

# Philanthropie Aktuell

## EDITORIAL

Dear Readers,



Non-profit organisations (NPO) are currently facing an unusually strong political headwind. This comes despite their considerable political success in recent years. NPO were ahead of the curve in addressing key issues such as climate change, migration, healthcare, and social cohesion - long before policymakers took them up. As a result, NPO and their agendas moved to the heart of political decision-making, bringing increased funding and influence. New perspectives and specific concerns could be introduced and found a receptive political audience.

However, in the current security debate, NPO lack this advantage of early positioning. As discussions on funding the military and other security-related issues take centre stage, other topics risk being sidelined. To maintain political momentum for their own causes, NPO should focus more on collaboration and defining shared priorities. This requires both content-related and organisational flexibility - ranging from joint campaigns and alliances to full mergers.

In this issue, we explore different aspects of this new organisational mobility - both in grant-making foundations and in NPO themselves.

Wishing you a pleasant read,  
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## NPO at a turning point: dissolve, merge or renew?

### Too little to live - too much to die

**Foundations are independent special-purpose assets. Consequently, the following two factors are essential for a foundation: the purpose that can be achieved and sufficient assets to fulfil it. It may happen that a foundation reaches the limits of one or the other of these criteria in the course of its existence. What should be done then? What are the options and what needs to be considered?**

By Sebastian Rieger

### Too little to live - dissolution

The law provides for the foundation to be dissolved upon application or ex officio if its purpose has become unattainable and the foundation cannot be maintained by amending the foundation deed. The highest foundation body, usually the foundation council, must deal with the dissolution of the foundation if the foundation's assets are no longer sufficient to fulfil its purpose. However, the foundation council, as the supreme body, may not simply decide to dissolve the foundation as an independent special-purpose asset; it does not own the foundation itself. Unlike other legal entities, a foundation does not have the right to dissolve itself. Rather, in the event of a financial bottleneck, the Board of Trustees must examine what measures need to be taken.

There are two options: fundraising or liquidation. If fundraising is unsuccessful, the foundation is faced with liquidation under civil or bankruptcy law. The procedure depends on the financial situation: in the event of imminent insolvency or over-indebtedness, the Board of Trustees must notify the supervisory authority immediately. The supervisory authority

then defines the necessary measures and, if necessary, initiates bankruptcy proceedings. However, if the foundation has sufficient funds to cover all liabilities, it will be dissolved through a supervisory procedure in accordance with civil law requirements. The Board of Trustees is therefore well advised to consider a cancellation due to a lack of funds at an early stage and to inform the supervisory authority. In this way, bankruptcy proceedings can be prevented and any liability claims avoided.

### Too much to die for - amending the Articles of Association or merging

However, if the foundation still has sufficient funds, two strategic options take centre stage: Amendment of the Articles of Association or merger.

Certain foundations have a very narrow purpose. Due to demographic or social changes, these purposes may become obsolete or almost impossible to fulfil. In such cases, an amendment to the articles of association can help. An extension of the purpose allows the remaining funds to be used in the revised statutory sense. The law differentiates between significant and insignificant

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amendments. While minor amendments to the articles of association are unproblematic and only need to be objectively justified, major amendments to the deed (if the purpose is different from the original founder's intention) require justification in accordance with the legal requirements. In both cases, the amendment must be applied for and justified to the supervisory authority.

The second long-term option is a merger. It is particularly useful for smaller foundations that want to create synergies and save costs. A merger is the merging of two or more foundations into a single entity. All assets and liabilities of the transferring foundation are transferred to the acquiring foundation (universal succession). The Merger Act distinguishes between a combination merger and an absorption merger. In a combination merger, the assets and liabilities of all participating foundations are transferred to a newly established foundation. In an absorption merger, the transferring



foundation is taken over (absorbed) by an existing foundation. The second type is the standard.

A merger of foundations is only permitted if it is objectively justified and helps to preserve and realise the purpose of the foundation. To make this possible, it may be necessary for the purpose of the acquiring foundation to be changed and the purpose of the transferring foundation to be (partially) reflected in the new purpose.

A merger must be examined in detail. However, it could be an exciting option to ensure the continued existence of the foundation in the long term, albeit in a modified form.

**Sebastian Rieger**

is a lawyer at DUFOR Advokatur AG in Basel and Deputy Managing Director of proFonds. He advises founders and NPO and represents them in court and before the authorities.

## New ways of philanthropic engagement: alternatives to the traditional foundation

**For a long time, the independent foundation was the ideal way to get involved in philanthropy. Today, there is a wide range of options - from umbrella foundations to impact investing and donor circles. An overview of current developments.**

The Swiss foundation sector is changing. With more than 13'910 charitable foundations, Switzerland is one of the most foundation-rich countries in Europe. While the establishment of an independent foundation was considered the primary way of philanthropic engagement for decades, founders are now increasingly looking for more flexible and collaborative solutions. There are many reasons for this: increasing administrative requirements, the desire for greater impact and the need to be more active in organising their own involvement.

An increasingly popular alternative is the sub-foundation with an umbrella foundation. In 2023, the umbrella foundations broke through the billion barrier for the first time - they have a cumulative fund capital of CHF 1.2 billion. This corresponds to just over one per cent of all foundation assets in Switzerland. This solution combines the advantages of an independent foundation with sig-

nificantly reduced administrative costs. A sub-foundation is easier to set up and is also more suitable for smaller assets. The umbrella foundation takes over administration and asset management, while the donors can concentrate on their philanthropic work. Collective forms of engagement such as donor circles, also known as giving circles, are also gaining importance. Here, like-minded people come together to jointly support larger projects. The pooled resources enable a greater impact, while the shared expertise improves the quality of funding decisions (Spendenmagazin StiftungSchweiz).

Impact investing is establishing itself as a new form of engagement. This approach combines financial returns with social impact. The latest figures from the Swiss Sustainable Investment Market Study 2024 show that the volume of impact-generating investments in Switzerland has grown to CHF 405 billion.

This accounts for 24% of all sustainability-related investments. Philanthropists can invest their capital in companies or projects that pursue measurable social or environmental goals in addition to economic success. Digital platforms and innovative financing instruments are playing an increasingly important role in the philanthropic engagement of a new generation. These make it possible to deploy resources flexibly and in line with demand.

The choice of the appropriate form depends on various factors: available resources, desired organisational scope and desired impact goals. A combination of different approaches often proves useful. The trend towards more flexibility and collaboration is also reflected in the figures: While traditional foundations have been on the decline in recent years, alternative forms of engagement have seen significant growth.

Ruth Lechler

## Merger of the associations CURAVIVA and INSOS to form the ARTISET Federation

### NPO at a turning point - Interview with Daniel Höchli, Managing Director of ARTISET

**CEPS:** What were the main triggers for the merger?

**D.H.:** The pressure on service providers for people with support needs is constantly growing, and close cooperation between the health and social sectors is becoming increasingly important. With the merger, the associations CURAVIVA Switzerland and INSOS Switzerland intended to optimally network these areas, exploit synergies in terms of content and organisation, increase efficiency and achieve greater political and professional impact with a stronger voice. The merger also allowed the two organisations to eliminate duplication in the area of disability.



**Daniel Höchli** studied political science in St. Gallen and then worked at the Institute of Political Science. After working in the Federal Administration and as Director of the Swiss National Science Foundation (SNSF), he was Director of CURAVIVA Switzerland from 2016 and has been Managing Director of ARTISET since 2022.

**CEPS:** What alternatives were examined?

**D.H.:** There have been several attempts at a merger with various models. Among other things, a holding company with three associations that would receive cross-sectional services such as finance or communication from the holding company was examined. This would have been a too expensive solution. Another variant envisaged a merger with just one brand for all areas, close to the organisational form of CURAVIVA Switzerland at the time. The chosen form of federation stands between these variants. ARTISET was founded as an association organised by member groups into the three sector associations CURAVIVA, INSOS and YOUVITA. Numerous services such as central services, communication and political representation of interests are provided jointly for all industry associations.

**CEPS:** What were the biggest challenges in the merger process?

**D.H.:** The process was launched in mid-2019. The biggest challenge came at the end of February 2020 with the Covid-19

pandemic, which pushed us to the limit given the high level of concern among our members. This delayed the merger project making it difficult to maintain momentum. Due to the pandemic, we decided to join forces immediately. The very close cooperation in the crisis organisation was also valuable in view of the merger that took place later.

The major differences between the two associations posed a further challenge. CURAVIVA Switzerland was significantly larger and also positioned itself in the education sector with three higher vocational colleges and a further education department. INSOS Switzerland had a leaner organisation and was clearly stronger in the disability sector. Finding a balanced solution for both sides in this situation was demanding.

**CEPS:** What positive or negative effects has the merger had?

**D.H.:** Among other things, the joint appearance under the ARTISET brand has had a positive effect. We are also perceived by the administration and politicians as a major player with a high and broad level of expertise. The synergy effect on joint topics of the industry associations, such as the shortage of skilled labour, is also a positive development. We aim to make even better use. As a negative point, I would mention the initial organisation, which we have made more complicated than necessary. We will now work on this. I am convinced that we have not yet harvested all the fruits of the merger and will continue to gain impact.

**CEPS:** Are mergers the way forward?

**D.H.:** If duplication can be avoided, mergers certainly make sense. However, they are not generally the ideal solution. In my view, it is more important that the associations in the health and social sector work together more closely. The association landscape is very fragmented and some of the associations represent very specific concerns. These are legitimate. However, it is crucial for people in need of support that the interaction between service providers works and that a consistent and easy-to-use service is created for them. This also requires functioning cooperation between the associations. Close cooperation could

lead to mergers over time, but these should be carefully examined on a case-by-case basis.

**CEPS:** Many thanks!

**ARTISET** is the federation of service providers for people with support needs. Together with its industry associations CURAVIVA, INSOS and YOUVITA, the federation is committed to the service providers who look after, care for and support over 235'000 elderly people, people with disabilities, children and young people. The name ARTISET is derived from Article 7 of the Swiss Federal Constitution: „Human dignity must be respected and protected“. The federation supports over 3'100 members in the fulfilment of their tasks with active representation of interests, up-to-date expertise, attractive services and tailored training and further education programmes. ARTISET was formed in early 2022 from a merger of the associations CURAVIVA Switzerland and INSOS Switzerland. CURAVIVA Switzerland had three specialist areas: people in old age, people with disabilities, children and young people. INSOS Switzerland represented the service providers for people with disabilities with a focus on housing and work.

### CEPS INSIGHT

#### Changes in the CEPS team

Abigail (MSc in Economics) and Alice Seffusatti (MSc in Economics and International Relations) have started as PhD students, while Annalena Zengerle (candidate MSc in Sustainable Development) has joined as a student assistant.

<https://ceps.unibas.ch/en/about-us/team/>

#### New positions

Georg von Schurbein has been elected to the board of the International Society for Third Sector Research (ISTR). In addition, Oto Potluka has been appointed Co-Editor-in-Chief on the Editorial Management Board of the journal Voluntary Sector Review. We congratulate them on these new positions.

<https://www.istr.org/page/Elections>  
<https://bristoluniversitypressdigital.com/view/journals/vsr/vsr-overview.xml>

## Statistical trends in the foundation sector

The latest figures on the development of the Swiss foundation sector were again published at the end of January. Three key trends can be identified:

### 1. The Swiss foundation sector is growing dynamically

With 298 charitable foundations, a large number of new foundations are still being established in Switzerland. At the same time, however, the number of liquidations has risen once again, to a new record of 268 foundations. The dynamic change of recent years is continuing: on the one hand, new foundations with contemporary purposes are being created, and old or small foundations are being cancelled, which means that the foundation system as a whole remains agile.

### 2. Development is taking place in all regions

In terms of the number of foundations, the canton of Zurich remains the leader with 2'212 foundations, followed by Bern (1'424), Geneva (1'373) and Vaud (1'333). Zurich is ahead in terms of new foundations (+44), but also in terms of cancellations (-47). While Zug (+21), Ticino (+17) and Graubünden (+10) recorded positive net growth, Vaud (-28) shrank the most. The density of foundations fell slightly to 15.2 foundations per 10'000 inhabitants. Basel-Stadt remains the Swiss foundation city with a value of 43.5.

### 3. The eternal foundation is a myth

Foundations do not exist forever, but usually only for a few years. Since 2009, a total of 2,054 foundations have been cancelled, last year almost twice as many (268) as the average (135). On average, the foundations existed for 23.3 years, 27.9 % for less than 10 years. Mergers, on the other hand, are rare, often in the context of care institutions or companies. In 2024, for example, the Credit Suisse Foundation merged with the UBS Optimus Foundation.

Georg von Schnurbein

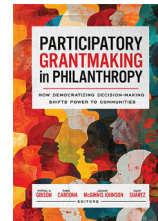
The „Stiftungsreport“ will be published by SwissFoundations, CEPS and the Zentrum für Stiftungsrecht on 27. May 2025.  
<https://ceps.unibas.ch/en/research/publications/>

## NUMBER OF THE QUARTER 30

In 2024, a total of 298 new charitable foundations were established in Switzerland, while 268 foundations were dissolved. The net increase of 30 foundations demonstrates that there is still interest in charitable work, despite growing challenges, including limited funding and succession issues.

## Participatory Grantmaking

Participatory approaches in philanthropy: The special role of participatory grantmaking.



The newly published book „Participatory Grantmaking in Philanthropy“ by C. Gibson, C. Cardona, J. McGinnis Johnson and D. Suárez uses case studies to highlight the cultural shift towards more participatory decision-making, away from traditional, elitist top-down structures.

The volume combines academic and practical perspectives and examines participatory grantmaking in different contexts. It has two main objectives:

On the one hand, it provides a solid evidence base to enable participatory grantmakers, traditional foundations and megadonors to better understand the ethos and process of authentic participation and to make informed decisions about whether and how to implement this approach. On the other hand, the book is also aimed at all those interested in the contemporary manifestations of this practice, particularly in the field of institutional philanthropy.

Milan Weller

<https://press.georgetown.edu/Book/Participatory-Grantmaking-in-Philanthropy>

## CALENDER

### Executive Education:

#### Info Event Executive Education MAS/DAS

19 March 2025 at 5 pm (1h online)  
28 May 2025 at 5 pm (1h online)

#### Master Class en Philanthropie

26 - 28 March 2025, Château de Bossey

#### CAS Wirkungsmanagement in NPO

3 Modules – Sarnen & Basel  
Start: 18 August 2025

#### Kompakt-Seminar Better Foundation Governance

Start: 25 - 27 September 2025

#### MAS/DAS in Nonprofit Management & Law

Start at any time

[Register Now -> CEPS Executive Education](#)

### FURTHER DATES

#### Die BSABB Feierabendveranstaltung

**Aktuelles aus der Stiftungsaufsicht**  
02 April 2025, Basel

#### Deutscher Stiftungstag 2025

**Bundesverband deutscher Stiftungen**  
21 - 22 May 2025, Wiesbaden

#### vitamin B

#### Weiterbildungen 2025

05 April 2025 - online  
21 June 2025 - Zurich

#### EURAM LABS & CONFERENCE

**School of Economics & Management**  
22 - 25 June 2025, Florence

#### Global Philanthropy Workshop 2025

**Workshop Global Philanthropy**  
22 - 23 September 2025

## LEGAL NOTICE

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