Supporting Civil Society Under Pressure

How charity lotteries can help reshape the funding landscape in Europe

acleu
Association of Charity Lotteries in Europe

CIVIL SOCIETY EUROPE

ABOUT ACLEU

The Association of Charity Lotteries in Europe (ACLEU) is an international not-for-profit organisation, established in 2007 to promote the charity lottery model and give a voice to charity lotteries and their beneficiaries in European debates on games of chance and charity fundraising.

ACLEU members contribute to thousands of civil society organisations, large and small, across Europe. They believe charities in every European country should be empowered to raise funds via charity lotteries. Through ACLEU, member lotteries join forces to promote this effective fundraising model throughout Europe by raising awareness among politicians, policymakers, regulators and charities.

ABOUT CIVIL SOCIETY EUROPE

Civil Society Europe (CSE) is the coordination body of civil society organisations at EU level. Established as an international not-for-profit organisation under Belgian law in 2016, it has become the point of reference for EU institutions on transversal issues concerning civil dialogue and civic space. Through its members, it reaches out to millions of people active in or supported by not-for-profit and civil society organisations across the EU.

Contents

PUBLISHED IN NOVEMBER 2025.

Association of Charity Lotteries in Europe (ACLEU)
P.O. Box 75025, 1070 AA
Amsterdam
The Netherlands
info@acleu.eu
acleu.eu

In partnership with
Civil Society Europe (CSE)
Rue de la Charité 22, Box 7
1210 Bruxelles
Belgium
contact@civilsocietyeurope.eu
civilsocietyeurope.eu

Authors:
Roar Daatselaar, Malcolm Fleming, Marie Wilén (ACLEU)
Carlotta Besozzi, Riccardo Rossella, Matteo Vespa (CSE)

Editor:
Ida Maspero
linkedin.com/in/idamaspero

Designer:
Katie White
whitecreativecompany.co.uk

Images courtesy of:
Loteria.org.pl, MBC Elm, Miljonlotteriet, Nationale Postcode Loterij, People's Postcode Lottery

Scan to view these previous reports commissioned by ACLEU

Charity Lotteries and the European Lottery Sector: Impact analysis

The €10 Billion Opportunity: The potential benefit for civil society across Europe from charity lottery fundraising

Beyond the Jackpot: analysing the safety of charity lotteries

Welcome

MALCOLM FLEMING
PRESIDENT,
ASSOCIATION OF CHARITY LOTTERIES IN EUROPE

Across Europe, civil society organisations (CSOs) face unprecedented challenges. Funding is shrinking, while societal needs are growing.

In such times, governments and policymakers should be looking for smart, safe and scalable ways to strengthen the very organisations that support our communities every day, right across Europe. One such way – which comes at no financial cost to governments – is staring us in the face: charity lotteries.

In recent years, the evidence for the potential of charity lottery fundraising has become overwhelming. Independent research by Regulus Partners confirms that the untapped potential of charity lotteries in Europe amounts to €10 billion annually for good causes.

Ten. Billion. Euros. Every year. An astronomical sum that could transform the ability of charities large and small to serve their communities, protect cultural heritage, support local sports, tackle loneliness, protect our environment and deliver solutions where governments alone cannot.

And the beauty of it? This is not a zero-sum game. Research also shows that charity lotteries complement state lottery fundraising, growing the overall lottery market rather than competing with state lotteries. The pie becomes bigger. That means more resources for both state causes and independent civil society alike.

What's more, charity lotteries are consistently shown to carry a very low risk of problem gambling because of their low frequency and the time delay between buying a ticket and the announcement of winners. They are regulated, transparent and socially responsible. Beyond raising funds for charities, they also help raise the public profile of work being done by funded organisations, sharing positive stories in a world increasingly dominated by negative news. In short, they generate solutions – not problems.

We see this every day in countries like the Netherlands, where charity lotteries raise over half a billion euros each year. Ordinary people subscribe or buy a ticket not just for the chance of a win, but with the knowledge that if they don't win, a local music association, an animal shelter, a community centre, or even a rainforest protection project still does. It's a win-win for society.

> "Ten. Billion. Euros. Every year. An astronomical sum that could transform the ability of charities large and small to serve their communities"

Yet in many countries across Europe, this potential remains locked away. Billions of euros that could empower civil society and advance the public good remain untapped.

This report aims to show what an optimal landscape for charity lotteries could look like – both in countries where they already exist but face unnecessary barriers, and in those where the legal basis to allow them to be established has not yet been put in place. We call on policymakers, regulators and civil society leaders to rethink the rules, seize the opportunity and unlock this extraordinary potential.

Beyond national frameworks, this report speaks directly to current EU priorities – from the new Civil Society Strategy and Democracy Package to the Social Economy Action Plan. Charity lotteries can help translate these initiatives into tangible, citizen-led funding that makes Europe's civic space more resilient.

I invite you to read this report, share its findings and help us spread the story of charity lotteries, so that together we can fill the funding gap in civil society and unlock the €10 billion annual opportunity that Europe so urgently needs!

Foreword

CARLOTTA BESOZZI
DIRECTOR,
CIVIL SOCIETY EUROPE

Civil society organisations (CSOs) are critical in addressing societal challenges – providing services that meet the needs of the population in its diversity, responding to emergencies and contributing to the implementation of fundamental rights.

They form one of the pillars of democracy and provide checks and balances to the rule of law. In times of crisis, civil society organisations are more needed than ever.

Despite this, CSOs are facing growing challenges, such as restrictions to the freedoms of association, peaceful assembly and expression, and decreased resources available for their operations at local, national and transnational levels.

This report includes a snapshot of the funding gap for civil society and shows the need to ensure that CSOs can access a variety of public and private funding sources. Among these, charity lotteries represent not only an untapped potential in many European countries but also demonstrate that civil society can be part of the solution by developing funding strands benefitting – and designed for and by – the whole sector.

> “CSOs are facing growing challenges, including decreased resources available for their operations at local, national and transnational levels”

Its publication is timely, as the European Commission is about to issue, for the first time, a strategy to support, protect and engage civil society, and the European Parliament and Council of the European Union are discussing the next Multiannual Financial Framework for the period 2028 to 2034.

Access to funding is an integral part of the freedom of association, and any future policies and measures at all levels to support civil society in its diversity must contribute to developing a wide array of public and private funding tools. We hope this report opens a new perspective on these discussions.

Our definitions

CIVIL SOCIETY
For the purposes of this report, we define civil society as the sphere of activity in society distinct from the public (government) and private (business or commercial) sectors. It is also known as the nonprofit, not-for-profit or third sector.

CIVIL SOCIETY ORGANISATION (CSO)
In this report, we use the term civil society organisation (CSO) to mean any not-for-profit or voluntary organisation, large or small, that is independent from government and works for the public good – improving lives and outcomes for individuals, communities, society as a whole, animals or the natural environment, whether through the delivery of services or through advocacy.

CSOs, as we use the term here, comprise what are also called in different countries: non-governmental organisations (NGOs), non-profit organisations (NPOs), associations, charities, charitable organisations, community organisations, social purpose organisations, third sector organisations. Our definition also includes independent, not-for-profit funders, such as philanthropic foundations and charity lotteries.

i. Europe's civil society landscape

Across Europe, civil society organisations (CSOs) – large and small; local, national and international – work to improve lives and outcomes for people, communities and the environment.

From support for young people and the elderly, poverty prevention and alleviation, sports provision, protecting culture and heritage, nature conservation and animal welfare to advocating for fundamental rights and providing life-saving humanitarian support – the scope and range of work CSOs undertake is incredibly diverse, complementary to the services delivered by the state, and often life-changing.

CSOs in various countries can have several different kinds of relationships with government: operating in partnerships with government, in an independent advocacy role or in voluntary service provision[1].

CSOs also contribute to the economy through taxation and by providing paid employment, while the volunteering opportunities offered by many CSOs contribute to training and skills development. Whatever their size – from small community groups to regional, national and international organisations – Europe's CSOs make an undeniably positive impact on the people, places and communities they exist to support. They should be nurtured, supported and championed.

Size of civil society in Europe

Data on the number of CSOs and their relevance in Europe is quite scattered and difficult to compare. However, according to European Union publications, 3.8 million not-for-profit associations are active in the European Member States[2].

Among them, 2.8 million are part of the social economy[3], providing over 13.6 million paid jobs in Europe and involving 82.8 million volunteers. CSOs are most widespread in Western Europe and in the Nordic countries, however, they are also gaining ground in Eastern Europe. France has the highest number of associations, as they are called there, with more than 1.3 million.

How Europe's CSOs are funded

Europe's CSOs, large and small, rely on diverse funding streams from a range of sources, including EU grants and programmes (in Member States), national and local government grants, institutional philanthropy from private and corporate foundations, individual giving through donations and membership fees, state lottery funding, and (in countries where the regulatory framework allows) charity lotteries. Recent trends for major funding sources are briefly described on page 8.

The Council of the European Union's Conclusions[4] on civic space for 2022 and 2023 crucially recognised that the

1 Young, D., Alternative Models of Government-Nonprofit Sector Relations: Theoretical and International Perspectives, ARNOVA, 2000

2 Facilitating cross border activities of non-profit associations, European Union, 2023

3 Recent Evolutions of the Social Economy in the European Union, European Economic and Social Committee (EESC), 2017

4 Outcome of Proceedings: Council Conclusions…The role of the civic space in protecting and promoting fundamental rights in the EU, Council of the European Union, 14 March 2023

freedom to seek, receive and use financial resources is integral to the right of association. The right of CSOs to seek, receive, and use funding goes hand in hand with the duty of state authorities to create an enabling environment for CSOs to access such funding.

Europe's CSOs under strain

The work and activities of Europe's CSOs – in their home countries, throughout the continent and around the world – have never been more vital. Across Europe, the aftermath of the Covid pandemic and the cost-of-living crisis has seen ever-growing need for the advocacy and support services provided by CSOs; while on the global stage, conflict and climate change have brought escalating humanitarian and environmental crises.

Yet, despite this growing need and ever-greater workload demand on CSOs, the civic space in Europe seems to be shrinking. According to the CIVICUS Monitor[5], which rates the condition of civic space globally, the number of EU Member States rated as 'open' has decreased from 15 to 12 since 2018.

In recent years, CSOs across Europe have faced growing pressures at all levels, including public attacks, smear campaigns and legislative measures limiting their activities. In several Member States, national laws have been proposed to restrict funding – especially from foreign sources – and impose disproportionate restrictions, administrative obligations and sanctions (including dissolution and deregistration), creating an increasingly complex legal and regulatory environment.

The introduction of legislation on anti-money laundering and terrorism financing adds to the challenges, including through the restriction of banking access, enhanced due diligence processes and unfeasible reporting requirements.

This, along with burdensome administration relating to registration and complicated funding applications in many cases, is placing strain on European CSOs' capacities, draining their resources and diverting focus and finances from their mission[6].

Funding challenges

The ever-greater workload for CSOs due to the rising need for their services, alongside a squeeze on capacity and financial resources from bureaucratic demands, comes at a time when various sources of funding are stagnant or in decline (see overleaf). The reality is that Europe's CSOs are having to do more with less funding.

The European Fundraising Association's report Nonprofit Pulse 2024[7] states that in 2023, across Europe, CSOs were still *"experiencing fallout from the ongoing cost of living crisis. Service demand, workload and costs continued to rise, while CSOs reported a tight squeeze on donations and other funding streams, including diminishing government support."*

Painting a similar picture, Civil Society Europe's Contribution to the Consultation on the EU Civil Society[8] Strategy notes: *"Civil society across the EU faces persistent funding challenges that undermine its sustainability and independence. [...] Most available resources are project-based, offering limited or no core, unrestricted funding to cover operational costs. [...] Moreover, many organisations rely on a limited number of funders, making them financially vulnerable to shifts in political priorities or the withdrawal of key donors."*

The 2023 Fundamental Rights Agency annual consultation on civic space shows that 65% of respondents reported difficulties in finding funding needed for their work[9]. This trend continued in 2024 with 44% of CSOs reporting that they had experienced an unexpected reduction, cut or freezing of funding due to cuts in public funding for CSOs, along with the USAID freeze[10].

> *"Over the past years, humanitarian needs have been escalating worldwide and now vastly exceed the resources available to meet those needs. While conflict, climate change, economic instability and health emergencies continue to create new crises or worsen existing ones, the 2025 dismantling of USAID and the significant funding cuts announced by other donors – including European States – have significantly reduced the ability to support crisis-affected communities."*
>
> **Voluntary Organisations in Cooperation in Emergencies (VOICE) Policy Resolution 2025, 30 June 2025[11]**

5 CIVICUS Monitor Data

6 Civic Space Report 2024, European Civic Forum, 2024

7 Nonprofit Pulse 2024, European Fundraising Association, 2024

8 Contribution to the Consultation on the EU Civil Society Strategy, Civil Society Europe, September 2025

9 Report on key findings from FRA's civic space consultation covering 2023, FRA (European Union Agency for Fundamental Rights), 2024

10 Strengthening Democracy and Policy Implementation: EU Funding for the work of Civil Society Organisations, FRA, 6 May 2025

11 VOICE Policy Resolution 2025 - Time for Action: Humanitarian NGOs call for a bold response to fragility, VOICE, 30 June 2025

Funding factors and trends in brief

Public funding cuts: Recent years have seen CSOs experience significant cuts in public funding from the EU and national governments, due to shifting government priorities, national budget cuts and austerity measures. The USAID funding freeze, de-risking measures by banks and increasingly hostile public narratives about civil society have also played a role in public funding reductions.

44% of the almost 400 CSOs that contributed to the Fundamental Rights Agency's (FRA) most recent consultation on civic space reported that they had experienced an unexpected reduction, cut or freezing of funding in 2024. Among those, the largest number noted that this had been done by their national government (37%) or the US government (34%)[12].

International development: International development funding has seen significant reductions in recent years, especially as a result of cuts in USAID funding, but there have also been cuts in other European countries, for example the UK, France[13], Belgium[14], the Netherlands[15], Slovakia[16], and under consideration in Germany[17]. CSOs working in this field have therefore seen budgets reduced at a time of escalating need.

Individual giving: The Charities Aid Foundation (CAF) World Giving Report 2025[18] provides insights into individual giving trends in Europe compared to the rest of the world. It shows Europeans are less generous in their charitable giving (direct donations to CSOs) as a percentage of income – in Europe, the average person donated 0.28% of their monthly income to CSOs, compared to 0.49% in Asia and the global average of 0.36%.

The percentage of people in Europe who give money direct to CSOs is 41%, compared to the global average of 36%.

Institutional giving: Philea (Philanthropy Europe Association) estimates that there are around 175,000 public benefit foundations in Europe. These foundations manage €516 billion in assets and endowments and give an estimated €76 billion annually[19].

65% of CSOs responding to a Fundamental Rights Agency consultation reported difficulties in finding funding.

44% of CSOs reported an unexpected reduction, cut or freezing of funding due to cuts in public funding and the USAID freeze.

12 Strengthening Democracy and Policy Implementation: EU Funding for the work of Civil Society Organisations, FRA, 6 May 2025
13 Budget 2026: Taking action against poverty and inequality for our common future, Coordination SUD, 17 June 2025
14 2025 Report on Belgian Development Cooperation, CNCD-11.11.11, 2025
15 First development budget cuts announced: overhaul of grants for NGOs, Government of the Netherlands, 11 November 2024
16 Slovakia: Government cracking down on nonprofits, Romea.cz, 7 July 2024
17 Budget 2025: Financing of development cooperation must be rethought, VENRO, 15 September 2025
18 World Giving Report 2025, Charities Aid Foundation, 2025
19 Data on the sector, Philea (Philanthropy Europe Association)

The need to move to more flexible funding

Competitive funding sources for CSOs often comprise shorter-term project funding rather than the ongoing, sustained funding that organisations so desperately need to cover costs and retain key staff. Flexible funding also means organisations are able to innovate or respond to crises and changing demands.

When reliant on short-term project funding, CSOs tend to shift their focus from addressing societal needs and fulfilling their mission to responding to the donor's agenda and demands.

Calls to enhance adequate long-term, predictable core funding for European CSOs have been echoed by the European Parliament resolution of March 2022[20] on the shrinking civic space in Europe, and the Council of the European Union Conclusions on civic space[21] in 2022 and 2023, which note that diverse, independent funding sources are key to a healthy democracy.

The shrinking civic space in Europe and the pressing funding challenges CSOs face is now recognised as of critical strategic concern, and work is underway to develop the new EU Civil Society Strategy[22]. In its call for evidence, which closed in early September 2025, the European Commission noted:

"Given that current evidence shows that civic space for civil society organisations and human rights defenders promoting and protecting EU values is shrinking, the Strategy would also propose specific measures to support, protect and empower civil society actors active on these issues... In addition, another challenge noted concerns difficulties in securing long-term, predictable and transparent funding that allows them to maintain their independence."

Civil Society Europe's contribution[23] to the Strategy consultation recommends, among other measures, that the EU establishes a Single Market for philanthropy, creates dedicated spaces for the co-creation (with civil society) of funding policies, and avoids or removes undue regulatory obstacles to funding channels including charity lotteries.

ACLEU contends that recognition of charity lotteries as part of a pluralistic funding landscape would support the EU's stated objective of an enabling environment for civil society in all its diversity.

TAKING THE PULSE

A November 2023 survey[24] of 671 senior representatives of CSOs in 20 European countries showed that:

28% saw service demand increase

28% saw donations decrease

26% saw a drop in individual supporters

28% had to cut staff

20% are concerned about the future due to workload, funding and staff wellbeing

6% felt unaffected by the cost-of-living crisis

> *"Around the world, social purpose organisations are facing severe financial headwinds. Consequently, traditional funding models need to change as patterns of behaviour evolve and governments cut back on their aid and development spending with philanthropy seeking to respond. In an unstable geopolitical environment, humanitarian needs continue to grow and community charities are relied on more than ever before to tackle increasingly complex social problems.... It is striking to see the important role that governments play in creating the environment for giving, with people reporting that they give more in places where their governments encourage it."*

Neil Heslop, Chief Executive, Charities Aid Foundation, in Charities Aid Foundation (CAF) World Giving Report 2025[25], July 2025

20 Texts adopted: Shrinking space for civil society in Europe, European Parliament, 8 March 2022

21 Outcome of Proceedings: Council Conclusions...The role of the civic space in protecting and promoting fundamental rights in the EU, Council of the European Union, 14 March 2023

22 EU Civil Society Strategy: About this initiative, European Commission

23 Contribution to the Consultation on the EU Civil Society Strategy, Civil Society Europe, September 2025

24 Nonprofit Pulse 2024, European Fundraising Association, 2024

25 World Giving Report 2025: What it means, Charities Aid Foundation, 2025

ii. How charity lotteries can help meet funding needs

In today's challenging political and economic environment, where European civil society faces growing funding challenges as described in the previous section, it is vital that CSOs large and small have greater access to flexible, long-term funding support.

As the European Civic Forum[26] notes: *"The primary issue underlying the financial instability and sustainability of civil society is the absence of long-term programmes tailored to support these organisations. All over Europe (and beyond), a combination of myths – such as that non-profits should cost very little to run, and that all funding must be project restricted and allocated to outputs and activities – keep civil society in a 'starvation cycle,' which reduces their financial health."*

Sustainable, independent funding

Charity lotteries have immense potential to help break this cycle by providing vital long-term financial support for Europe's CSOs, supplementing existing funding sources such as public grants and subsidies, philanthropic donations and individual giving. All at no additional cost to the public purse.

In fact, it is the defining feature – the core mission – of charity lotteries: to raise money for good causes and deliver sustainable, independent financial support crucial for CSOs' operations. Across Europe, charity lotteries already raise approximately €1.5 billion for good causes every year.

Charity lotteries are not just another revenue stream for civil society – they are one of the most scalable, independent, citizen-driven forms of philanthropic infrastructure available today. At a time when the space for civil society is shrinking in many countries, charity lotteries offer a way to mobilise public engagement at scale, redistribute resources efficiently, and support a pluralistic ecosystem of CSOs, where other funders often hesitate.

The Social Economy Action Plan (SEAP), adopted by the European Commission in 2021, aims to drive social innovation, support the growth of the social economy, and maximise its potential for transformative social and economic impact. It underlines the need for resilient, innovative funding models for the social economy. Charity lotteries offer exactly this – a way for millions of Europeans to invest directly in the social economy through the simple act of buying a lottery ticket.

In Brussels, the discussion on the next Multiannual Financial Framework (2028-34) has underlined the need for longer-term, flexible financing for civil society. Charity lotteries offer a complementary source of such funding to help stabilise the sector regardless of EU budget cycles.

What is a charity lottery?

- A charity lottery is **privately operated** – though regulated by the national government, it is an independent organisation. Therefore, its funding priorities and decisions are independent from government and the funding it provides is additional to any government subsidies.
- Its primary aim is to **raise funds for good causes** – the lottery format is just a tool for doing so. No private profits are made, and a substantial part of its income should go to good causes, alongside prizes to lottery players, and operating expenses.
- It can provide an ongoing income stream for beneficiary CSOs – a funding stream which grows as the player base of the lottery grows.

26 Civic Space Report 2024, European Civic Forum, 2024

A stronger civil society needs diverse funding models

As set out in the previous chapter, the norm of short-term project funding creates numerous problems for many CSOs. In certain countries, the over-reliance of CSOs on government funding creates a structural dependency and leaves civil society exposed as public budgets are tightened.

The European Civic Forum Civic Space Report 2024 notes: *"There is a growing awareness among private funders about how funding practices significantly impact on the power, voice, resilience and creativity of grantees, especially civil society organisations and social movements. Private donors are beginning to recognise the need to look into new funding models which shift the power to civil society. This includes providing core support instead of project funding; focusing on outcome instead of output; trust-based philanthropy and participatory grant-making."*

To boost the resilience of civil society and ensure CSOs are financially sustainable, large-scale sources of flexible, independent, unconditional funding is essential. Charity lotteries offer just that: autonomous and reliable long-term funding without the bureaucratic strings that often come with government contracts or the strategic constraints of corporate partnerships. They represent a valuable funding stream to diversify the income of CSOs and increase their resilience.

Researchers Salamon and Anheier[27] argue that civil society is shaped by institutional patterns but flourishes most when both the state and citizen sectors are strong. In this context, charity lotteries are a powerful mechanism to channel public participation and civic energy into sustainable impact.

Charity lotteries complement private giving, especially in a context where individual donations are declining. They also don't compete with grassroots fundraising but instead help foster a culture of engagement with the work of CSOs, while reinforcing the funding ecosystem through long-term institutional support.

THE NEED FOR UNRESTRICTED, LONG-TERM FUNDING

When asked what changes in the funding framework would be most relevant for their organisations, CSOs who responded to the Fundamental Rights Agency civic survey mentioned:

58.4% said unrestricted core funding

45.5% said longer funding cycles

25.7% higher allocation of salaries

20.3% less complicated reporting obligations

Billions of euros in untapped funding

The report *The €10 Billion Opportunity: the potential benefit for civil society across Europe from charity lottery fundraising*, commissioned by ACLEU and published in November 2023, assessed the fundraising potential of charity lotteries in Europe. It examined the largely restricted existing charity lottery market in Europe and calculated the latent potential by European country if all countries adopted less restrictive charity lottery regulations.

If all European countries adopted a flexible, relatively unrestricted charity lottery regulatory regime, then €10 billion per year could be raised for charities – an amazing €8.5 billion increase on current funding contributions.

Beyond the vast potential for funds raised directly by charity lotteries, it is also worth considering their potential for positive spillover. Charity lotteries can signal legitimacy and attract additional resources from foundations and public institutions. For example, charity lottery funding can sometimes be used to unlock funding sources where match funding is required.

> *"This year we reached a milestone that's hard to take in: half a billion euros in charity lottery funding received over 30 years. It's an extraordinary number.*
>
> *"But what matters is what it stands for: clean water for displaced families, surgery in a collapsed hospital, and care in places where there was none. That's what 30 years of partnership can achieve – dignity, hope and survival."*
>
> **Karel Hendriks, Director, Médecins Sans Frontières Netherlands**

27 Social Origins of Civil Society: Explaining the Nonprofit Sector Cross-Nationally, VOLUNTAS, 1998.

€1.5 BILLION
for good causes currently raised annually by charity lotteries in Europe

€10 BILLION
(€8.5 billion more) could be raised if all European countries had relatively unrestricted charity lottery regulations

This signalling effect means that charity lottery funding can act as a catalyst, increasing the visibility of causes and encouraging co-funding, thereby potentially expanding the overall resource base for civil society.

In addition, beyond unlocking untapped funding, charity lotteries help raise the profile of the vital work done by civil society organisations, thereby strengthening communities by sharing positive stories.

Not in competition with state lotteries

Previous research commissioned by ACLEU[28] demonstrated that a charity lottery sector can coexist with state lotteries without creating negative competitive dynamics, and found no material causal link between the presence of charity lotteries and the performance of state lotteries.

What's more, its closer analysis of markets with significant charity lottery sectors (UK, Netherlands, Sweden, Germany) found that a material charity lottery sector consistently increases the scale of the overall lottery market in those countries, generating a larger base for contributions to good causes.

The significant funding contribution that charity lotteries can make towards supporting Europe's civil society should therefore be seen as providing additional social benefits, complementing state lottery activities.

Low risk of gambling harm

Whilst charity lotteries have the potential to raise much-needed funds, they are a gambling product and are regulated as such across Europe.

However, there is clearly a significant difference between charities lotteries and 'instant win' forms of gambling, such as online betting, slot machines and casinos. The low draw frequency of charity lotteries (say, once a week or month), compared to the rapid frequency of these gambling products, make it one of the safest games of chance, as a research report by Nottingham Trent University for Postcode Lotteries[29] points out: *"Rapid event frequency is widely accepted as one of the most influential factors for vulnerable gamblers developing gambling problems."*

Yet the debate on problem gambling often treats the gambling sector as if every product is the same, with the same potential risks, where that is clearly not the case.

In recent years, partly as a result of increases in online betting in many countries, there has been greater political focus on problem gambling. As socially minded organisations, charity lottery operators take this issue very seriously, and have many safeguards in place to protect consumers.

Charity lotteries already face considerable regulations in the countries they operate in. However, there is a danger that a 'one size fits all' approach to gambling regulations could harm charity lottery fundraising, despite the widespread understanding from previous research that charity lotteries are a low-risk product.

> *"The Netherlands has an amazing and extensive ecosystem of museums and cultural institutions that thrive thanks to the support of charity lotteries. Lottery funding is essential to the financial wellbeing of so many of these institutions. In our case, it enables us to achieve goals that would otherwise be out of reach, such as acquiring major new works for our collection, and to share our activities with new audiences. When I speak with colleagues abroad, they often tell me how much they wish they had a similar model in their own countries. It's a system that truly strengthens our cultural sector and allows us to plan for the future with confidence."*
>
> **Emilie Gordenker, Director, Van Gogh Museum**

28 Charity Lotteries and the European Lottery Sector: impact analysis, Regulus Partners, December 2022
29 Griffiths, M. Novamedia/Postcode Lotteries: A Game Risk Assessment, Nottingham Trent University, March 2021

> *Unrestricted funding is far from the status quo in current funding practices. Many funders aim to achieve large-scale societal change – such as eradicating poverty, stopping climate change, or creating gender equity – or even systems change. However, their funding philosophy often relies on numerous small and short-term project grants, which does not align with these ambitions.*
>
> *"Charity lotteries, by contrast, with a funding philosophy based on long-term, unrestricted support and trust in their partners, are able to achieve substantial progress on important issues. Moreover, this approach allows them to flexibly shift priorities when circumstances change."*
>
> **Prof. Dr. Pamala Wiepking, Professor of Societal Significance of Charity Lotteries, Vrije Universiteit Amsterdam**

The report *Beyond the Jackpot: analysing the safety of charity lotteries*[30], commissioned by ACLEU, provides evidence to illustrate that charity lotteries are a low-risk gambling product. It cites official statistics which have consistently shown that playing a charity lottery is a low-risk activity, while bringing benefits to both consumers and wider society. The report highlights that:

- Rates of problem gambling have been consistently low among charity lottery players and similar to rates for players of draw-based state lottery games.
- Rates of chronic financial and health harms have been extremely low for charity lottery players and similar to state lottery products.
- The very limited prevalence of problem gambling among charity lottery players is almost certainly due to multiproduct usage, with no problem gambling detected among those who play charity lotteries only.

It cites Britain's gambling surveys showing that charity lottery products are among the safest for customers to play and are linked to improved wellbeing rather than causing gambling harm; comparable data from other European jurisdictions demonstrates that these findings are broadly applicable across markets.

ACLEU calls on all European governments to acknowledge the exceptionally low risk of harm posed by charity lotteries, and for differentiation within national gambling regulations to reflect this low risk. Doing so would ensure that charity lotteries can focus on their core mission: raising vital funds for civil society, instead of being burdened with unnecessary regulatory pressure.

30 Beyond the Jackpot: analysing the safety of charity lotteries, Regulus Partners, November 2024

iii. Toward an optimal regulatory framework

In the challenging funding environment faced by Europe's CSOs, at a time of escalating need for the services they deliver, it is vital that alternative sources of long-term funding support – as provided by charity lotteries – are encouraged, expanded and protected by national and EU policies.

As Civil Society Europe[31] has noted: *"Addressing the current challenges in the EU funding landscape for CSOs requires structural reforms to streamline funding procedures, [...] promote closer donor coordination and the development of stronger private and philanthropic funding ecosystems. [...] A well-funded civil society is essential to democratic participation, human rights protection, and the inclusion of and support to underrepresented groups."*

In the previous chapter, we demonstrated why charity lotteries should be widely acknowledged as posing an extremely low risk of problem gambling.

Though charity lotteries remain a gambling product and so are covered by national gambling legislation in every European country, they are all too often subject to the same regulatory frameworks as commercial gambling products like casinos or sports betting – despite their fundamentally different purpose, risk profile and impact, and despite existing to raise funds for charitable organisations as opposed to private profit.

For instance, in the Netherlands, charity lotteries raise around €600 million annually, supporting museums, sports clubs, health projects and environmental organisations. Yet their contribution is still not fully recognised in gambling policy, leaving them vulnerable to political shifts.

As can be seen from the country profiles in the next section, different states take vastly different regulatory approaches to charity lotteries – some allow them to operate with relative freedom, while others place severe restrictions on their operation or maintain a monopoly for the state lottery.

Letting charity lotteries flourish

In countries where they are allowed to operate with sufficient freedom, charity lotteries can raise hundreds of millions annually, fund thousands of initiatives and strengthen pluralism in public life. Their combination of scale, transparency and public participation makes them uniquely suited to support civil society in the 21st century.

So, what does an optimal regulatory framework look like – one that would allow charity lotteries to thrive, expand their footprint and provide much-needed funding for European civil society? ACLEU contends that national policy frameworks should go beyond passive tolerance towards active support for their development. This means:

- Reducing legal and regulatory barriers
- Ensuring stable licensing regimes
- Allowing multi-year funding mechanisms
- Recognising charity lotteries as fully-fledged civil society partners, not just fundraisers.

The key principles for creating an optimal regulatory framework that would allow charity lotteries to expand and maximise their potential financial support for civil society are outlined in our **three Do's and three Don'ts** for policymakers (see panel on the next page).

At EU level, these principles align with the ongoing reflection on a Single Market for Philanthropy and the forthcoming Directive on Cross-Border Associations, both of which aim to remove barriers for mission-driven fundraising.

31 Contribution to the Consultation on the EU Civil Society Strategy, Civil Society Europe, September 2025

These key principles offer a simple roadmap for the EU and for governments: develop proportionate regulatory frameworks that differentiate between high-risk gambling products and low-risk, mission-driven operators, maintaining full integrity standards while removing unnecessary obstacles, so that charity lotteries can thrive. In addition, specific policy recommendations for each country are set out in the next section.

To summarise, charity lotteries represent one of the safest and most effective ways of raising funds for the public good. They should be treated not as a problem to manage, but as an opportunity to embrace. Doing so will strengthen civil society, diversify funding and ensure communities across Europe benefit from more resilient, independent and sustainable sources of support.

> “*Charity lotteries represent one of the safest and most effective ways of raising funds for the public good. They should be treated not as a problem to manage, but as an opportunity to embrace.*”

DO:

✓ **1. Create a dedicated legal framework for charity lotteries – but don’t overcomplicate it.**
Charity lotteries need a legal framework that acknowledges their unique, mission-driven nature. Regulation should be accessible, proportionate and affordable, supporting pluralism and diversity in the sector.

✓ **2. Enable them to thrive alongside state lotteries.**
As discussed on page 12, evidence shows that charity lotteries complement rather than undermine state lotteries. They attract new, socially conscious participants, thereby broadening the overall lottery base. Recognising their coexistence potential is key to ensuring both systems grow stronger.

✓ **3. Understand that what matters to CSOs is the total funds raised, not the percentage.**
CSOs measure success in the absolute sums delivered to their work, not the ratio of costs to returns. A lottery contributing €100 million to good causes at a 30% rate is far more impactful than one contributing €10 million at 40%. Policies should be designed to maximise total resources for civil society rather than impose rigid percentage targets that risk reducing overall funding.

DON'T:

✗ **1. Don’t treat charity lotteries like betting and casinos.**
Charity lotteries are fundamentally different from high-risk gambling products. They are low frequency, low stakes and non-addictive. What's more, charity lotteries are not-for-profit operations with the primary aim of raising funds for good causes. They attract people motivated to support a cause rather than just make personal financial gains. Applying generic restrictions, such as one-size-fits-all advertising bans or disproportionate licensing procedures, fails to recognise these distinctions and hampers socially beneficial fundraising without providing meaningful consumer protection.

✗ **2. Don’t place limits on growing income.**
Artificial caps on charity lotteries’ turnover, as exist in the UK and Norway, suppress their potential to raise money for civil society. These restrictions are not based on evidence of harm and only serve to reduce the funds available for health, culture, education and the environment. When governments cap turnover, they directly cap the potential funds for civil society.

✗ **3. Don’t tax them the same as profit-driven operators.**
In several countries, including the Netherlands, charity lotteries are taxed in the same way as profit-driven operators. In 2025, for example, the Dutch gambling tax was raised by 25%, hitting charity lotteries hard even though they already allocate a minimum of 40% of their turnover directly to good causes. This double burden is counterintuitive: it penalises mission-driven, not-for-profit operators and effectively taxes the very communities that depend on their support.


DOBROCZYNNA
LOTERIA FANTOWA

iv. Country profiles

The country profiles in this section illustrate the case for charity lotteries in 12 countries.

Each profile provides a snapshot of the size of civil society in that country, an overview of the funding situation and challenges for CSOs, a brief description of the current charity lottery market, the potential for funding from charity lotteries if regulations were less restrictive, and finally, our policy recommendations for unleashing the full funding potential of charity lotteries.

DISCLAIMER
Due to inconsistency in the availability of data, no reliable comparative conclusions can be drawn between countries. The following profiles were compiled to the best of our knowledge and are based on a selection of research, reports, news articles and other sources, but should not be considered comprehensive. All conversions from local currencies to euros are approximate and as at September 2025.

SOURCES FOR INDIVIDUAL GIVING AND INSTITUTIONAL PHILANTHROPY DATA
Every country profile consistently includes a box with statistics. The source for individual giving data is the Charities Aid Foundation (CAF) *World Giving Report 2025*, and for institutional philanthropy it is the Philea report *The Fabric of Giving 2025: Public-Benefit Foundation Data in Europe*.

SOURCE FOR ESTIMATES OF THE POTENTIAL OF CHARITY LOTTERIES
Figures given in this section of every country profile result from research by Regulus Partners, published in the 2023 ACLEU-commissioned report *The €10 Billion Opportunity: the potential benefit for civil society across Europe from charity lottery fundraising.*

BELGIUM

› Snapshot, funding situation and challenges

Belgium has an estimated 140,000 active not-for-profit associations, according to the King Baudouin Foundation[32]. Involved in social cohesion, solidarity, culture, care and civic engagement, these CSOs are not only socially essential but also economically significant, employing over 538,000 people. The Foundation reports that many CSOs are in a financially precarious position: 40% showed deteriorating finances in 2022, while 48% expected further deterioration, mostly due to inflation and rising energy prices. Many CSOs have had to draw down on limited reserves, with smaller and French-speaking organisations especially vulnerable. The Foundation points out that an over-reliance on government funding (58% of revenues on average) has created a structural dependency.

The government has announced a cut of 25% to funding for international cooperation, which is going to have an important impact on Belgian CSOs operating in this field also hit by the withdrawal of USAID. This adds to general cuts to the sector that is also undergoing reforms[33]. In addition, political inertia in the Brussels Region, due to the lack of a regional government since June 2024, is leading many organisations active on the ground to scale down or close their operations[34].

Other main sources of funding include private and public benefit foundations, individual giving, selling of goods and legacies from individuals. However, 40% of associations have seen a drop in donations from individuals. This deterioration is likely to increase due to government plans to reduce the percentage of tax deduction to donations from 45 to 30%[35].

Though CSOs are making increasing use of digital channels for fundraising, certain avenues such as public benefit crowdfunding, could be further exploited.

As in other countries, CSOs in Belgium face significant problems accessing banking services due to bank 'de-risking'. Many banks refuse to open new accounts for associations or unilaterally discontinue services for existing clients, often without explanation. The phenomenon is so significant that a law on minimum banking services was adopted in 2022, unfortunately with limited implementation[36].

INDIVIDUAL GIVING

33% of the population donates directly to charities – **below** the European average of 41%.

INSTITUTIONAL PHILANTHROPY

668 foundations in 2022, with a total expenditure of **€1.5 billion.**

› Current charity lottery market

Belgium currently has no charity lotteries due to the monopoly held by the National Lottery. While Belgian law recognises that lotteries should serve the public interest, this principle is currently pursued through the single, self-regulated operator, which generates approximately €345 million annually in taxes and contributions for good causes. However, lotteries have great potential to do much more to support civil society across Belgium.

› Potential of charity Lotteries

Charity lotteries could generate up to €300 million in additional funding for Belgian civil society each year. Charity lotteries could complement the existing activities of the National Lottery in Belgium by growing the overall lottery market.

› Policy recommendations

- **Recognise the low-risk profile of lotteries.** Evidence across Europe shows that charity lotteries are among the safest forms of gambling. Belgium should explicitly differentiate lotteries from higher-risk products such

32 Zoom: 2022 Association Barometer, King Baudouin Foundation, 2022
33 Together for a strong non-profit sector to face the challenges of today and tomorrow, MonASBL.be, 23 January 2025
34 Brussels without a government: MonASBL.be gives a voice to associations in crisis, MonASBL.be, 9 September 2025
35 Reduction of the tax reduction for donations: current situation, Fundraisers Belgium, 15 July 2025
36 Non-profit organizations kicked out of banks? MonASBL.be, 15 May 2023

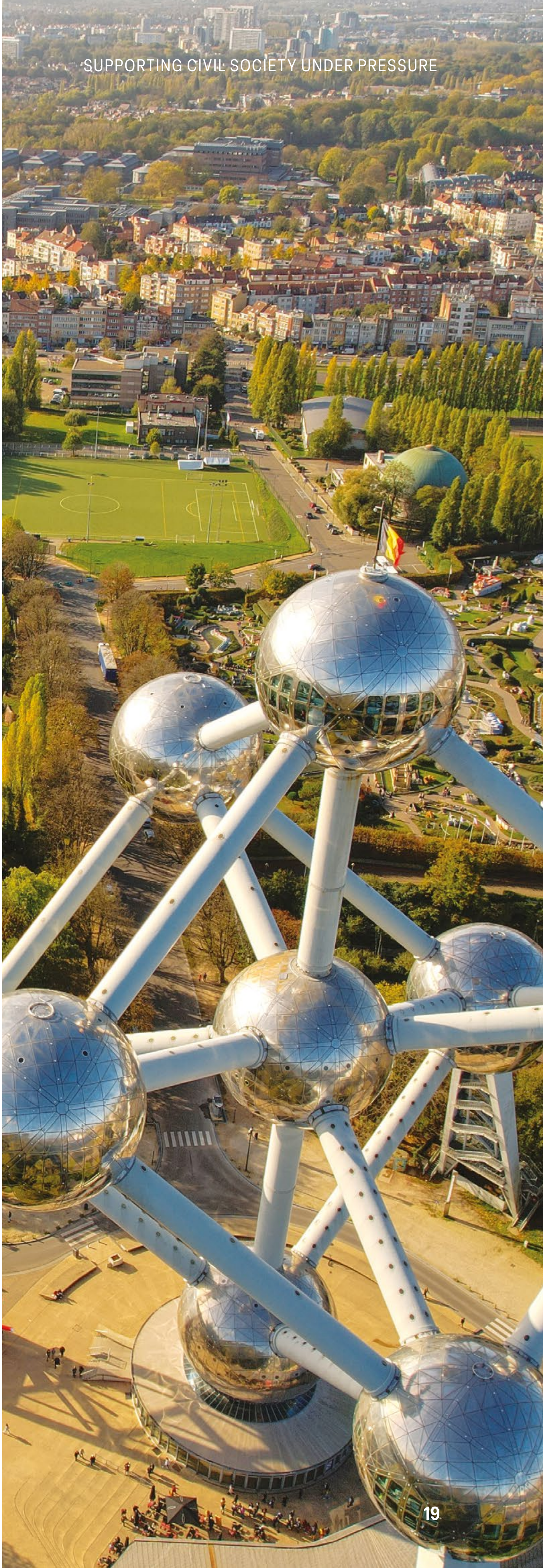
as sports betting and casinos, ensuring that consumer protection measures are proportionate and do not inadvertently restrict socially beneficial fundraising.

- **Acknowledge cultural heritage and tradition.** Belgium has Europe's oldest lottery tradition, with roots dating back to the 15th century. Recognising this heritage and positioning current-day lotteries as a modern continuation of this legacy would strengthen public trust, highlight their cultural value and underscore their role as long-standing fundraisers for the common good.

- **Introduce a dedicated charity lottery licensing regime.** Belgium currently relies solely on the state-owned National Lottery, leaving civil society overly dependent on government subsidies. Introducing a proportionate licensing framework for independent charity lotteries would diversify the funding ecosystem, reduce structural dependency on state budgets, and unlock substantial new resources for CSOs while maintaining the integrity of the lottery market.

“*DOEN Foundation has a long-standing partnership with the Dutch Postcode Lottery and FriendsLottery, which has allowed us to support hundreds of pioneers with multi-year, trust-based funding. Over the years we have also worked with many partners in Belgian civil society where, time and again, we hear of the need for secure, flexible long-term funding that enables organisations to plan ahead and stay independent. A well-designed charity lottery could meet this need in Belgium, just as it already does in several other European countries.*”

Idriss Nor, Executive Director Impact Investments, DOEN Foundation



DENMARK

› Snapshot, funding situation and challenges

Denmark had over 100,000 active associations in 2020, according to the Danish National Centre for Social Research[37]. Their income dependency on public funds is around 50%, with a higher percentage for local associations[38]. Discussions on a new public funding framework are ongoing, aiming for a system better suited to the needs of Danish civil society.

Commenters note that public funding is distributed unevenly and lacks transparency, with allocations often subject to political influence, thus limiting CSOs' independence and ability to critique the government[39]. The result is a widespread perception that public funding is unreliable. It is also mostly project-based, offering limited sustainability.

The recent Bill of Finance proposed by the current government included cuts to public funding, heightening precarity for the sector. CSOs working with human rights, minorities and marginalised groups have been particularly affected. Self-censorship and depoliticisation have been observed due to fear of funding cuts.

The Danish Council for Voluntary Organisations and the Danish Civil Society Association advocate for a financing model that is "transparent, efficient and based on objective criteria." It should be tailored to the size, target groups and focus areas of CSOs to ensure greater impact and long-term sustainability[40].

Due to current difficulties with public funding, many CSOs are increasingly turning to private sources. Individual giving is strong and growing – the Nordic Donor Survey 2025[41] shows Denmark to be most generous country in the Nordic region, with a 9% increase in the number of Danes supporting CSOs with recurring donations.

37 Associations the Danish way, Denmark.dk
38 Tal om foreninger og frivillighed, Frivilligrapporten 2016-28, Center for Frivilligt Socialt Arbejde
39 Debate: Volunteer Council and industry association: New financing model to strengthen civil society, Frivilligrådet, 22 August 2024
40 Debate: Volunteer Council and industry association: New financing model to strengthen civil society, Frivilligrådet, 22 August 2024
41 Denmark is still Nordic region's most generous country, survey shows, European Fundraising Association, 2 April 2025

Foundations provide another important funding source, though only larger CSOs tend to tap into this due to demanding requirements[42].

STRONG INDIVIDUAL GIVING

50% of the population donates directly to CSOs – **above** the European average of 41%.

INSTITUTIONAL PHILANTHROPY

9,155 philanthropic foundations in 2022, with a total expenditure of **€4.3 billion.**

› Current charity lottery market

Denmark has a monopoly on offering lotteries, with the exception of land-based bingo and lotteries with a charitable purpose. In 2024, 1,580 such lotteries were held, with 979 of them notified to the Danish Gambling Authority. These are lotteries with a turnover of DKK 2 0,000 (around €2,680) or less, and which therefore did not need a licence from the Danish Gambling Authority. The remaining 601 lotteries were licensed by the Danish Gambling Authority.

Beside these small charity lotteries, the monopoly consists of the state-owned Danske Lotteri Spil and three types of 'class lotteries' where proceeds go to various good causes. The charity lotteries and monopoly lotteries together accounted for 34% of the total Danish gambling market in 2024[43]. Danske Lotteri Spil currently generates around €250 million in profit for the state annually.

› Potential of charity lotteries

If the Danish government partially de-restricted the charity lottery sector, it could generate around €104 million in revenue net of prizes, which would provide around €61 million in additional funding for Danish civil society.

If laws were passed that allowed charity lotteries on a materially less restricted basis, the charity lottery sector could generate an estimated €293 million in revenue net of prizes, which could provide around €187 million in additional funding for Danish civil society.

› Policy recommendations

- **The Danish government should go much further to boost the charity lottery market by allowing more types of low-risk charity lotteries**. Doing so would safeguard its lottery monopoly while at the same time growing much-needed funding for good causes in Denmark.
- **Simpler rules for low-risk, local lotteries would reduce bureaucracy**, encourage more participation, and increase overall support for good causes — all while keeping oversight strong.
- **A few national charity lotteries should be allowed to operate**. The goal is to test how larger charity lotteries can responsibly raise more money for social causes without undermining the state monopoly, and help reduce CSOs' reliance on public funding.

> *"When re-regulating, it is important – in my experience – to include all of the very different gaming activities in your plans and future framework, and never to underestimate the key role that charity lotteries rightfully play in many societies."*

Birgitte Sand, former Director General, Danish Gambling Authority, now Gaming Advisor

42 Det frivillige sociale engagement i Danmark, Frivilligrapport 2019-2021, Center for Frivilligt Socialt Arbejde
43 The Gambling Market in Numbers 2024, Danish Gambling Authority, April 2024

FINLAND

› Snapshot, funding situation and challenges

Finland has over 100,000 non-profit associations, according to 2025 official data[44]. Public subsidies have traditionally played a central role in financing Finnish CSOs, complemented by private foundations and some international sources. Many organisations now consider it vital to diversify funding as public funding cuts are increasingly felt.

In April 2024, the Finnish government announced austerity measures, including cuts of nearly one-third to funding for social and healthcare associations by 2027 and a complete halt to funding for peace organisations, according to the European Civic Forum[45]. The budget of the Funding Centre for Social Welfare and Health Organisations (STEA) was reduced by €10 million for 2025, and in April 2025, a €50 million annual cut to development cooperation funding was announced as part of the General Government Fiscal Plan for 2026–2029[46], without reallocating savings to domestic CSOs.

Fundraising is developing but still lags behind other European countries, according to Vastuullinen lahjoittaminen (VaLa, the Finnish Fundraising Association). It estimated the combined annual fundraising goal of Finnish CSOs to be over €1.06 billion in 2024. Key methods include one-off and monthly donations, membership fees and events or product sales[47].

A new tax deduction system for donations, coming into force in 2026, is likely to boost private fundraising. It will expand deduction eligibility to donations for youth, culture, sports and certain children's organisations. Previously, deductions applied mainly to publicly-funded universities and, for companies, CSOs supporting science, arts or cultural heritage.

However, many popular causes remain ineligible, including support for the most disadvantaged, humanitarian aid, environmental and nature conservation, animal welfare and disease prevention. VaLa estimates that one-third to two-thirds of associations and foundations will remain ineligible for tax-deductible donations[48].

All fundraising activities in Finland require either a permit from the National Police Board or, for small-scale fundraisers up to €10,000, prior police notification.

> *"The rising cost of living and overall economic uncertainty are increasingly mentioned in surveys as reasons why people choose not to donate, though interestingly, this has not yet resulted in a measurable drop in the proportion of Finns who donate – the share of donors remains stable, though CSOs report greater difficulty in growing individual giving."*
>
> **Tessa Robertsson, Communication and Advocacy Coordinator, VaLa**

STRONG INDIVIDUAL GIVING

49% of the population donates directly to charities – **above** the European average of 41%.

INSTITUTIONAL PHILANTHROPY

2,657 philanthropic foundations in 2023, with total expenditure of **€580 million** in 2021.

44 Finnish Register of Associations
45 Civic Space Report 2025, European Civic Forum
46 Orpo Government: Decisions in mid-term policy review session will strengthen Finland's competitiveness and security, Finnish Government, 24 April 2025
47 Fundraising helps fund the important work of organisations, VaLa.fi
48 Proposal on tax-deductible donations is step forward for Finnish civil society, European Fundraising Association, 25 June 2025

› Current charity lottery market

Finland currently has no cash prize charity lotteries due to the monopoly on all gambling activities in the country, held by Veikkaus. Its lottery products generate approximately €375 million annually for the Finnish state budget through state ownership.

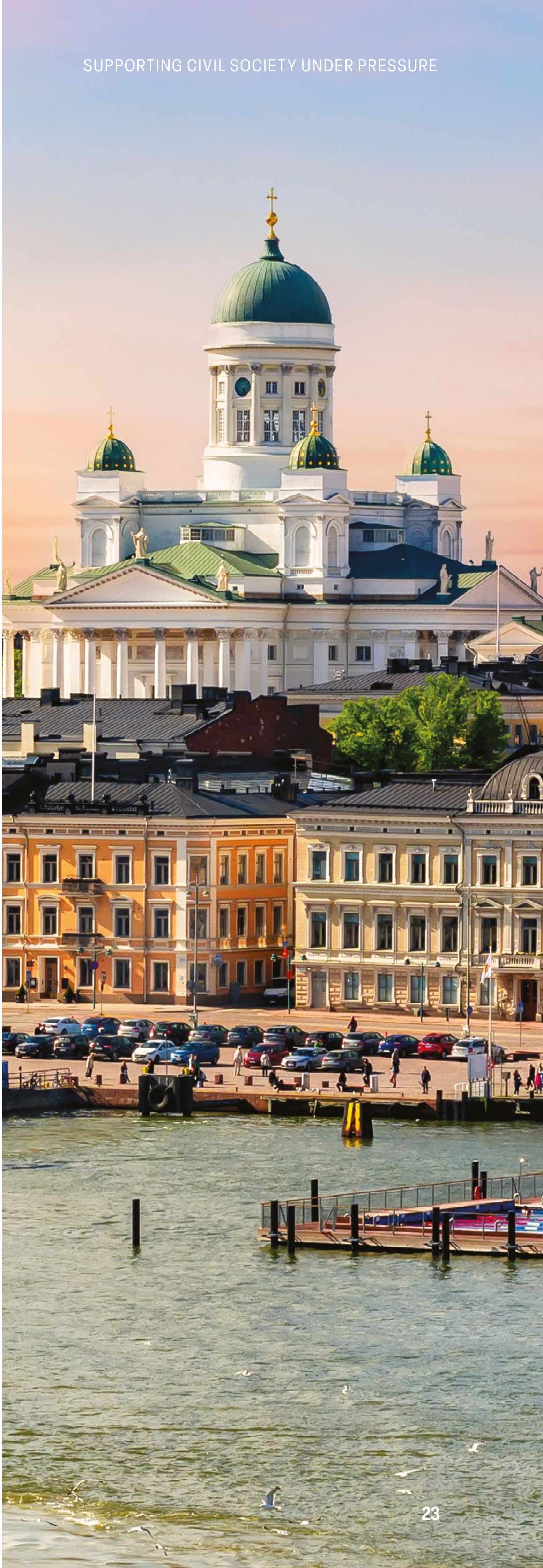
The Finnish government plans to partially end this monopoly in 2026, however the changes will only allow online casino and betting operators and will not open the market for cash charity lotteries.

› Potential of charity lotteries

Charity lotteries could generate up to €150 million in additional funding for Finnish civil society each year, as shown in research commissioned by ACLEU. Charity lotteries would complement the existing activities of Veikkaus by growing the overall lottery market in Finland. As a low-risk product, charity lotteries would have a positive impact on Finnish society.

› Policy recommendations

- **We encourage the Finnish government to urgently review its plans for the partial demonopolisation of the gambling sector in 2026**. We urge it to consider creating a policy environment that would allow low-risk charity lotteries to raise vital funds for Finnish civil society.
- **Excluding charity lotteries from this partial demonopolisation is a serious missed opportunity.** As is evident across Europe, charity lotteries can provide a stable, long-term funding stream for CSOs. Continuing to block charity lotteries from operating denies much-needed funding to Finnish civil society.
- **The proposed changes also undermine the principle of harm-reduction.** Opening the market mainly for high-risk online games while keeping low-risk lotteries under monopoly only serves to make high-risk products more visible and accessible, likely worsening health and consumer outcomes.



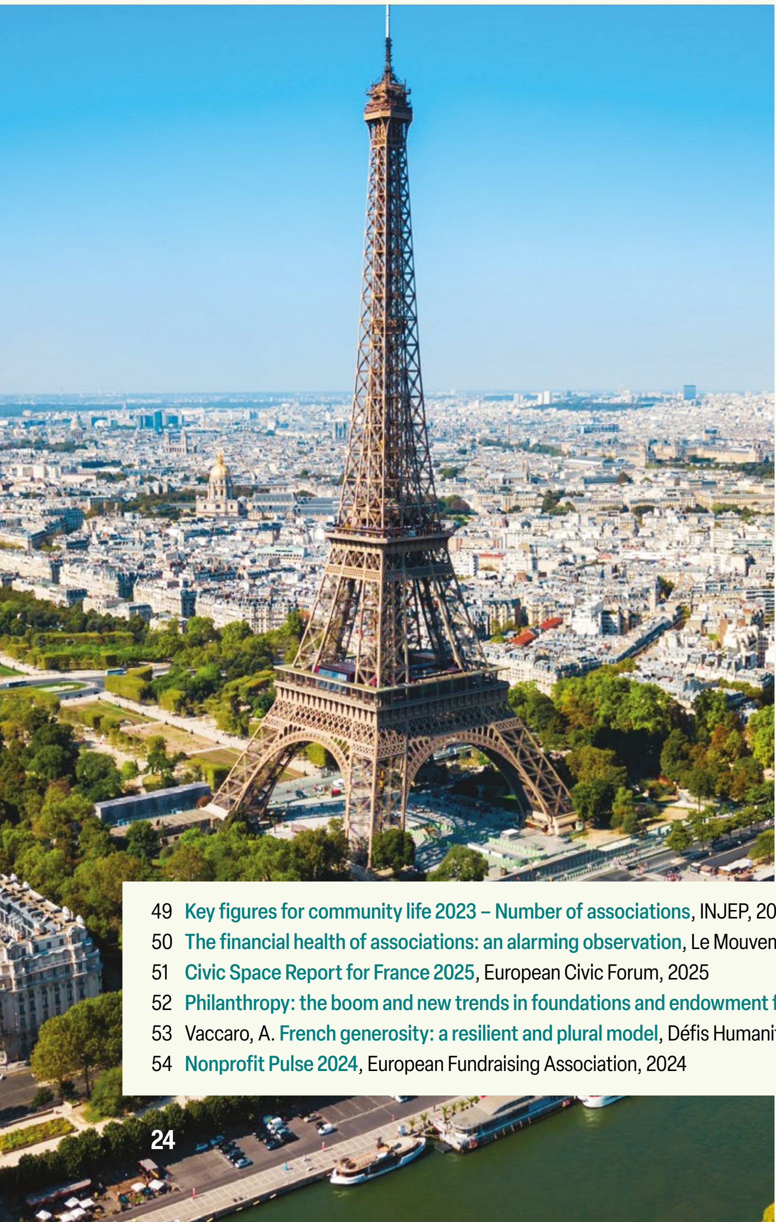
FRANCE

› Snapshot, funding situation and challenges

France has one of the largest and most vibrant civil society landscapes in Europe, with 1.3 million associations (as CSOs are called there) active in 2023[49], 15% of which employ staff. Together they manage budgets of over €125.3 billion.

Funding sources are mainly private: income from service delivery, donations and membership fees, followed by public contributions and subsidies. Advocacy organisations appear among the less well-resourced CSOs.

Le Mouvement Associatif, the national representative body for French associations, recently warned of widespread funding shortages[50]. In its March 2025 survey, over half of CSOs reported cash flow problems. Among grants awarded, 25% decreased slightly and 20% decreased sharply, affecting all donors, including the state, local authorities and private funders.



According to the European Civic Forum, the Contract of Republican Engagement (CER) – or so-called Separatism Law – has been disproportionately employed by public authorities to request the dissolution or to stop funding to associations on the grounds that they engage in militant, dissenting activities or simply hold critical views[51].

The Civil Liberties Union Rule of Law Report 2024 cites specific concerning examples of subsidies being cut for CSOs campaigning on the environment, human rights and discrimination, or those critical of public services.

French CSOs are increasingly turning to philanthropy amid declining government financial support for cultural and social sectors. By 2023, more than 5,600 foundations and endowment funds were active – an 85% increase over a decade – with spending rising significantly to €16 billion by 2022[52].

Companies accounted for 42% of total donations in 2022, helped by a favourable 60% tax reduction on donations of up to €2 million[53].

> *In France we saw a 20% increase in food aid last year. Nonprofits here find themselves in the difficult position of dealing with increasing needs, while public funding is decreasing and they are relying on donations to fill this space. It's a problem that is set to continue with inflation and the cost of living still rising. So, for nonprofits, there is a huge gap between what they need to provide their services and what they get from donations and public funding, which is forcing many to use their reserves.*"

Laurence Lepetit, Chief Executive, France générosités, in Nonprofit Pulse 2024 report[54].

49 Key figures for community life 2023 – Number of associations, INJEP, 2023
50 The financial health of associations: an alarming observation, Le Mouvement Associatif, 9 April 2025
51 Civic Space Report for France 2025, European Civic Forum, 2025
52 Philanthropy: the boom and new trends in foundations and endowment funds, Le Monde, 19 June 2024
53 Vaccaro, A. French generosity: a resilient and plural model, Défis Humanitaires, 30 December 2024
54 Nonprofit Pulse 2024, European Fundraising Association, 2024

INDIVIDUAL GIVING

35% of the population donates directly to CSOs – **below** the European average of 41%.

INSTITUTIONAL PHILANTHROPY

5,647 philanthropic foundations in 2023, with a total expenditure of **€16 billion.**

› Current charity lottery market

Unlike many of its European neighbours, France does not have a functioning charity lottery sector. The semi-privatised operator La Française des Jeux (FDJ) holds a legal monopoly on all lottery products until 2044 under the 2019 PACTE law.

Some forms of 'charity lotteries' exist within FDJ's remit, such as the Loto du Patrimoine (Heritage Lottery) and the newer Loto de la Biodiversité, which have raised meaningful sums for specific causes. However, these products are government-driven and limited in scope.

Local associations are technically permitted to run small-scale lotteries, but these are highly restricted in stake size, geographic scope and administrative approval, meaning they cannot scale to meet broader civil society needs.

› Potential of charity lotteries

If France were to introduce a regulated charity lottery sector, the benefits would be significant. Under a regulatory framework similar to the Dutch model, the potential rises to €1.4 billion every year. Even with a restricted model, €447 million annually could be raised for civil society.

This funding would come at no cost to the taxpayer and could flow into crucial areas such as cultural heritage, local community initiatives, environmental protection, sport, social cohesion and poverty alleviation. International evidence shows that charity lotteries grow the overall lottery market rather than impacting state lottery revenues, thereby creating a larger pie for good causes.

> *I only truly understood the power of charity lottery funding when our German branch received the surprise news of a five-year funding commitment from the Postcode Lottery Group. The idea of neighbours playing and winning the lottery, and at the same time supporting good causes is simply brilliant! A true social innovation.*
>
> *"And for us, access to unrestricted funding allows us to carry out our work efficiently and effectively. Now our work in France is also being funded through the Swedish Lottery. Makes me wish we had such a lottery in France to support the many local charities and social organisations here."*
>
> **Mathieu Lefèvre, CEO and Co-founder, More in Common / Destin Commun**

› Policy recommendations

ACLEU believes that the time is right for France to explore making room in its regulations for charity lotteries. We recommend that it:

- **Develops a distinct legal framework** for charity lotteries to allow non-profit operators to raise funds for a broad range of social and cultural causes.
- **Pilots a national charity lottery licence** for independent operators, unlocking new resources for civil society.
- **Recognises charity lotteries as low-risk** gambling products, differentiated from higher-risk forms such as sports betting or casinos, in line with European evidence on problem gambling.
- **Ensures alignment with EU best practice,** learning from countries like the Netherlands, Sweden and the UK, where charity lotteries raise hundreds of millions annually alongside state lotteries.
- **Engages civil society stakeholders** in shaping the framework, ensuring that the proceeds are channelled into long-term, flexible support for CSOs across France.

GERMANY

› Snapshot, funding situation and challenges

Germany is estimated to have around 620,000 CSOs with 50 million members, according to the Bundesverband der Vereine und des Ehrenamtes e.V.[55].

Government support for development aid has declined. Germany's draft budget for 2025 proposes a reduction of approximately €1 billion in budget for official development assistance, from €11.5 billion in 2024 to around €10.3 billion. A shift in funding priorities can be observed, with funding cuts in sectors including culture – for example, the city-state of Berlin saw a drop of about 12% in its arts and culture budget for 2025.

As in many other European countries, commentators report a gradual shrinking of civic space[56]. In the absence of clear legal provision regarding the advocacy work of CSOs, these are vulnerable to losing their charitable status and tax exemption. Despite multiple calls in previous years, the 2025 European Commission Rule of Law Report[57] reports "*no progress on taking forward the plan to adapt the tax-exempt status for non-profit organisations with a view to address the challenges which the currently applicable rules present for their operation in practice*".

These challenges include *"uncertainty as to what type of political activity unrelated to the non-profit purpose of their organisation is permissible, the limited catalogue of grounds for non-profit status and limitations on the use of 'political means' to achieve the organisation's stated purpose. This situation continues to impact the operating space for CSOs in practice, and can create a chilling effect, as CSOs can be targeted [and reported] to the tax authorities for alleged non-compliance with their non-profit status."*

Beyond uncertainties around tax and legal status, CSOs face urgent challenges in obtaining stable, long-term funding, with newer or migrant-led organisations having particular difficulty accessing institutional or philanthropic funding. Reliance on short-term project grants is restricting the strategic planning and sustainability of many CSOs.

In addition, cumbersome bureaucratic requirements for grant applications and reporting place a burden on smaller organisations in particular, as does the overly complicated registration process for various public registries[58].

INDIVIDUAL GIVING

31% of the population donates to CSOs – **far below** the European average of 41%.

INSTITUTIONAL PHILANTHROPY

25,777 philanthropic foundations in 2023, with a total expenditure of **€5.4 billion.**

› Current charity lottery market

The country currently has a restricted charity lottery sector with only nine charity lotteries licenced annually. All games of chance are regulated by the Interstate Treaty on Gambling. Federal states are allowed to licence charity lotteries, which operate alongside state lottery monopolies and class lotteries. However, restrictions to how in-state charity lotteries can operate keep them relatively small.

The sector nevertheless raised around €226 million in funding for CSOs in 2024. Three major charity lotteries – Aktion Mensch, Deutsche Postcode Lotterie and Deutsche Fernsehlotterie – account for 96% of this amount.

According to official records[59], the German state lotteries generated around €3.42 billion for the common good in 2024 through levies, earmarked revenues and taxes allocated to the federal states. This total includes the lottery tax of 20%, which amounts to roughly €684 million. Lottery tax must also be paid by charity lotteries, but is not counted toward the funds dedicated to the common good.

55 3ter Sektor.de, Bundesverband der Vereine und des Ehrenamtes e.V.

56 Shrinking spaces in Germany – a country undergoing change, European Fundraising Association, 14 May 2025

57 2025 Rule of Law Report – Country Chapter Germany, European Commission, July 2025

58 Shrinking spaces in Germany – a country undergoing change, European Fundraising Association, 14 May 2025

59 Auf einen Blick: Der Deutsche Lotto- und Totoblock, Lottoindeutchland.de

› Potential of charity lotteries

With the right regulatory framework, charity lotteries could easily raise €2 billion a year (if not more) in funding for good causes – a transformative sum for Germany's civil society.

› Policy recommendations

- **Integration of a positive, common-good-oriented objective into the goals of the Interstate Treaty on Gambling.** This would enhance the attractiveness of charity lotteries and ensure their recognition as relevant actors for the public benefit. It would also bring their core mission into focus: to provide greater resources for the common good through the operation of a lottery.
- **Differentiated advertising regulations** for games of chance, based on the risk profile of each type of game.
- **An increase in the maximum permitted prize amount** for charity lotteries.

> *"The Interstate Treaty on Gambling already aims to channel players toward less harmful forms of gambling. However, this channelling should be more strongly emphasised to combat the black market more effectively on the one hand, and to minimise addiction risks on the other. A greater recognition of charity lotteries, which demonstrably have a lower potential for harm and embody the social aspect of gambling, would be beneficial in this context."*

Niklas Zöschinger, Public Affairs,
Deutsche Postcode Lotterie

IRELAND

› Snapshot, funding situation and challenges

Data from Ireland's Charities Regulator show the country had 11,426 CSOs in 2020. A large proportion are very small: 42% had no employees and 45% have an annual income under €100,000[60]. The sector supports 321,000 jobs and manages €25 billion in annual income. Nearly half of this is generated through fundraising, thereby significantly subsidising the cost of essential public services[61]. Funding from philanthropic foundations is marginal (see box).

The Regulator's latest 2025 survey[62] of CSOs shows a self-perceived improvement in their economic situation compared to previous years, however this mostly applies to organisations with an income over €100,000 – 60% of those with lower annual income see no improvement or a deterioration. Main issues relate to increased difficulties in obtaining public funding, retention of staff and volunteers and higher running costs.

In the recent members' policy survey[63] by The Wheel, Ireland's national association of CSOs, almost half of respondents were unsure if they would have sufficient funding to provide their existing supports or services in 2025.

Importantly, Ireland has restrictions on public funding for advocacy organisations whose activities are deemed 'political'. The European Commission Rule of Law Reports have consistently recommended that Ireland modifies its legislation in accordance with the EU Charter of Fundamental Rights to remove obstacles that hinder CSOs' access to funding[64]. In fact, 37% of organisations surveyed by the Irish Council for Civil Liberties indicated that they had curtailed advocacy, campaigning or communications for fear of losing funding[65].

Funding contracts with the state are often highly restrictive and must be renewed annually, making it hard for CSOs to plan ahead. Compliance and reporting requirements are often onerous and repetitive, especially for organisations funded by multiple departments or agencies. Greater coordination and cross-government working is needed.

> *"Ireland has a proud tradition of community-based fundraising, but restrictive laws mean too much of this potential is locked away. By embracing charity lotteries, we could provide secure, long-term funding for essential services — from health and social care to education and community support — at no cost to the taxpayer. It's time to give civil society the tools to stand on its own feet."*
>
> **John Fleming, Chief Executive Officer, St John of God Foundation**

60 Annual Report 2020, Charities Regulator, 2020
61 Report on the Social and Economic Impacts of Registered Charities in Ireland, Charities Regulator, 2023
62 Survey of Charities, Charities Regulator, 2025
63 Members' Policy Survey 2025, The Wheel, 2025
64 2025 Rule of Law Report – Country Chapter Ireland, European Commission, 2025
65 That's not your role. State funding and advocacy in the Irish community, voluntary and non profit sector, Irish Council for Civil Liberties, May 2024

INDIVIDUAL GIVING

64% of the population donates to CSOs – **well above** the European average of 41% and placing it **fourth in Europe**.

INSTITUTIONAL PHILANTHROPY

159 philanthropic foundations in 2021, with total expenditure of **€80 million.**

> *Irish CSOs play a distinctive role in providing essential public services. This often leads to community-led, person-centred, flexible services that respond closely to need. However, it can create a context where some organisations may feel cautious about critiquing government policy, concerned about potential funding implications. Whether this is based on perception or reality, it can place limits on open dialogue and the vibrancy of civil society.*
>
> *"Currently, there is limited dedicated funding for civil society beyond service delivery. With CSOs heavily engaged in frontline provision, and often competing for contracts, there is less scope to invest in advocacy, civic dialogue, and innovation – all essential to a healthy and dynamic civic space."*
>
> Maria O'Connell, Development Manager, The Wheel

› Current charity lottery market

Ireland currently has no meaningful charity lottery sector, despite a long-standing tradition in this area. Strict legal restrictions mean that existing charity lotteries contribute very little in practice. They are limited to small, localised lotteries, mainly supporting sports clubs and health facilities. The only meaningful nationwide operator, The Care Trust, raised €3.75 million in 2023, distributing €1.7 million.

Meanwhile, the Irish National Lottery distributes around €230 million to good causes annually. This is done by channelling funds through government departments, which limits the visibility of the charitable spend to the lottery player.

However, Ireland is now overhauling its gambling legislation, creating a timely opportunity to revisit the role charity lotteries can play in strengthening civil society across Ireland.

› Potential of charity lotteries

Charity lotteries could generate up to €120 million in additional funding for Irish civil society each year. They would complement the existing lottery activities by the National Lottery by growing the overall lottery market and are a low-risk product that would have a positive impact on Irish society.

› Policy recommendations

- **Seize the opportunity of the new gambling legislation.** The ongoing overhaul of Ireland's gambling law offers a once-in-a-generation chance to introduce a meaningful charity lottery sector. The law should create space for independent operators whose sole purpose is to raise funds for civil society, distinct from commercial gambling products.
- **Remove restrictive limits and broaden the scope.** Current rules limit charity lotteries to small, local draws. These caps prevent scale and make it impossible for lotteries to contribute significantly to Irish civil society. A modernised framework should allow larger nationwide lotteries, including subscription models, while maintaining proportionate safeguards.
- **Differentiate low-risk charity lotteries from high-risk gambling.** Evidence across Europe shows that charity lotteries carry a very low risk of gambling harm. Regulations should reflect this by applying tailored rules that enable growth without unnecessary burdens.
- **Channel proceeds transparently to civil society.** Unlike the National Lottery, where contributions are distributed via government departments, charity lotteries could provide direct, visible funding to CSOs. Transparency in reporting would build public trust and strengthen community engagement.
- **Ensure access for smaller organisations.** The licensing system should be designed to allow both large operators and smaller charities to participate. Simplified procedures for small-scale lotteries and collaborative models (umbrella or federation lotteries) could widen access.

ITALY

› Snapshot, funding situation and challenges

Italy had over 363,000 CSOs in 2020, with 85% of these being non-profit associations[66]. The third sector has grown steadily in recent years – its economic productivity was estimated at 5% of the GDP in 2021, with over 10 million Italians participating in associations' activities[67].

The leading role of the sector in providing welfare services has become more important due to emerging social challenges including the sharp rise of the poverty, an aging population and the migrant crisis[68].

Comprehensive data on Italian CSOs' access to funding is hard to obtain. Public funding, notably for services, is an important source of income. According to 2023 data on the CSOs active in international cooperation, public funding sources constituted 59%, while 41% came from fundraising (companies, foundations, income tax returns and churches)[69].

Small and medium-sized associations face more challenges in access to funding. There is very little funding available for advocacy activities from both the public and private sector[70].

Foundations are very active donors in Italy, particularly banking foundations. In 2024, the country's 86 banking foundations disbursed total funding of over €1 billion across nearly 22,000 initiatives, according to Acri, the Association of Foundations and Savings Banks[71].

Italy's civil society has seen important ongoing reforms, including impact on the 5×1000 scheme, which allows Italian taxpayers to designate a small percentage of tax monies to a CSO of their choice. In 2020, the amount given through the scheme exceeded the state-imposed limit of €520 million. Civil society has been repeatedly calling on the government to raise this ceiling on donations, which has been consistently exceeded[72].

Other recent developments include a new decree removing current VAT exemptions for recreational and cultural services provided by associations, which would have important budgetary consequences for many CSOs;[73] and a cut in tax reliefs for donations to CSOs, that will likely have an impact on funds from major private donors[74].

INDIVIDUAL GIVING

35% of the population donates directly to charities – **below** the European average of 41%.

INSTITUTIONAL PHILANTHROPY

8,356 foundations in 2022, with a total expenditure in 2023 of nearly **€1.5 billion.**

› Current charity lottery market

Italy currently has no charity lotteries due to the absence of a legislative framework, despite having a competitive and well-developed lottery market comprising private or commercial operators with state concessions. Lottery products operated under concession by Sisal and IGT generate around €4 billion in annual tax revenue, but there is no evidence to suggest that any of this income is channelled toward funding for civil society.

However, the Italian government is now overhauling its gambling legislation, creating a unique opportunity to introduce charity lotteries that would strengthen civil society across Italy.

66 Statistical appendix, 10th Report of Social Associations, 2024
67 In 10 years the third sector in Italy has grown by 25%, AGI, 23 May 2021
68 Gaffo, M. Italy: civic regression & organizations' resilience, European Fundraising Association, 2 July 2025
69 The Geography of Cooperation, Open Cooperazione, 2023
70 Liberties Rule of Law Report 2025, Civil Liberties Union for Europe, 2025
71 Foundations: €1 billion for 22,000 projects, VITA.it, 18 July 2024
72 Italian nonprofit sector calls for cap to be lifted on tax-efficient giving in Italy, European Fundraising Association, 7 July 2021
73 Nisi, A. VAT for the Third Sector… What's the government doing? VITA.it, 16 October 2024
74 Gaffo, M. Italy: civic regression & organizations' resilience, European Fundraising Association, 2 July 2025

› Potential of charity lotteries

Charity lotteries could generate around €1.5 billion in additional funding for Italian civil society each year. Charity lotteries would complement the existing lottery activities in Italy by growing the overall lottery market, and are a low-risk product that would have a positive impact on Italian society.

› Policy recommendations

- **Introduce a clear legal framework for charity lotteries.** Italy has a large and well-developed commercial lottery market, but without a legislative framework for charity lotteries, their significant potential remains untapped. The ongoing gambling law reform provides a unique opportunity to create a distinct category for charity lotteries, with rules that reflect their low-risk profile and public benefit purpose.

- **Draw on European best practices.** Italy can learn from other European countries such as the Netherlands and Sweden, where charity lotteries have successfully raised billions for social causes without undermining state lotteries. Explicitly recognising the ‘funding of good causes’ as a policy objective would help secure long-term sustainability for Italian civil society.

- **Involve civil society in shaping the new framework.** As Italy reforms its gambling legislation, it is essential to include CSOs in the process. Regulations should reflect their needs: sustainable core funding, low administrative burdens, and guarantees that proceeds are distributed broadly, fairly and independently.

- **Ensure transparency of existing lottery revenues.** Commercial operators (Sisal, IGT) generate billions in annual tax revenues, but there is no clear indication of how, or if, these funds support civil society directly. Policymakers should increase transparency around the allocation of lottery revenues.

NETHERLANDS

› Snapshot, funding situation and challenges

The Netherlands had 256,829 registered non-profit organisations in 2022, according to the European Commission[75]. A 2023 survey of 154 charities by Goede Doelen Nederland showed subsidies (36%) and individual donations (31%) as their main income sources[76].

However, with recent political upheaval, civil society now faces severe financial strain. In November 2024, the new government announced a 70% cut to the development aid budget, alongside a new requirement that NGOs can only apply for this budget if at least 50% of their income comes from sources other than state funding. In an already shrinking funding landscape, this places immense pressure on many CSOs.

Moreover, cuts in the education, cultural and healthcare budgets will also affect the funding of CSOs providing important services, especially to marginalised groups such as undocumented migrants, people without housing and those with problematic substance use.

The government has also sought to reduce the tax benefits on corporate and individual donations in the new tax plan, and proposed a transparency act (the WTMO) obliging CSOs to disclose foreign funding when there is suspicion that CSO's activities may undermine the rule of law. The draft Act lacks sufficient safeguards against the risk of selective implementation and stigmatisation of CSOs due to unclear definitions, and it increases administrative burdens by requiring donation records to be kept for seven years[77].

The government's resignation in June 2025 and subsequent elections in late October mean that the implementation of proposed policies and public funding cuts will depend on the priorities of the newly formed government.

In the meantime, strict regulations to combat terrorism financing and money laundering has seen a growing trend for 'de-risking' by Dutch banks, making it harder for CSOs to open new bank accounts or receive and make payments. This complicates financial management and jeopardises the stability of funding[78].

75 Impact Assessment Report accompanying the document 'Proposal for a Directive of the European Parliament and of the Council on European cross-border associations', European Commission, 2023

76 Feiten & cijfers over goede doelen, Goede Doelen Nederland, 2023

77 Liberties Rule of Law Report 2025, Civil Liberties Union, 2025

78 Shrinking civic space in the Netherlands: a growing trend, European Fundraising Association, 13 November 2024

INDIVIDUAL GIVING

68% of the population donates to directly CSOs – **far above** the European average of 41% and placing it **second in Europe and the world.**

INSTITUTIONAL PHILANTHROPY

5,910 philanthropic foundations in 2022, with a total expenditure of just over **€2.1 billion.**

› Current charity lottery market

The Netherlands has a highly successful charity lottery sector alongside the state lottery. While the state lottery contributes around €75 million per year to CSOs (including sports), charity lotteries like Grote Clubactie, Zonnebloem Loterij, Lot of Happiness, VriendenLoterij and Nationale Postcode Loterij generate over €550 million annually in charitable contributions.

The Netherlands has demonstrated that charity lotteries can successfully coexist alongside a state lottery. Rather than 'dividing the pie', the market has expanded, allowing both lotteries to thrive. As shown in research by Regulus Partners, commissioned by ACLEU[79], their presence strengthens the sector as a whole – benefiting players, society and good causes alike.

› Potential of charity lotteries

Although the country already has a highly successful charity lottery sector, we believe it is vital that the successful system currently in place is protected and strengthened further, in order to maximise the potential of the sector to support Dutch civil society.

› Policy recommendations

- **Funding of good causes through lotteries as a policy objective.** The Ministry of Justice, responsible for philanthropy and charity lotteries, has revised the objectives of the overarching gambling policy. ACLEU has advocated for adding a fourth objective: the funding of good causes though lotteries should be seen as more than just a positive side-effect. This would ensure that policy changes consider their impact on lotteries and protect their contributions to society.

- **Clear distinction between lotteries and high-risk gambling.** Current regulations do not differentiate enough between lotteries and high-risk forms of gambling such as casinos and sports betting, even though the Dutch gambling authority acknowledges this distinction in its policies and oversight. The extremely low risk of harm posed by charity lotteries is not sufficiently reflected in the law. A clear legal distinction would ensure that regulations better align with the actual risk levels of different forms of gambling.

- **Rate differentiation in gambling tax based on risk profile.** The government has substantially increased the gambling tax for all operators, including charity lotteries, with a further increase in 2026. This general tax increase does not distinguish between harmful forms of gambling and charity lotteries.

  Charity lotteries pose the lowest risk of gambling harm while generating immense public value: a minimum of 40% of all proceeds go directly to social and charitable causes. Treating them the same as profit-driven gambling operators is not only unfair but counterproductive to national policy goals around wellbeing and social impact. We advocate for a rate differentiation in the form of a full tax exemption for charity lotteries, recognising their unique societal contribution — similar to Sweden, where such lotteries are fully exempt from gambling tax.

> “*For centuries, Dutch charity lotteries have played a crucial role in supporting good causes, culture and sport. Yet, the social purpose of our lottery system is still not adequately secured in coherent legislation. It is essential that the societal contribution of lotteries is recognised in sustainable national policies to ensure that this unique tradition of support for civil society is safeguarded for future generations.*”
>
> **Ineke Sybesma, Chair, Goede Doelen Platform**

79 Charity Lotteries and the European Lottery Sector: impact analysis, Regulus Partners, December 2022

NORWAY

› Snapshot, funding situation and challenges

Norwegian civil society is considered large and well-organised, with over 132,000 civil society organisations listed by the GlobalGiving Atlas[80].

According to the Deloitte Fundraising Report 2024[81], total revenues for Norwegian fundraising organisations reached a record high of NOK 31 billion (over €2.7 billion) in 2023 – a 15% increase on the previous year.

The report points out that this rise can be largely attributed to grants from both the Norwegian government and international organisations in response to the ongoing crisis in Ukraine. Funds from EU, UN and other international bodies saw a 13% year-on-year rise. Grants from the Norwegian authorities to CSOs rose by 18% during the year, however, if donations relating to Ukraine are disregarded, this income fell by 3%.

Regular donors represent a stable and important source of income for Norwegian CSOs. Despite the rising cost of living and a demanding economic situation for many, the Deloitte report shows a 2% rise in income from regular donors in 2023, to NOK 2.55 billion, due to a 14% increase in the number of new regular donors.

INDIVIDUAL GIVING

58% of Norwegians donate directly to CSOs – **well above** the Europe average of 41% and placing Norway **fifth in Europe.**

INSTITUTIONAL PHILANTHROPY

6,332 philanthropic foundations in 2022, with a total expenditure of **€5.1 billion.**

Nevertheless, the report emphasises that CSOs face challenges at a financially demanding time, particularly due to falling contributions from the business community and a tougher landscape for attracting occasional donors. Corporate donations declined by 27%, presenting a significant challenge for the sector.

In addition, the VAT compensation scheme remains underfunded. In 2025, the government allocated NOK 2.65 billion, while applications totalled NOK 2.78 billion. This gap creates uncertainty and forces late budget adjustments.

› Current charity lottery market

In 2015, the Norwegian government opened the state-controlled lottery market, allowing charity lotteries to operate within a highly restrictive framework. The goal was to give CSOs with international focus an additional stable funding source, while maintaining strong responsible gambling measures.

Initially, five licences were granted, each with a turnover cap of NOK 300 million per year (a total of NOK 1.5 billion across all charity lotteries) to allow charity lotteries to raise funds for good causes while remaining within the limits of Norway's exclusive rights model. Currently, there are two nationwide charity lotteries and thousands of smaller regional lotteries. As from 2026, three licences will be allowed for the next nine-year licence period.

The current annual turnover cap of NOK 410 million is proving severely restrictive – the two large charity lotteries, Pantelotteriet and Postkodelotteriet, both reached this cap in 2024.

Charity lotteries raised approximately NOK 250 million (around €21.5 million) for civil society in 2024, while state lottery Norsk Tipping (including gambling) provided the state with €8 billion in 2024.

80 GlobalGiving Atlas – Norway, GlobalGiving.org
81 The Deloitte Fundraising Report 2024, Fundraising Norge, 2024

› Potential of charity lotteries

A partial lifting of charity lottery restrictions by the government could see the Norwegian charity lottery sector generate around €141 million in revenue net of prizes, which would provide around €83 million in additional funding for Norwegian civil society.

An even less restricted legislative framework would allow charity lotteries to generate an estimated €398 million in revenue net of prizes, which could provide around €254 million in funding for the country's CSOs.

› Policy recommendations

- **Raising the current turnover cap for charity lotteries** would allow more funding to be raised for civil society without challenging the gambling monopoly or increasing gambling risks, since only low-risk lotteries are allowed these types of licences.
- **Redistribute the turnover cap across current licences.** With the government decision to reduce the number of available charity lottery licences from five to three, a pragmatic policy adjustment would be to redistribute the original turnover cap from 2015 – then valued at NOK 1.5 billion – across these three licences, with an adjustment for consumer price indexation from 2015.
- **Remove the restrictive marketing limit.** Allow charity lotteries to market their low-risk products in a moderate but financially stable way, by removing the marketing limit of 15% of actual turnover after prizes have been paid out.

POLAND

› Snapshot, funding situation and challenges

Poland had around 95,000 registered, active CSOs in 2022, according to the Polish Statistical Office[82]. Civil society remains largely dependent on public funding, either from national or local government or, for larger organisations, through EU cohesion funds, followed by donations.

According to the report *The condition of non-governmental organisations*[83], public funding accounts for 44% of the social sector (social, sport, education, culture, youth), though there is a growing trend toward financing from the private sector and individual donations.

Despite this, 72% of CSOs struggle to raise funds and meet societal demands due to understaffing and limited reserves, while the need for services rocketed in recent years – first during Covid, then with the massive influx of Ukrainian refugees following Russia's invasion in early 2022, and lately in 2024 with disastrous floods.

CSOs were at the forefront of responses to both immediate and long-term needs, which spurred an increase in private donations from companies and citizens. According to the Polish Economic Institute (PIE), in the first months after the outbreak of the war, Poles gave a total of around PLN 10 billion (around £2.35 billion) from their own pockets to help refugees[84].

At the same time, private philanthropy in Poland remains limited, with few foundations supporting CSOs. USAID cuts have further affected support for Ukrainian refugees as well as initiatives on migration, humanitarian aid, education, civil society, free media and women's rights.

While the Minister for Civil Society has begun reviewing procedures and has replaced staff at the National Freedom Institute (NIW-CRSO, the agency that allocates funding for civil society), an in-depth reform of the system is needed. The current budget remains insufficient and not flexible

82 Impact Assessment Report accompanying the document 'Proposal for a Directive of the European Parliament and of the Council on European cross-border associations', European Commission, 2023

83 Kondycja organizacji pozarządowych, Stowarzyszenie Klon/Jawor, 2024

84 Poland is number one in helping Ukrainians. Here's what share of the economy it represented, Business Insider, 12 November 2024

enough to ensure sustainability. Moreover, the recent increase in private donations cannot be sustained in the long term without a clear philanthropy development strategy, including tax incentives, cross-border giving, endowments, public benefit crowdfunding and lotteries for the public good.

> *Given the problematic funding policies of the past years, together with the COVID-19 pandemic, the humanitarian crisis following Russia's full-scale invasion of Ukraine, and recently the floods in southern Poland, the sector is depleted and needs serious reform of financing.*"
>
> European Civic Forum Civic Space Report 2025

INDIVIDUAL GIVING

53% of the population donates directly to CSOs – **well above** the European average of 41%.

INSTITUTIONAL PHILANTHROPY

21,000 philanthropic foundations in 2023. No expenditure data is available.

Current charity lottery market

Due to monopoly legislation and barriers posed by the Gambling Act of 2009, Poland currently has a very marginal charity lottery sector comprising small, raffle-style lotteries which may offer in-kind prizes only and must dedicate all income to social purposes. The vast majority operate under a simplified 'notification' procedure for small-scale ventures limited by a prize pool threshold of PLN8,167.77 (roughly €1,914) in 2025. No data exists estimating the value of the charity lottery market.

Prohibitive regulation prevents the development of larger, nationwide charity lotteries that would provide significant funding for civil society. The Gambling Act of 2009 was designed for commercial, high-risk gambling and establishes a state monopoly on online gambling, which rules out organising charity lotteries online.

The state-owned lottery operator Totalizator Sportowy holds the monopoly on lotteries, horseracing, gaming machines and online gaming. Its taxes and state profits amounted to around €400 million in 2021, with around 76% (€300 million) attributed to lottery on a pro-rate net revenue basis. A significant portion of its income goes toward funding for social causes, including the country's Physical Culture Development Fund and Culture Promotion Fund.

Potential of charity lotteries

If Poland allowed charity lotteries on a restricted basis, it could generate around €107 million in additional funding for civil society each year, while a less restricted model could generate around €330 million in additional funding for CSOs each year.

Policy recommendations

- **Create a new, dedicated licensing category for charity lotteries** that recognises their fundraising purpose and low-risk profile, with requirements proportional to the scale of their activities.
- **Lift the ban on online activities** to enable modern, subscription-based charity lottery models that have proven successful in other European countries.
- **Radically simplify administrative procedures** and reduce financial barriers to allow civil society organisations to use this tool effectively and efficiently.

> *Polish society is ready for charity lotteries, yet their substantial fundraising potential remains untapped. The significance of this potential is confirmed by the spectacular successes of prize draws organised between 2022 and 2024 by well-known Polish YouTubers.*"
>
> Wojciech Koczorowski, Co-Founder, Fundacja Instytut Loterii Dobroczynnych

SWEDEN

› Snapshot, funding situation and challenges

Sweden has around 265,700 civil society organisations employing 201,800 people (3.8% of Swedish employees), according to 2023 figures from Statistics Sweden[85]. In the same year, CSOs' total operating income amounted to SEK 155.8 billion (nearly €14.2 billion), 35% of which consisted of funding received from the public sector.

Civil society in Sweden benefits from strong individual giving – Giva Sverige's Giving Index showed an increase in individual public giving in the first quarter of 2025. Yet this and other fundraising channels face mounting pressure. Compliance demands have grown with new conditionality rules and stricter data protection oversight.

As for public funding, the Swedish government has reduced both its international aid budget and some domestic grant lines for civil society. According to Giva Sverige[86], half of its member CSOs have seen public funding decrease since 2022's change of government, and 20% have had to cut back their planned operations, largely because of reduced public funding and sharply increasing costs. Moreover, a third of its members reported decreased willingness among private companies to donate to CSOs. Only 7% say they have been able to expand.

Giva Sverige also reports that Swedish CSOs continue to have difficulty opening bank accounts or accessing basic banking services[87].

In its 2025 Rule of Law Report, the European Commission reported *"significant progress on the recommendation concerning the legal framework for the funding and operation of civil society organisations, which entered into force in 2025".*[88]

However, CSOs have noted that the government's 2024 decision to withdraw funding for 'ethnic organisations' may jeopardise some groups' activities. Parliament has also adopted new requirements for public funding. While the rules apply to all organisations and may increase administrative demands across the sector, smaller groups and faith-based organisations could face particular challenges in adapting.[89]

INDIVIDUAL GIVING

53% of the population donates directly to CSOs – **well above** the European average of 41%.

INSTITUTIONAL PHILANTHROPY

17,631 philanthropic foundations in 2024, with a total expenditure of **€922.7 million.**

› Current charity lottery market

Sweden has a semi-restricted lottery market. Following regulatory reforms in 2019, gambling products fall into different categories depending on purpose, ownership structure and risk, with charity lotteries enjoying the most beneficial regulations. Sweden's charity lottery sector now accounts for about 14% of its total regulated gambling market, with 281 charity lottery licences (including bingo) granted in 2024.

The sector, which includes ACLEU members Miljonlotteriet and Svenska Postkodlotteriet, raised around €127 million in funding for CSOs in 2024, while the state lottery Svenska Spel provided the state with €140 million. Sweden's charity lotteries are therefore generating nearly as much for CSOs as the state monopoly contributes to public finances via its dividend.

Despite broad political support for charity lotteries, they are often disproportionately included in new proposals to protect consumers against harmful gambling. Meanwhile, administrative burdens remain high, and the state's dual role as regulator and competitor creates structural disadvantages for civil society.

85 The Civil Society 2023 – Subreport, Statistics Sweden, 2023
86 One in five nonprofit organizations is forced to cut back – despite increased giving from the public, Giva Sverige, 4 July 2025
87 Bank disputes continue to be obstacles for associations, Giva Sverige, 25 June 2025
88 2025 Rule of Law Report – Country Chapter Sweden, European Commission, 2025
89 Liberties Rule of Law Report 2025, Civil Liberties Union for Europe, 2025

› Potential of charity lotteries

Charity lotteries have the potential to generate around €300 million in funding for Sweden's civil society each year. Charity lotteries complement the existing activities of Svenska Spel and other lotteries in Sweden by growing the overall lottery market, and are a low-risk product that has a positive impact on Swedish society.

› Policy recommendations

- **Secure the market for charity lotteries by strengthening the safeguards already established in Chapter 6 of the Gambling Act**, through mandatory risk classification for new proposals, closing loopholes such as shadow and hybrid games, and ensuring fair rules against free-entry and radio lotteries.
- **Safeguard key fundraising channels** by ensuring that any new telemarketing rules do not block or restrict non-profits' ability to reach new supporters, including through charity lottery sales.
- **Guarantee long-term, trust-based conditions** by maintaining the tax exemption, lifting the ban on international cooperation, and reducing administrative burdens on smaller charity lotteries, such as the technical certification requirements currently in place.

> “*Charity lotteries provide Sweden's nonprofits with stable, independent funding they can plan around. At Miljonlotteriet, we see how low-risk, draw-based games deliver long-term support at no cost to the public purse – precisely what organisations need when other income becomes uncertain.*”

Jan Erlandsson, Senior Advisor, Miljonlotteriet

UNITED KINGDOM

› Snapshot, funding situation and challenges

Over 168,000 CSOs (charities) are registered in the UK, according to the National Council for Voluntary Organisations (NCVO).[90]

Central government funding accounted for 30% of third sector income in 2020-21, according to the NCVO, dropping to 26% in 2021-22. Micro and small organisations (with an annual income below £100,000) remain especially dependent, with around 37% of their income from government sources, compared with 26% for larger organisations.

After Brexit, UK CSOs lost significant EU funding, including from the European Social Fund and humanitarian programmes. Replacement schemes like the UK Shared Prosperity Fund have not matched EU support, leaving many CSOs – particularly small and regional ones – struggling with reduced resources, closed accounts, and greater financial insecurity.[91]

Banking is another challenge for small CSOs. Over the past few years, a growing number of NCVO members reported that it's becoming harder to find suitable banking services, without which CSOs can't appropriately manage their finances. This might mean they are unable to deliver services and may fall short of regulatory requirements.

On the positive side, in February 2025 central government issued new guidance for public sector commissioners, requiring them to "maximise procurement spend" with voluntary, community and social enterprise (VCSE) organisations. The Cabinet Office's procurement policy statement states that all central government departments must set a two-year direct spending target with the VCSE sector by 1 April 2026.[92]

90 The Road Ahead, NCVO (National Council for Voluntary Organisations), 2025
91 Employment services charities worse off since EU funding loss, report says, CivilSociety.co.uk, 23 April 2024
92 The Road Ahead, NCVO (National Council for Voluntary Organisations), 2025

“*Grant-making charities and foundations report a stark reality: grant applications have surged by a reported 30-50%, with some foundations seeing their number double. This dramatic increase isn't just about numbers – it represents thousands of organisations desperately seeking support to continue their vital work.*”

Carol Mack, Chief Executive, Association of Charitable Foundations (ACF)[93]

INDIVIDUAL GIVING

65% of the population donates directly to CSOs – **far above** the European average of 41% and placing it **third in Europe**.

INSTITUTIONAL PHILANTHROPY

10,719 philanthropic foundations in 2023, spending a total of **€14.1 billion**.

› Current charity lottery market

A semi-restricted market is the UK status quo, with charity lotteries operating on a restricted basis alongside the National Lottery state monopoly. Charity lottery operators include People's Postcode Lottery, Local Hospice Lottery, Health Lottery, Scottish Children's Lottery and CFP Lottery & Raffles, with the Lotteries Council as the industry representative body.

Charity lotteries are subject to an annual sales limit of £50 million, a per-draw limit of £5 million, and a top prize of 10% of the draw limit (maximum £500,000). Despite these significant restrictions, the UK charity lottery sector exceeded sales of £1 billion in 2025 and generates £450 million (€500 million) in funding a year for civil society. The sector is still only one-ninth the size of the National Lottery.

In Northern Ireland, gambling is devolved, unlike in Great Britain (England, Scotland and Wales). The current Northern Irish legislation is outdated and out of step with the rest of the UK, meaning that large charity lotteries cannot operate their UK lotteries in the region. Charity lottery operators estimate that they would be able to raise millions of pounds of additional funding for civil society in Northern Ireland if the region's charity lottery law was brought into line with the rest of the UK.

› Potential of charity lotteries

If the UK's charity lottery laws were liberalised further, the UK charity lottery sector could generate around €2.3 billion a year in revenue net of prizes, which would provide nearly €1.5 billion in additional funding, generating a 28% boost to overall lottery funding in the UK.

If Northern Irish charity lottery legislation was brought into line with the rest of the UK, People's Postcode Lottery alone estimates it would be able to raise an additional £25 million of funding for civil society within the first five years of operation.

› Policy recommendations

- **A regulatory environment that removed preferential treatment for the state lottery would be optimal**.
- **Lift outdated caps on charity lotteries**. At the very least, further reform to charity lottery legislation is needed to remove outdated caps on annual sales, draws and prizes on charity lotteries.
- **A single UK-wide market across Great Britain and Northern Ireland, as is offered to the National Lottery, would be preferential**. This would require legislative change at Westminster to harmonise the charity lottery sectors across the United Kingdom.

“*We're calling for meaningful reform. Outdated caps on charity lottery sales and prizes are holding the sector back. They limit growth, increase operational costs and stop additional vital funds from reaching good causes.*”

George Collins, Chair, Lotteries Council

93 The Road Ahead, NCVO (National Council for Voluntary Organisations), 2025

Conclusion

Europe's diverse, vibrant civil society faces truly testing times. The civic space is shrinking in many countries. Deep cuts to public funding, coupled with other financial challenges, have come at the very time that CSOs' work is critical in addressing rising domestic needs and global crises. CSOs large and small desperately need a diversity of sustainable funding sources.

The time has come for Europe to fully embrace one obvious solution – charity lotteries. Charity lotteries are a win-win for civil society and for Europe's national governments.

They are not just another valuable revenue stream for CSOs, but one of the most scalable, independent and citizen-driven forms of philanthropic infrastructure available today. Crucially, at a time of pressure on government budgets, they come at no financial cost to governments.

Charity lotteries offer a way to mobilise extensive public engagement, redistribute resources efficiently and support a vibrant ecosystem of civil society bodies, often where other funders hesitate.

In the countries where they already operate at scale – the Netherlands, UK, Germany, Sweden and Norway – charity lotteries have proven their ability to generate a sustainable funding stream with no detrimental social effects or adverse impacts on state lotteries. Civil society in these countries is reaping the benefits, while elsewhere, the door remains closed.

ACLEU calls on every national government in Europe to ease restrictive, ill-fitting regulations and instead create legislative frameworks that will allow charity lotteries to thrive.

We also call on EU institutions to integrate charity lotteries into the Civil Society Strategy, the follow-up to the Social Economy Action Plan, and future EU budget discussions.

Sustaining civic actors beyond EU programmes is a shared responsibility. Recognising charity lotteries as innovative, citizen-based funding tools would strengthen the EU's capacity to support democratic participation and civic resilience across Member States.

The case could not be clearer. Charity lotteries are an opportunity to embrace. They have been shown to deliver safe, independent, long-term funding at scale. They help CSOs weather economic shocks, diversify funding streams, stay true to their mission, and remain innovative and adaptive. They complement state lotteries. They strengthen democracy. And in these times of funding shortages, they are needed more than ever.

CHARITY LOTTERIES DELIVER:

- ✓ Meaningful public engagement with good causes
- ✓ Flexible core funding for CSOs of all sizes
- ✓ Independence from political cycles
- ✓ Ability to support a wide range of charitable causes
- ✓ Long-term partnerships with beneficiary CSOs
- ✓ No costs to the public purse.

CHARITY LOTTERIES ARE NOT:

- ✗ A high-risk form of gambling
- ✗ A direct competitive threat to existing state lotteries.

> “*ACLEU calls on every national government in Europe to ease restrictive, ill-fitting regulations and instead create legislative frameworks that will allow charity lotteries to thrive.*”

Current members

Association of Charity Lotteries in Europe (ACLEU)
P.O. Box 75025, 1070 AA Amsterdam
The Netherlands
info@acleu.eu
acleu.eu

Civil Society Europe (CSE)
Rue de la Charité 22, Box 7, 1210 Bruxelles
Belgium
contact@civilsocietyeurope.eu
civilsocietyeurope.eu