility for the property in the sense of the Convention remains with the State Parties, a foundation shall hence be supportive and be of added value to these existing responsibilities.

The Committee was supported in its work by a research team of Alterra, Wageningen University and Research Centre, The Netherlands. On an assignment by the Dutch Ministry of Economic Affairs, the Alterra research team investigated the added value, governance and financial strategy of a Wadden Sea World Heritage Foundation. The research team has attended the meetings of the Committee, presented its findings and entered into a dialogue with the Committee which has informed and inspired its work. Its findings are published in a separate report by Alterra. The Committee has furthermore attained legal and fiscal advice on the establishment of a foundation from the German Federal Association of Foundations and been informed on the status of the activities and work on the Wadden Sea World Heritage by the secretariat.

The report firstly addresses the challenges and opportunities ensuing from the World Heritage status and the recent developments. Based on the challenges and opportunities in chapter 2, the Committee outlines the necessities and merits of a Foundation including the legal and organizational aspects in chapter 3. The report subsequently outlines the implementation steps, which should lead to the establishment of the Foundation, in chapter 4. The overall conclusions and recommendations of the Committee are in chapter 5.

## Governance of the Trilateral Wadden Sea Cooperation (TWSC)

The Trilateral Wadden Sea Governmental Council is the politically responsible body (Ministers) for the Cooperation which establishes and oversees the Cooperation; gives political leadership, assures international policy development, harmonisation and decision-making between the three governments.

The Wadden Sea Board (WSB) is the governing body of the Cooperation which prepares, adopts and implements the Strategy, oversees the operational and advisory bodies, and secures relations with key stakeholders. The Board consists of 12 representatives from local, regional and state governments of the three states including two advisors from the Wadden Sea Forum and two from the green NGOs. The WSB is chaired by a senior government official appointed by the Council and rotating between the countries.

The Common Wadden Sea Secretariat (CWSS) is responsible for supporting the Council and the Board, the implementation of the CWSS Work Plan, supporting scientific networks and projects, communications, and for the financial management (within delegated limits).

The Wadden Sea Conferences are the triennial conferences, aimed to inform policy-making and the Cooperation in its work, including review of the Wadden Sea Plan. These conferences will usually be held every three years in conjunction with the meetings of the Trilateral Governmental Council.

Additionally, the Wadden Sea Forum (WSF) has been established as an independent stakeholder forum representing the regional and local governments and the major private stakeholders (industry and harbours, agriculture, energy, nature conservation etc.) of the Wadden Sea Region.



Ministerial Council at the 11th Trilateral Governmental Conference, Sylt 2010  
(Photo: M. Stock)

## 2. WORLD HERITAGE – CHALLENGES AND OPPORTUNITIES

With the World Heritage Status, the Wadden Sea has acquired a global recognition of its Outstanding Universal Value (OUV). But what is the significance of this status and how can this be used by the Trilateral Wadden Sea Cooperation to engage people in the protection of the property? How can the Cooperation actively contribute to the World Heritage Convention's strategic objectives, commonly known as the 5 C's?

### Strategic Objectives of the World Heritage Committee (the 5 Cs):

1. Strengthen the Credibility of World Heritage List
2. Ensure effective Conservation of World Heritage Properties
3. Promote the development of effective Capacity-building
4. Increase public awareness, involvement and support for World Heritage through Communication
5. Enhance the role of the Communities in the implementation of the World Heritage

With the inscription of the Wadden Sea on the World Heritage List, the state parties commit themselves to protect and manage it for the benefit of present and future generations on the basis of the Statement of the OUV. The anticipated strategy for the World Heritage property 2014–2020 outlines the specific work fields and activities. In addition, the recognition of the Wadden Sea on local, national and international level has increased significantly. People are proud of this global recognition and feel themselves confirmed by the world community in protecting their values.

The inscription has been a result of over 30 years of successful nature protection, as agreed by the three countries in the Joint Declaration in 1982, which has resulted in a model for transboundary

integrated ecosystem management world-wide. It has strengthened the common responsibility for the site and raised the profile of the Trilateral Cooperation. Thus, the World Heritage status now provides the unique opportunity to communicate this trilateral success to a broader public, nationally and internationally, and reinforces the added value of the Trilateral Wadden Sea Cooperation.

At the same time, there are high expectations from many stakeholders towards this recognition as World Heritage status. This concerns safeguarding and protecting the natural values, as well as applying of World Heritage as quality label and unique selling point for local communities, in particular for tourism and sustainable regional development. These expectations are also an exclusive opportunity to engage further stakeholders in the Trilateral Wadden Sea Cooperation and World Heritage objectives.

On the other hand, there are also challenges resulting from the fact that the World Heritage status is a new transnational 'brand' which requires a careful, conscientious and consequent communication strategy to avoid misuse or devaluation. Further challenges are the complex organisational landscape and the large numbers of stakeholders with various backgrounds who are keen and enthusiastic to involve themselves (see Table 1).

The high potential of the World Heritage brand has also been confirmed by an investigation of 878 World Heritage sites around the world (Rebanks, 2010). Some sites have recognized that the World Heritage brand can be a powerful catalyst for enhancing awareness for conservation, involvement of local communities and buy-in of stakeholders developing new identities and powerful programmes of action to change places. The heritage is then used as a place-making catalyst to support the strategic objectives of the World Heritage Committee (the 5 Cs) and conserving the heritage through involvement of stakeholders, and to create new identities and developments.

Table 1:  
SWOT Analysis Wadden Sea  
World Heritage

<p><b>Strengths</b></p> <ul style="list-style-type: none"> <li>• Established and well-functioning Trilateral Wadden Sea Cooperation in charge of World Heritage governance (see Box 1)</li> <li>• High awareness from the society for the global importance of the Wadden Sea World Heritage and its protection</li> <li>• Willingness of stakeholders to contribute actively to maintain and protect the OUV</li> </ul>	<p><b>Weaknesses</b></p> <ul style="list-style-type: none"> <li>• The concept of OUV and World Heritage is difficult to understand and apply</li> <li>• Limited resources for communication and stakeholder involvement in World Heritage (implementing the 5 Cs)</li> <li>• Limited possibilities for initiation and financing of transnational World Heritage activities and projects</li> <li>• Currently there are no possibilities for stakeholders to buy-in on the World Heritage brand, contributing to maintaining and protecting the OUV</li> </ul>
<p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>• Broadening the societal basis for safeguarding the OUV for the benefit of present and future generations</li> <li>• Engaging more stakeholders taking responsibility for maintenance and protection of the Wadden Sea natural values</li> <li>• Creating new partnerships and new synergies vertically (transboundary) and horizontally (local, national, international), and cross sector</li> <li>• Raising the profile of the Wadden Sea Cooperation and its stakeholders nationally and internationally</li> <li>• Strengthening the identity and pride of local communities</li> <li>• Supporting sustainable development which contributes to protecting and maintaining the OUV of the Wadden Sea</li> </ul>	<p><b>Threats / Challenges</b></p> <ul style="list-style-type: none"> <li>• Inconsistent communication and management of the new World Heritage brand may reduce quality and credibility of the World Heritage across the Wadden Sea regions, especially when it comes to commercial partnerships</li> <li>• Complex trans-boundary landscape in terms of management, governance, involved stakeholders, different languages and cultural backgrounds</li> <li>• Limited awareness on responsibilities and potentials resulting from the World Heritage status, and limited resources to realize this potential</li> <li>• The current organization is not capable of organizing the buy-in on the brand and use the brand opportunities to engage stakeholders</li> <li>• Too limited opportunities for involving local organizations in contributing to maintain and protect the OUV.</li> </ul>

In conclusion, World Heritage is a powerful brand which has opened a new dimension of communication, awareness building and stakeholder engagement in safeguarding the OUV, and it supports local and regional identity, pride and reputation.

The Trilateral Wadden Sea Cooperation will only be able to achieve the full potential of this new brand when developing a strong 'Wadden Sea World Heritage Brand', supporting the 5 C's of the World Heritage Convention and ensuring quality, credibility and consistency across the entire Wadden Sea. This is fully in line with the anticipated Wadden Sea World Heritage Strategy.

The Foundation Committee is therefore convinced that a Wadden Sea World Heritage Foundation will be able to attract sufficient additional funding from private partners who want to engage in the World Heritage in various work fields on a long-term basis. This will contribute to reducing and eliminating the weaknesses and threats and to make use of the opportunities.

The Committee regards these new tasks, resulting from the World Heritage status, as an extension of and supplementary to the Trilateral Wadden Sea Cooperation which should be facilitated and coordinated by a trilateral Wadden Sea World Heritage Foundation.



### 3. WADDEN SEA WORLD HERITAGE FOUNDATION

#### Necessity – Opportunity

In order to use the new potentials and opportunities of the World Heritage, the Committee is convinced that the development of a strong and effective World Heritage Brand is necessary, as well as communication and awareness rising for this transnational brand. This has to be done on behalf of the State Parties but it goes beyond the current organization of the Trilateral Wadden Sea Cooperation. The establishment of an appropriate organization to fulfil such a task, complementary to the existing organization, is therefore required.

This calls for a trilateral Wadden Sea World Heritage Foundation to take over this new task and through strengthening the World Heritage brand support and add value to the existing activities of the TWSC, and also acting supplementary through intensifying out-reaching and collaborating with private and public bodies on national and international level. Furthermore, a foundation offers and is a pre-requisite for private sponsorship and donors from various sectors and businesses to engage in the protection of the Wadden Sea World Heritage and also enables the use of tax reduction possibilities.

At the same time, the establishment of a Foundation is a strong opportunity to advance the protection and management of the Wadden Sea World Heritage by engaging and committing a broad range of stakeholders for the protection of its OUV, enabling the committed involvement of local communities and buy-in of stakeholders. Only through this developing new identities and powerful programmes of action to change places can be achieved (place-making catalyst).

#### Organization

The Committee has reviewed a number of options for establishing such a Foundation. An overview of the options reviewed is in Annex 2. A Wadden Sea World Heritage Foundation should be able to work legally, organizationally and financially for the entire Wadden Sea World Heritage across the boundaries. It should be able to represent all partners, govern-



mental and non-governmental ones, and be complementary to the existing cooperation on the Wadden Sea World Heritage, and, within this framework, be able to work targeted and effectively. The Committee has subsequently looked at various options and identified their strengths and opportunities while at the same time also taken account of their weaknesses and threats. The report of the Alterra research team, which encompasses an extensive analysis in this regard, has provided valuable information for the review. The Committee has further obtained legal advice on the establishment of Foundation according to national law in the three countries. The advice obtained from the German Federal Association of Foundations is in Annex 3.

The Committee is of the opinion that the establishment of a Wadden Sea World Heritage Foundation as a private foundation according to German law is currently the best and most straightforward option. It provides the best tax conditions and is able to operate on equal level with other foundations in The Netherlands and Denmark provided it is registered in both countries with regard to tax regulations of cross-border donations. These fiscal aspects need to be investigated in more detail during the implementation phase.

The Committee further recommends considering transferring the Foundation into a European Foundation when the European Foundation Statue has been approved by the EU Commission and Parliament and enacted in national law. The main reason is that a European Foundation will be able to represent the Wadden Sea World Heritage in a true trilateral context and it will be easier to be communicated it in the three countries. This may furthermore be an opportunity in the long term of attracting funds. Also the administrative burden is anticipated to be reduced and finally the Foundation will be able to operate throughout the whole European Union.

As a precondition, the foundation must be governed by the Statement of Outstanding Universal Value for the Wadden Sea World Heritage and embedded in the existing cooperation, as the State Parties are and will be made accountable for the brand.

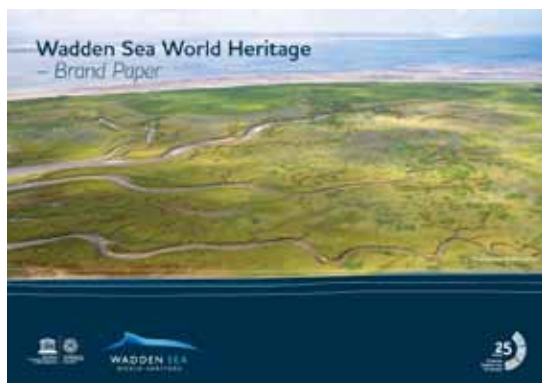
## Vision and Objective

The vision of the Committee is that the Wadden Sea World Heritage Foundation will act supplementary and supportive to the Trilateral Wadden Sea Cooperation and already existing legal responsibilities and organizational structure

- to enhance and promote the conservation and management of the Wadden Sea World Heritage through societal involvement, and at the same time
- to support economic and social sustainable development which contributes to protecting, maintaining and reinforcing the OUV.

The Wadden Sea World Heritage Foundation vision is reflected in the current brand essence: One Wadden Sea – One Global Heritage: "A wealth of biodiversity – a landscape of unique natural dynamics – an unforgettable experience for all" which is conveyed by the brand values "committed, irreplaceable, inspiring".

The Wadden Sea World Heritage brand has been developed to facilitate the integration of World Heritage in communication and marketing measures of stakeholders.



This brand description directly follows the challenges and opportunities resulting from being declared a World Heritage property as outlined above. Within this vision, the overall objective of the Foundation is hence to support the Wadden Sea World Heritage on behalf of the Wadden Sea Cooperation preferably in the framework of a World Heritage Strategy adopted by the partners, done through intensive communication of the brand and promoting involvement of stakeholders in particular

1. Supporting the conservation and management of the Outstanding Universal Value of the Wadden Sea World Heritage property safeguarding its integrity through awareness raising and buy-in of stakeholders.
2. Promoting partnership for sustainable development of the region which contributes to the Wadden Sea World Heritage and is embedded in the context of its unique brand.
3. Communicating its Outstanding Universal Value and inspire people to enjoy and value it, celebrate and learn about it .
4. Assisting state parties to work in an international context supporting the aims of the World Heritage Convention reinforcing management at the level of the property.

## Activities

The activities of the Foundation must serve the Wadden Sea World Heritage in its entirety and be additional to legally stipulated and otherwise ensuing activities of the State Parties. The Committee has identified a number of activities to be carried out by a Foundation resulting from the new status as World Heritage, in specific fund raising, funding of World Heritage projects, branding, international cooperation and buy-in of stakeholders on the protection of the OUV, in particular

1. Management and communication of the World Heritage Brand
  - Ensure consistency, credibility, quality of the brand vertically and horizontally, align activities of stakeholder across the regions,
  - Building a regional reputation of the brand that will be known nationally and internationally,
  - Application of the brand, e.g. merchandising, World Heritage publications,
2. Fundraising for World Heritage projects (conservation, education, communication),
  - funding, donations, sponsorships, licence fees, partnership programmes,
3. Preparation, coordination, management and funding of Wadden Sea projects contributing to the OUV on behalf of the Trilateral Cooperation,
  - Support of projects on nature conservation, international cooperation, communication, environmental education, sustainable tourism strategy, partnership programmes,
  - Acquiring co-funding from the EU or other parties,
4. Provide advice to stakeholders how to integrate World Heritage values in their projects or business activities contributing to protection of the OUV,
5. Contribution to the World Heritage Convention's aims and objectives,
  - Support in providing expertise to other WH sites,
  - Support of cooperating with UNESCO WH programmes and activities.

These activities are carried out transnationally also in addition to and supportive of activities carried out by regional and national foundations in the three countries, thus creating new synergies and funding opportunities for trilateral World Heritage activities.

Map of all World Heritage Sites (status 2013/2014)  
(UNESCO World Heritage Center, Paris)



## Governance

The objectives and the public benefit purposes of the Foundation and its governance must be included in the Foundation statute, as is legally prescribed. The objectives, purposes and governance must be legally phrased in accordance with its complementary function to the tasks and responsibilities of the State Parties. Accordingly, the management of the Wadden Sea World Heritage Brand is done on behalf of the State Parties, as stipulated in the statute.

The governance of the Foundation encompasses the Council, the Executive and the Advisory Board. The Council, which is the highest governance body of a Foundation and operates within the Foundation statute, should be appointed by the Wadden Sea Board and consist of a chairperson and 5–7 competent members from the three Wadden Sea World Heritage States with the necessary experience and knowledge in the field, namely from e.g. the state and local level, nature conservation, business, science, and persons with expertise in World Heritage and UNESCO, representing the three nationalities. The chairperson and the Council members should be appointed for a limited period (3–5 years) and rotate equally between the Wadden Sea World Heritage states to ensure long-term support. The managing director should be appointed by the Foundation Council as the executive.

An Advisory Board of the Foundation should be appointed by the Wadden Sea Forum and supplemented by independent experts with expertise in the field of in particular branding and World Heritage.

The Foundation capital and additional funding and income possibilities are as well stipulated in the statute. The State Parties furnish the initial foundation capital and provide a contribution (e.g. annually) to the foundation according to their budget guidelines. The State Parties are recommended to establish an initial foundation capital of in total € 150,000, i.e. € 50,000 by each State Party. The Foundation asset can be increased by additional contributions from third parties (money, rights, goods).

As a non-profit organization, the foundation can accept donations from all three states. The donations are tax free under the intended registration. The foundation can also actively acquire donations from private persons who would like either to support specific World Heritage related activities and programmes or to contribute to the Foundation Asset. In

addition, the foundation can generate income from related and unrelated commercial activities. Income may be derived from licence fees for the use of the brand, income from World Heritage activities and products, or fees from a World Heritage partnership programme.

The Foundation Council should, as appropriate, consider in due course whether a possibility for private membership in a suitable form should be made possible.

## Added value

Having considered the context within which a possible Wadden Sea World Heritage Foundation must operate, the Committee argues that a foundation is necessary and a precondition to continue and extend the successful conservation work but also believes that there are great merits in establishing a foundation as the activities will add value to existing activities and structures of the Trilateral Cooperation, in specific the implementation of the anticipated strategy for the World Heritage property.

There is also currently no organization or foundation which can carry out these additional activities resulting from the World Heritage responsibilities on a trilateral level apart from the framework of the Trilateral Cooperation. Existing foundations in the countries have a regional or national focus and are not able to provide finances or sponsorship to trilateral World Heritage activities or to attract funding for these trilateral activities in all three countries.

The foundation will be able to provide opportunities and added value for the Trilateral Cooperation as it takes over new tasks of developing and implementing the World Heritage brand which complements the existing activities of the Trilateral Cooperation. This will be done through enhancing ownership and commitment of stakeholders for the protection of the OUV, by establishing pride and identity for the World Heritage, and by raising the profile of the stakeholders nationally and internationally. A cross-border foundation will also function as a focal point for stakeholders for World Heritage to ensure a coherent branding and communication of the World Heritage.

A foundation offers private sponsor and donors from various sectors and businesses the opportunity to engage in the protection of the Wadden Sea World Heritage in many ways. This has not yet been possible within the existing structure and would be the major added value for the Trilateral Wadden Sea Cooperation. A public benefit foundation will also be subject to tax privileges, exemptions, and VAT deduction. Furthermore, donors to the foundations are eligible to claim tax relief for charitable donations.







## 4. IMPLEMENTATION

It was beyond the Terms of Reference of the Committee to design the exact timetable for the establishment of the Foundation including the legal, organisational and financial details associated with putting the Foundation into operation.

The Committee recommends that upon the approval of its report, as appropriate, including its recommendation, the Wadden Sea Board directs the establishment of the Foundation legally, organizationally and financially. More in particular, within 6 months the following tasks should be implemented:

1. Elaborate a draft statute for the Wadden Sea World Heritage Foundation according to German law.
2. Establish a proposal for the composition of the Foundation Council and the Advisory Board as stipulated in the draft statute elaborated in (1) which can be anticipated to meet wide acceptance.
3. Elaborate a funding strategy within the objectives and activities of the Foundation statute to attract sufficient additional public and private funding in the long term.
4. Develop an agenda of potential trilateral projects in cooperation with relevant interested parties aiming to strengthen the World Heritage brand and integrity of the property.

Preferably a person with knowledge and understanding of the Wadden Sea World Heritage and esteemed within the "community" should be assigned with this task, supported by the CWSS, with sufficient resources to engage legal expertise for the elaboration of the draft statute and relevant expertise for the elaboration of the funding strategy.

Upon approval of the above, as appropriate, the Foundation will be legally established according to German law and registered in The Netherlands and Denmark to obtain tax exemption for charity funding; the State Parties furnishes in parallel the initial capital to the Foundation which will be used as a starting fund to equip the Foundation legally and operationally.

The Foundation Council including the chairperson is appointed by the Wadden Sea Board and assumes its work in the context of the Foundation Statute including implementing the activities as outlined in its statute. The primary concern in the first five years of its existence is to acquire sufficient funding to allow for implement significant projects and activities and manage and communicate the Brand.

Parties must consider that it will take time to make it a well- functioning Foundation with sufficient financial resources that will make a difference in the long term. It cannot be expected that the Foundation will be self-sufficient in the first five years of its existence. It is essential that the initial operational phase is designed with utmost carefulness and diligence and sufficient time will be available to lay the optimal basis for its long-term work.

The Committee therefore strongly recommends that the State Parties in the initial operational phase of five years makes annually sufficient resources available for a Foundation secretariat under the head of the Executive Director of the Foundation which, together with the Council, will make the Foundation further operational, legally, organizationally and financially, including engaging with the World Heritage community across the countries. The Committee estimates that four persons including the Executive Director will be necessary, a person responsible for fund raising activities, a communication and customer relations manager and a project and financial manager.

The resources are recommended to be furnished by the State Parties in kind by seconding staff to the Foundation for the five-year initial period. This will also contribute to the regional acceptance of the Foundation and allow for an easier embedding in the hearts and minds of regional stakeholders. If secondment of staff is not an option, State Parties should make an equivalent amount in cash available. There is a need for an additional amount in cash to the personnel costs of € 150,000 for communication, fund raising activities etc. to be financed by the State Parties annually for the initial five-year period.



## 5. CONCLUSIONS AND RECOMMENDATIONS

The Committee was tasked to investigate the feasibility and merits of establishing a trans-national Wadden Sea World Heritage Foundation for promoting and supporting the conservation of the Wadden Sea World Heritage Property and promoting the brand Wadden Sea World Heritage including

- The long-term vision including the objectives of the Foundation;
- The activities of the Foundation to be executed and/or promoted;
- The governance of the Foundation including different options and alignment with the duties of the Wadden Sea Board;
- The financing of the Foundation and its activities.

In the opinion of the Committee, a Wadden Sea World Heritage Foundation is necessary to achieve the full potential of the Wadden Sea World Heritage Brand supporting the 5 C's, ensuring quality, credibility and consistency across the entire Wadden Sea and enabling and demanding stakeholders to pay into the Brand and commit themselves to its protection. This cannot be done by the existing organization but needs the establishment of a distinct foundation. Therefore, a trilateral foundation which can act in all three countries (trilateral project funding and fundraising in all three countries for trilateral activities) will be additional and supportive to the existing regional and national foundations. Further to existing regional or national foundations, the World Heritage Foundation will be the only organization which can carry out fundraising in all three countries and finance (trilateral) World Heritage activities.

There are great merits in establishing a Foundation as its activities are supportive and provide significant added value to the Trilateral Wadden Sea Cooperation. It enhances ownership of the Wadden Sea World Heritage and its activities, promotes the pride of and identity with the property, raises its profile nationally and internationally and provides an opportunity to use its OUV to promote sustainable regional development as place-making catalyst. A foundation offers and is a prerequisite for private sponsorship and donors from various sectors and businesses to engage in the protection of the Wadden Sea World Heritage on the trilateral level in various ways including offering donors eligibility to claim tax relief for charitable donations.

A precondition for the establishment of a Wadden Sea World Heritage Foundation is that its vision, objectives and activities are governed by the Statement of Outstanding Universal Value. The vision and the objective of the Foundation should be fully aligned with the vision and objectives of the Wadden Sea World Heritage Strategy, approved by the Trilateral Wadden Sea Cooperation and its partners.

The establishment of a foundation according to German law is currently the best and most straightforward option. It will be able to operate legally, organizationally and financially for the entire Wadden Sea World Heritage across the boundaries, actually as a trans-national foundation. The transformation of the Foundation into a European Foundation should be considered once this legal option becomes available primarily to enable the communication of the Foundation as a genuine trilateral foundation.

The Foundation Council must be appointed by the Wadden Sea Board to ensure the alignment with its duties and guarantee that the Foundation works complementary to the Wadden Sea Cooperation. The vision, objectives and activities of the Foundation are therefore all supplementary to the tasks and activities of the Wadden Sea Board. The central tasks of the Foundation is to manage and communicate the Brand, including fundraising for the Wadden Sea World Heritage for projects, including acquiring co-funding from relevant European Union programmes, and providing advice for stakeholders and other organizations.

The Committee is convinced that the Foundation will be able to generate sufficient finances for its activities in the long term and make a difference for the Wadden Sea World Heritage. It is, however, in the view of the Committee necessary to support the Foundation financially in an initial period of 5 years to make it a well-functioning Foundation which is able to generate its own financial basis.

The Committee recommends therefore the Wadden Sea Board

1. The establishment of a Foundation as a private foundation according to German law with registration in Denmark and The Netherlands as a charitable organization to obtain tax regulations equal to national foundations; the transformation of the Foundation into an European Foundation should be considered once this legal option becomes available to use the additional benefits such an option provides;
2. The appointment of the Council of the Foundation consisting of 5-7 members and a chairperson representing the Wadden Sea World Heritage constituency by the Wadden Sea Board to guarantee the complementary character of the Foundation to the Trilateral Wadden Sea Cooperation;
3. The appointment of its Advisory Board by the Wadden Sea Forum with additional relevant expertise;
4. The State Parties to furnish the initial capital of the Foundation in an amount of € 150,000 and to second four persons to the Foundation secretariat or an equivalent in cash for an initial period of 5 years to create the basis for the Foundation to work and acquire additional funds and income and additional resources for communication, fund raising activities etc. in the amount of € 150,000 annually.

The Committee recommends upon the approval of its recommendations, as appropriate, the Wadden Sea Board to make the Foundation operational, legally, organizationally and financially and to task a person with knowledge of the Wadden Sea World Heritage and esteemed in World Heritage constituency with this assignment. Once the proposal has been endorsed by the Wadden Sea Board, as appropriate, the Foundation Council can assume its work on the basis of the initial annual contribution of the State Parties.

## ANNEX 1

### WADDEN SEA WORLD HERITAGE

#### Terms of Reference for Investigating the Feasibility and Merits of Establishing a Foundation for Promoting the Wadden Sea World Heritage Property

In June 2009 the Dutch – German Wadden Sea was inscribed on the World Heritage List. The Wadden Sea World Heritage now encompasses the three German Wadden Sea National Parks of Schleswig-Holstein, Niedersachsen and Hamburg and the Dutch Wadden Sea Conservation Area. The nomination of the Danish Wadden Sea Conservation Area is anticipated shortly.

The inscription on the World Heritage List represents the highest global recognition of a natural area in its kind and the acknowledgment and appreciation by the World Community of the efforts of the responsible state parties and its inhabitants to protect and conserve its Outstanding Universal Value. The Statement of Outstanding Universal Value Heritage as adopted by the World Heritage Committee on the inscription of the property on the List includes a summary of the Committee's determination that the property has Outstanding Universal Value, identifying the criteria under which the property was inscribed, including the assessments of the conditions of integrity or authenticity, and of the protection and management in force and the requirements for protection and management. The Statement of Outstanding Universal Value shall be the basis for the future protection and management of the property. Decision 33 COM 8B.4 of the World Heritage Committee is attached.

The Wadden Sea World Heritage has enjoyed an amazing support by all governmental and non-governmental stakeholders since the inscription. A Communication and Marketing Programme has been elaborated in cooperation with and approval of the partners. In the framework of the Programme a broad scale of activities unfolded within four work priorities. So far the cooperation between the governmental and non-governmental stakeholders has generated synergies and partners have profited from the cooperation both in terms of content and efficiency. The property has been promoted equally by the responsible authorities and other public and private stakeholders.

An international investigation of all natural and cultural World Heritage properties has substantiated that the World Heritage designation has a huge potential promoting regional sustainable development, i.e. maintain, enhance and develop the natural values of the property, lead and further regional economic development and enhance social coherence of communities. Regional cooperation between public and private stakeholders is a pre-condition for achieving such potentials.

In order to further promote, strengthen, consolidate and enhance such regional sustainable development safeguarding and enhancing the values of the World Heritage, the feasibility and advantages of establishing a Wadden Sea World Heritage Foundation shall be investigated.

### Framework Conditions

1. The investigation and subsequent operation of the Foundation is governed by the Statement of Outstanding Universal Values for the Wadden Sea World Heritage. This Statement sets out a clear and unequivocal conservation agenda and all activities initiated as a result of the World Heritage designation or related to the property must respect and promote the Statement for which the State Parties will be made accountable.



2. The legal authority (sovereignty) of the Wadden Sea World Heritage property remains with the State Parties.
3. The Foundation shall be supportive and have added value to existing legally stipulated and otherwise undertaken ensuing activities of the State Parties.

## Objective and Tasks

The aim is to investigate the feasibility and merits of establishing a trans-national Foundation for promoting and supporting the conservation of the Wadden Sea World Heritage Property and promoting the brand Wadden Sea World Heritage including

- The long term vision including the objectives of the Foundation
- The activities of the Foundation to be executed and/or promoted.
- The governance of the Foundation including different options and alignment with the duties of Wadden Sea Board
- The financing of the Foundation and its activities.

## Committee

The feasibility study will be done by a committee of 4 wise persons designated by WSB including the nomination of the chairperson of the Committee. The members of the committee must represent experience both from high level public and private cooperate service as well as experience with (internationally operating) Foundations. The secretary will serve as a secretary to the Committee.

## Reporting

The work of the Committee must be concluded with the delivery of a report within 12 months of its establishment with recommendations on the type and activities of the future Foundation. The report must include a scoping of different options related to the objectives mentioned above, especially to different types of foundation levels including a SWOT analysis.

## Budget

The Wadden Sea Cooperation will make sufficient funding available to facilitate the work of the Committee including reimbursing travel costs for its members and for contracting external consultants for making investigations within the terms of the Committee. An estimated budget is attached.

## ANNEX 2

### Review of Legal Options for Establishing a Wadden Sea World Heritage Foundation

The Committee has discussed a number of legal options for establishing a Wadden Sea World Heritage Foundation both within national as well as European law based on the investigation of the Alterra Research Centre, Wageningen University, and on the legal advice obtained from the German Federal Association of Foundations (see Annex 3). In reviewing the different options, the Committee has based itself on the following interlinked and mutually dependent starting points and criteria, namely that a Foundation:

1. Works for and is active on the territory of the entire Wadden Sea World Heritage and not for individual parts and interests;
2. Represents both governments as well as non-government organizations (organizations, private enterprises etc.);
3. Works with its partners in equal partnership and takes action on behalf of the Wadden Sea World Heritage;
4. Must therefore obtain a legal status that represents these starting points on behalf of the entire Wadden Sea World Heritage and be able to legally operate in the three countries.

The options which the Committee has reviewed are the European Foundation, the European Groupings for Territorial Cooperation, the Community Foundation and a Foundation located in one of the three states possibly with locations in the two other countries (a federation foundation).

#### Re. European Foundation

In 2012, the European Commission has released a legislative proposal on a European Foundation Institute which has passed the European Parliament and now has to be adopted by the Council and subsequently enacted in member states law.

The Statute would be a new, additional and optional legal instrument under European law to allow anyone to set up a European Foundation with the same conditions throughout the European Union (EU). A European Foundation Institute would thereby remove legal and administrative barriers that have until now delayed or hampered foundation led European initiatives. The scope of the Statute focuses on public-benefit foundations for cross-border activities in at least two member states. In addition to the legal advantages it will a.o. create a level playing field for operating across member states, provide for a less costly and more secure way to operate at the European level, be an innovative and recognizable tool for operating at the European level and for more public-private partnerships and be a new instrument for citizens' actions. More importantly, such a foundation will be more easily recognized in the three countries as a foundation working for the entire Wadden Sea World Heritage and therefore be easier to communicate its objectives and activities Wadden Sea wide.

There are no disadvantages related to this option and in the view of the Committee this is the preferred one. The implementation of the Statute into law of the member states is, however, anticipated to take considerable time and will possibly not be done within the next 5-year period, but once this option has been made available it should be considered to transfer an existing foundation into a European Foundation which will, in addition to the advantages outlined above, also be able to operate Europe wide.

## Re. European Groupings for Territorial Cooperation

The European Groupings for Territorial Cooperation (EGTC) is the first European cooperation structure with a legal personality defined by European Law, designed to facilitate and promote territorial cooperation (cross-border, transnational and interregional cooperation), with the aim of strengthening the economic and social cohesion of the European territory. The members of an EGTC can be member states, regional and local authorities and any other body governed by public law. The objectives of the EGTC can encompass all relevant European themes including environment and nature protection.

The advantages in establishing an EGTC are to enhance possibilities to attain European funding for projects, improve the cooperation structures that transcend national boundaries to provide a uniform institutional framework for projects and projects of common interest and to provide a structure for decision making in which many different public and semi-public entities can participate. Within this structure a foundation mechanism can be established by the members of the EGTC.

The EGTC has not yet been implemented in national law in Germany and is therefore not an option for the short and middle term. Moreover, it could be foreseen that the process leading to the establishment of a Wadden Sea EGTC to enable the establishment of a foundation would be a complex process. More importantly, the EGTC would, however, imply establishing a new institutional framework in parallel to the existing Trilateral Wadden Sea Cooperation which would be contra-productive and is furthermore beyond the mandate of the Committee. Additionally, the advantages of a Wadden Sea EGTC within the mandate given could also be realised by either a nationally based foundation or a European Foundation.

The purpose of the EGTC is to basically establish an institutional mechanism for trans-boundary cooperation in a European context which is recognized by the European Union and ensures that an agreement can be legally implemented cross-border. This may be an interesting option for the Trilateral Cooperation, to be considered in the long term, but the Committee does not consider EGTC a feasible option for establishing a Wadden Sea World Heritage Foundation.

## Re. Community Foundation

The Community Foundation (CF) is a form of a non-governmental organization and falls under the variations of the civil laws in different countries. It is generally considered an independently registered philanthropic institution serving geographically defined territory, typically a city or administrative area (county, region and the like). CF is not a legal entity similar to a foundation. The main objective is to unite a community or citizens for a specific cause and financially support projects and activities that will benefit a specific cause and community.

CF has a very short history in most countries, with the exception of the United States and Canada, where CFs have been in operation for many years. There is limited experience with such foundations in the three countries, but in Germany there is currently an increasing number of CFs registered.

The Committee is of the opinion that the CF option does not fulfil the criteria as outlined above and is therefore not a feasible option. A CF is eventually a possibility in combination with a foundation. The CF should then be considered a promotional association to further the cause of the Foundation and provide it with a broad Wadden Sea Region community basis.

### Re. Foundation

As indicated above the Committee has obtained legal advice on the establishment of a foundation according to national law in the three countries. The conclusion of the legal advice is to establish a foundation according to German civil law with participation of the government and non-government authorities of the three countries. An internationally binding treaty is no precondition for establishing such a foundation and the foundation will enjoy all the legal and tax privileges of the countries. The Committee has also reviewed the option whether it would be advantageous to establish a foundation in each of the three countries making up for a federate Foundation. Since there are no legal and tax advantages related to this option and will only increase the administrative burden this option has been dismissed. It would moreover be against the nature of the criteria outlined.

### Overall Conclusion

The Committee is of the opinion that the establishment of a Wadden Sea World Heritage Foundation according to national law is currently the best and most straightforward option which fulfils all the criteria set. Since the advantages of establishing a foundation according to German law encompasses the best tax conditions and the joint secretariat of the Trilateral Wadden Sea Cooperation is located in Germany, the Committee furthermore concludes that the Foundation should be established according to German law provided that it is registered in the two other countries.



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## ANNEX 3

### Questionnaire Foundation

Source: Bundesverband Deutscher Stiftungen e. V.

#### A. Foundation Legal Issues

##### 1. Is a treaty between the three states (NL, D, DK) necessary to establish a trilateral Wadden Sea Foundation or can the three states directly be involved as donors in the foundation work, after approval by their own governments?

Since the states are supposed to be the founders, the question arises whether a foundation under public law is intended. Such foundation exclusively has public purposes and is established by an act of formation, except for municipal and ecclesiastical foundations under public law, this is usually an Act.

The basis for such a law is a State Treaty and an agreement on the joint funding based on the law.

An example in Germany is the treaty between the Federal State and the States of Berlin and Brandenburg on the Foundation 'Prussian Palaces and Gardens Berlin-Brandenburg' (<http://www.spsg.de/SPSG-Satzung.html>)

The state can also establish foundations under private law (for example, Federal Cultural Foundation which receives an annual Federal Grant for the performance of the foundation aims in accordance with a Budget Act and the available budget <http://www.kulturstiftung-des-bundes.de/cms/de/stiftung/satzung/>)

##### Are there different legal regimes concerning this issue in Germany, the Netherlands and Denmark?

The European Commission is currently dealing with the possibility creating a supranational legal form of a "European Foundation". However, as long as this is not introduced, a choice of the legal form under national law must be made. An overview of the cornerstones of the foundation laws of the three countries is given below.

##### 2. Can the three countries establish a community foundation under German law?

For such a foundation the necessary foundation capital would initially be provided by the three participating countries. Further endowment capital should then be provided with the help of private individuals, associations and local authorities as co-founders. As donors, they should also participate in the committees and the decisions of the foundation (guiding principle of democratic foundation below).

The area of a Community Foundation under German law is mostly focused geographically on a city, a county or region. In this case, area covers 3 countries, therefore, the Community Foundation is probably not the right type of foundation.

The guiding principle of "democratic foundation from below" can be also implemented by statute in a foundation under private law.



## B. Tax issues related to the creation of the foundation

1. Are there different favorable tax regulations in the Member States, Germany, Denmark and the Netherlands with regard to the tax treatment of contributions to the foundations?

- a) Contributions to the endowment by individuals, associations and economically active individuals or companies.
- b) Donations to the Foundation by individuals, associations and economically active individuals or companies?

2. If yes, what will be the best location for the trilateral Wadden Sea foundation (D, NL, DK) from a tax perspective?

3. How can it be secured under tax law between the three states D, DK, NL that a co-funding or donation from DK or from NL to the trilateral foundation based in Germany under German tax law is treated at least similar for tax purposes and comparable to a co-funding or donation to a national foundation?

The countries of Denmark, Germany and the Netherlands have partially different rules in foundation law, so an overview of the main points may be helpful. The following is an excerpt from the Efc (European Foundation Centre), Comparative Highlights of Foundation Laws The operating environment for foundations in Europe, 2011

### Minimum Capital required?

- Denmark: Yes, 34.000 € (non-commercial foundations), € 40,000 (commercial foundations), approval from the Ministry of Justice can be sought for corporations with smaller assets.
- Germany: No statutory minimum capital. In practice, a minimum of € 50,000 is usually required.
- Netherlands: No Minimum Equity required

### State approval required?

- Denmark : No, registration
- Germany : Yes
- Netherlands : No, registration

### Spending down of capital possible?

- Denmark : No
- Germany : Generally not, it consumption Foundation unless provided for in the Articles of Association,
- Netherlands : Yes

### Is an economic activity allowed?

- Denmark: Charitable foundations are allowed to operate economically in small-scale. Foundations that carry significant commercial activities, or have controlling interests in business enterprises are regulated by the Law on commercial foundations (act on commercial foundations).
- Germany: Yes. Basically an economic activity is allowed, unless it is "an end in itself" of the foundation. A non-related economic activity of up to 35,000 € per year is not taxed.
- Netherlands: Yes, economic activity is permitted, provided it is in line with the Foundation's purpose. These activities will not be taxed.

### Is an Executive Board member compensation possible?

Denmark: Yes, a reasonable remuneration of Board members is allowed. The foundation supervisory authority may recover any remuneration which goes beyond this limit

Germany: Yes, reasonable remuneration of Management Board members is allowed, provided it is expressly allowed by the statutes.

Netherlands Yes, remuneration is allowed when this is in accordance with the statutory provisions of the foundation. In the tax law, remuneration of board members is allowed. If a foundation wants to be qualified as a charitable institution, remuneration of board members is only allowed for reimbursement of expenses, carrying out work, or attending meetings.

### Reporting requirements

Denmark: Annual accounts of commercial foundations are governed by the same rules that apply to non-listed limited companies. Non-commercial foundations: Annual reports must be filed with local tax authorities.

Germany: Foundations must present annual reports to the relevant state authorities according to the laws of the Bundesländer, and if they wish to receive tax privileges, to the relevant financial authorities.

Tax-exempt status is reviewed every three years. Foundations are not legally requested to make the information publicly available.

Netherlands: The board has the duty to maintain financial records (a balance sheet and a statement of revenues and expenditures of the foundation). These records have to be kept for 7 years. In principle every commercial foundation has to publish its annual accounts within 8 days after they are approved. A commercial foundation whose net turnover totals less than € 8.8 million and whose assets do not exceed the value of € 4.4 million over two consecutive years could be exempted from the obligatory publication of accounts.

### Publication of annual reports / financial statements?

- Denmark: Non-commercial foundations: No. Commercial foundations: Yes, annual accounts.
- Germany: No.
- Netherlands: Yes, but only for commercial foundations. Accounts must be published with limited exceptions based on size of annual turnover.

### External audit provided by law?

- Denmark: Yes, for commercial foundations .
- Germany: No.
- Netherlands: Yes, for medium and large foundations.

### Can the Foundation's assets revert back to private ownership in case of dissolution of the Foundation?

Denmark: No. For a foundation to be considered a public interest foundation, its statutes must provide that in case of dissolution of the foundation, any remaining assets have to be transferred to another public-benefit foundation or used to advance a public-benefit purpose.

Germany: There must be a special regulation in the statute of the foundation.

Netherlands: This depends on the foundation's statutory provisions. If nothing is provided in its statutes, the assets will go to the state which will use them as far as possible for the purpose of the foundation.

### Does civil and / or tax law require a foundation to spend its income over a certain period of time

- Denmark: No.
- Germany: Yes, required by tax law.
- Netherlands: No.

### What are the requirements to receive tax exemptions?

Denmark: Any foundation can apply to the Danish national tax authorities to be approved as having a public-benefit purpose for certain tax purposes (deductibility of donations made to foundations and other public-benefit organisations). This approval as public benefit does not have any effect on the ability of a foundation to deduct its donations from its taxable income under Danish tax law.

Germany: Foundations can be exempt from it if they pursue qualified philanthropic purposes enumerated in the 'Abgaben-ordnung (AO)'. The foundation has to carry out its tax-privileged purpose unselfishly, exclusively and directly.

Netherlands: In order to receive tax exemptions a foundation has to be officially qualified as a charity by the Dutch tax authorities (specific criteria include: no intention to make a profit and a demonstrably charitable character, reasonable fundraising and administration costs, transparent bookkeeping, and a clear policy plan).

### Do activities abroad put the tax-exempt status of a charitable foundation at risk?

- Denmark: No.
- Germany: No, although tax exemption requires that pursuing activities abroad can have a positive impact for and does not disadvantage Germany.
- Netherlands: No.

### Do public-benefit foundations pay income tax on grants and donations?

- Denmark: Yes, unless given to build up the foundation's endowment
- Germany: No.
- Netherlands: No.

### Are grants / donations subject to gift and inheritance tax?

- Denmark: No, if the foundation is included on a Ministry of Taxation list of public-benefit organisations.
- Germany: No, generally donations and legacies to public-benefit foundations are exempt.
- Netherlands: No, recognized public benefit organizations foundations are excluded.

### Is income from the asset administration taxed?

- Denmark: Yes, but dividends from companies in which a foundation holds at least 10% of the shares are exempt.
- Germany: No.
- Netherlands: No, unless the investment is qualified as business activity.

### Is majority shareholding in companies allowed?

- Denmark: Yes.
- Germany: Yes.

- Netherlands: Yes, although the Dutch tax authorities are of the opinion that a major shareholding in a commercial entity restricts the foundation's eligibility to obtain the status of an ANBI (Institution for General Benefit).

#### Is income from economic activities taxed?

- Denmark: Yes
- Germany: No, provided that the activities are directly related to the foundation's purpose. Unrelated activities are taxed if income exceeds €35,000.
- Netherlands: Yes, a foundation is subject to Dutch corporate income tax (CIT) to the extent that it carries out business activities. If the activities are charitable, such as, science and educational activities, the foundation is not subject to CIT.

#### Can a foreign-based foundation get the same tax benefits as a national foundation?

- Denmark: Yes, any foundation can apply to the Danish national tax authorities to be approved as having a public-benefit purpose for certain tax purposes (deductibility of donations made to foundations and other public-benefit organisations). Every year a list is published with the names of all foundations approved as public-benefit. Applications for the coming year must be received by 1 October.
- Germany: Yes, but to be eligible for tax incentives, public-benefit foundations (resident in Germany or not) must pursue activities that possibly benefit the German public.
- Netherlands: Yes.

#### Tax treatment of individual donors

- Limit the exemption
- Removable amount in case of a donation of € 10,000.
- Removable amount in case of a donation of € 100,000 (calculation based on a taxable income of € 100,000).

##### Denmark :

- gifts to a value of 500 DKK ( 70 € ) up to 14,500 DKK (about € 1,950 ) have not be deductible (as of 2010 ).
- € 1,950
- € 1,950

##### Germany:

- Tax deduction up to 20% of annual taxable income ; border amounts can be transferred to future years. Individual donors can deduct a maximum of € 1 million. This amount may be deducted within up to 10 years.
- € 10,000
- € 20,000

##### Netherlands:

- Donations can be up to 10% of the gross income of the donor will be deducted. For donations of less than 1 % of gross income or 60 € , no deduction is possible (as of 2010).
- € 10,000
- € 10,000

### Tax treatment of corporate donations

- a) Limit of the exemption.
- b) Removable amount in case of a donation of € 10,000.
- c) Removable amount in case of a donation of € 100,000 (calculation based on a turnover of € 5 million and profits of € 200,000 ).

#### Denmark:

- a) Each year the gifts are worth DKK 500 ( € 70 ) up to 14,500 DKK ( ca. € 1,950 ) have deductible (2010). This limit is adjusted annually.
- b) € 1,950
- c) € 1,950

#### Germany

- a) A tax deduction of up to 20 % of annual taxable income is allowed (or 0.4 % of total revenues and salaries).
- b) € 10,000
- c) € 20,000

#### Netherlands

- a) Donations of at least € 227 are tax deductible up to a maximum of 10 % of annual income.
- b) € 10,000
- c) € 20,000

### Are donations to foreign-based public benefit organizations tax deductible for the donor?

- Denmark Yes, but receiving organization must be registered in Denmark.
- Germany Yes, but certain conditions must be met.
- Netherlands Yes, but receiving organization must be registered in the Netherlands and meet certain requirements.





