



# ***EFC Revised Principles of Good Practice***

*Version of 24 October 2006*

## **1. BACKGROUND**

The **Principles of Good Practice** set out in the following mark a further step in a process launched during the 1994 Annual General Assembly (AGA) of the European Foundation Centre (EFC) and further revised at the 1995 AGA in Seville, Spain. They provide a basis for open and ongoing dialogue among foundations by building on the EFC 1994 **Prague Declaration**, a statement of principles and reciprocal commitments for foundations. The EFC Code of Practice Working Group revised the Principles in 2005/2006. They are subject to further review and modification.

## **2. PREAMBLE**

These Principles represent a shared vision of good practices and constitute a general recommendation to reinforce good practice, openness and transparency in the European foundation<sup>1</sup> community. As such, they are intended to be of application both within the European Union and in the context of the wider Europe, and refer to both the national and international dimension of a foundations' work.

These guiding Principles also aspire to accommodate the approach of individual organisations within the European foundation community. Our sector encompasses a variety of organisations with diverse structures, sizes, cultures, policy and concerns, as well as various activities and procedures.

Every foundation in Europe is encouraged to respect the spirit in which these Principles are drafted and to use them as guidelines when (re)shaping their formal or informal ways of working.

## **3. VALUES**

Foundations are committed to the development and promotion of effective responses to specific social, economic, educational, scientific, health, cultural, civic, and environmental challenges, and other legitimate causes in today's society. They can fulfil their role by supporting third parties and/or by carrying out operational programmes at home and abroad.

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<sup>1</sup> For the purpose of this document the term foundations may also refer to corporate funders.

They acknowledge the importance of acting for the public benefit and to serve the society at large. They seek to be responsive to society's needs and operate with due appreciation and respect of societal norms. They also stress the importance of pluralism and subsidiarity in today's society, both national and international.

They appreciate the importance of operating in accordance with donors' intent.

Foundations acknowledge the need and the value of independence and autonomy in their efforts to build a just, sustainable and pluralistic civil society. They recognise the need for the efficient use of resources and the exercise of good stewardship.

They are committed to transparency, accountability and self-regulation.

They acknowledge and act upon their responsibilities and obligations to multiple stakeholders, including public authorities, grantees and beneficiaries, and the public at large as follows:

#### **4. PRINCIPLES**

##### ***Principle n°1: Compliance***

Foundations comply with the laws of the state in which they are based, and act in accordance with their bylaws. They comply with the international and European conventions to which their country of residency is party.

##### ***Principle n°2: Governance***

Foundations have an identifiable decision-making body whose members and successors should be nominated in accordance with established principles and procedures, and act with the highest ethical standards.

##### ***Principle n°3: Informed policies, operations and support programmes***

Foundations define a clear set of basic policies and procedures specifying their mission, objectives, goals and related programmes and review these on a regular basis.

##### ***Principle n°4: Stewardship: management and finance***

Foundations promote efficient organisation and work while ensuring prudent and sustainable management, investment strategies and procedures, and use of resources for public benefit.

They ensure proper accounting/book-keeping according to established rules in the state in which they are headquartered. They may complement such rules with additional measures on a voluntary basis.

##### ***Principles n°5: Disclosure and communication***

Foundations act in a transparent manner and comply with the regulations concerning transparency in force in the countries in which they operate. They may complement such regulations with additional measures on a voluntary basis.

##### ***Principle n°6: Monitoring & evaluation***

Foundations organise appropriate monitoring and regular evaluation of their action and programmes.

***Principle n°7: Cooperation***

Foundations share their know-how and experience with peer-organisations and other relevant stakeholders to advance good practice and cooperate whenever appropriate, to maximise their impact in their respective fields of activity.

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