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SCHOOL OF PHILANTHROPY**
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The 2025 Global Philanthropy Environment Index: Latin America Regional Report

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Edited by the Indiana University Lilly Family School of Philanthropy

SUMMARY

The Latin American region has had a rich history of philanthropy since the conquistadores established themselves in the New World. From 1492 onward, they instigated similar administrative functions in New World colonies used at the time in Spain, including deference to the Catholic Church, for public welfare. For three and a half centuries of Spanish and Portuguese rule in the Americas, philanthropy was instilled by the Church and the crown, and a rich tradition of philanthropy imbued the region. After the wave of independence in the 19th century, secular philanthropy evolved differently in the hearts and politics of each nation, and continues to do so, which explains the vast disparity in today's country scores, although derived from a singular history.

Very favorable philanthropic climates exist in Colombia, Chile, and Uruguay. Already scoring well in past reports, these three countries have seen even more improvements with minimal regulation and oversight, increased high levels of freedom to form philanthropic organizations (POs) in all subsectors, and greater ease in government-driven complementary contracts. Such climates also cultivate a tradition of philanthropic giving and volunteering.

The tax system in other states, on the other hand, is less favorable to both making charitable donations and for POs receiving charitable donations. In most countries in the region, there is usually a low ceiling on the amount that can be donated and deducted, or there is no deduction whatsoever. Chile has been the most aggressive in changing this state of affairs, even opening the way for automatic payroll donation deductions.

Cross-border flows fare only slightly better. In Brazil, Argentina, and El Salvador, sending cross-border charitable donations is significantly impeded with high costs or not permitted at all. While most of the countries have favorable systems for receiving cross-border donations, others are more prohibitive. Until the Milei Administration, funds donated to Argentinian POs were retained by the central bank and then paid to the donee in Argentine pesos at the official exchange rate, an average of less than 50% of the market value. Bolivia is worse; in one case, ambulances were brought into the country for emergencies and left at the airport entry site because the tax charge was much more than the value of the vehicles.

¹ Authors of the 2025 *GPEI* report are providing updates to the 2022 *GPEI* report, and regional reports may not reflect the views of the country experts.

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Public policies and general political environments for POs vary across the region. Some see POs as adversarial and a threat to their control. Nowhere is this more evident than in Venezuela. Human rights organizations are not permitted; involuntary dissolution of POs does not honor due process and recourse is limited; PO registration authorities are corrupt and inconsistent. The Maduro government criminalizes POs that receive cross border donations. NGO staff that provide food and health are either in exile or in prison. In August 2023, even the International Red Cross offices were forcibly reorganized.

In most regional countries, socio-cultural values and practices result in low levels of donations to POs, but the people are more likely to help one another. In Peru, only 13% of the people donate, and only 18% volunteer, but a full 64% will financially help a stranger. Only 36% of Brazilians donate to POs, but 84% give, mostly in-kind. (In fact, 75% of Brazilians think that donors should not even admit that they donate.) Even the giving spirit of the Venezuelan diaspora is a significant actor in helping the country survive with remittances.

What about the future? While nearly all countries in the region report a decline in democracy, we see a greater professionalization of the nonprofit sector across the region. There is increased crowdfunding and heightened interest in climate intervention, gender equality, social justice, and organized religions.

Table 1: Regional Level Trends Between 2021–2023

Ease of operating	Tax incentives	Cross-border philanthropic flows	Political environment	Economic environment	Socio-cultural environment	Overall
Slightly Positive	Stable	Slightly Negative	Mixed	Negative	Positive	Stable

Source: Indiana University Lilly Family School of Philanthropy, 2025 *Global Philanthropy Environment Index*

KEY FINDINGS

I. Formation/Registration, Operations, Dissolution of a Philanthropic Organization (PO)

To what extent can individuals form and incorporate the organizations defined?

To what extent are POs free to operate without excessive government interference?

To what extent is there government discretion in shutting down POs?

- Generally, Latin American (LATAM) countries have laws favoring easy formation of POs, although red tape may delay the process. Hence, little has changed in this area with two exceptions: 1.) Uruguay's processes have become more efficient and easier. POs can now apply online, and the application is free of charge. 2.) Venezuela has become much worse, to the point that it is practically impossible to register any PO. Registration bodies are controlled by the government and are prone to discretionary decision making, with governmental staff sometimes asking for illegal fees and taking much more time than the legal limit to process an application. Venezuela also restricts foreign involvement in

governance (e.g., serving on a PO's board of directors). Even if all of these obstacles can be overcome, registration officials may still refuse to process an application without explanation.

- LATAM countries generally have laws favoring the operation of POs with little interference. This is due to a combination of freedom and a lack, in some countries, of budgets and infrastructure that can provide adequate oversight.
- El Salvador, newly this year, reports no governmental interference in the operation of POs as well as ease in forming POs.
- Aside from Venezuela, LATAM countries make it very easy for POs to shut themselves down and generally have policies that make it difficult for the government to make arbitrary closures of POs without due diligence.
- Overall, levels of ease of operating are about the same in most LATAM countries under review. While the ease of operating has improved in a few countries, Venezuela brought the average down in this report.

II. Domestic Tax and Fiscal Issues

To what extent is the tax system favorable to making charitable donations?

To what extent is the tax system favorable to POs in receiving charitable donations?

- There have been minimal significant changes in tax laws in the LATAM countries under review, with the exception of Chile's Law 21.440 of September 2022, which aimed to eventually concentrate all donations under its scope. This law expands the social purposes to which people and organizations can donate now and in the future; it expressly considers the possibility of payroll discounts and collective donations; donations that qualify will be exempt from paying VAT and taxes associated with imports; it eliminates the Absolute Global Limit of 5% of Taxable Net Income; it allows donations in kind; and it includes donations made by individuals and companies with losses.
- Chile's Law 21.440 may simplify the process for fundraisers, as it allows one set of tax exemption rules to apply to a wide variety of purposes.
- Argentina has one of the highest rates of taxation burden in the world, so there are fewer and fewer donors in that country, and those who want to donate have hardly any incentives to do so.

III. Cross-Border Philanthropic Flows

To what extent is the legal regulatory environment favorable to sending cross-border donations?

To what extent is the legal regulatory environment favorable to receiving cross-border donations?

- Given that many LATAM countries are among the poorest in the world, a culture for sending cross-border donations has not developed. Sending cross border donations is:
 - Prohibited in Brazil and Argentina;
 - Discouraged, through excessive fees or requirements in El Salvador and Argentina;
 - Not significantly developed nor regulated in Uruguay, Peru, and Mexico. (There is no provision in the Mexican tax law to allow charitable donations out of the country that would be deductible for the donor.)

- Given the level of poverty in many LATAM countries, receiving cross-border donations is a significant issue.
- Mexico: Generosidad en México III, a report released in 2023, reported that 70% of donations from the United States are concentrated in 6% of authorized POs. Donations from the United States were distributed as follows: 60% from individuals, 21% from other foundations, 9% from inheritances, and 6% from corporations.
- Argentina: Due to foreign exchange control by the government, cross-border charitable donations can be received with a significant cost. When receiving cross-border donations, all foreign currency is retained by the Central Bank of Argentina, and the operating bank pays to the receiver the value of the donation in Argentine pesos at the official exchange rate, which has been (in the period 2021–2023) an average of less than 50% of the free market value. The Milei Administration, which started in December 2023, is already reducing restrictions to receive donations from abroad.
- Uruguay: There are no regulations on receiving cross border donations except that recipients must report when donations received exceed USD \$9,999. In-kind items—such as vaccines, medicines, farming equipment, and clothing—have some restrictions.
- Peru: No restrictions to approved entities.
- Bolivia: Prohibitive due to taxes on donations received. In one case, ambulances were brought into the country for emergencies but left at the airport site because the tax charge was much more than the value of the vehicles.

IV. Political Environment

To what extent is the political environment favorable for philanthropy?

To what extent are public policies and practices favorable for philanthropy?

- Except for Uruguay and Colombia, the political environment is not too favorable for philanthropy despite general freedom or ease in forming and operating POs.
- The political environment improved in Colombia following passage of a law in 2022, which allows a 12-month grace period for nonprofit entities (ESAL) to register with Chambers of Commerce, helping less developed communities and less educated people navigate the process.
- Two countries with notable declines in the political environment include Venezuela and Chile:
 - In Venezuela, the government continues to arrest, imprison, and torture PO staff. March 28, 2024, marked one thousand days since the arrest of Javier Tarazona, president of the NGO Fundaredes. On August 4, 2023, Venezuela's Offices of the International Red Cross were forcibly restructured. The Maduro government criminalized staff members of social development POs (e.g., three food and health-oriented POs - Alimenta La Solidaridad, Azul Positivo, and Acción Solidaria - have staff members either in prison or in exile).
 - Chile: Due to a nation-wide scandal known as "Caso Convenios" that occurred in June 2023 and which involved a few POs that received funding from regional governments, new controls were set in place. A commission provided a list of 130 recommendations for reform in the PO sector. This led to a dwindling of trust in POs.
- Generally, policies are more in favor of the government than POs.
- There was one exception, with Colombia passing Law 2294 in 2023, which allows government entities to directly contract with nonprofit entities with greater ease and equality.

V. Economic Environment

To what extent is the economic context favorable for philanthropy?

- As one might expect, the countries in the region with the highest economic activity fare well in this category. This includes Colombia, Uruguay, and Chile. One exception is Brazil.
- According to the Heritage Foundation's Index of Economic Freedom, Venezuela's 2023 economic freedom score was 28.1, ranking 174 out of 176 countries (the lowest score in the Americas and second lowest score in the world). Over 80% of the population is at poverty level and over 50% are experiencing extreme poverty. In Transparency International's Corruption Perception Index 2023, Venezuela ranked 177 out 180 countries and is considered one of the most corrupt countries in the world.
- El Salvador is the 102nd economy in the world by GDP volume.

VI. Socio-Cultural Environment

To what extent are socio-cultural values and practices favorable for philanthropy?

- This is the most interesting of all the categories, because, despite a common history of conquest and independence from Spain and Portugal, LATAM countries developed their NPO sectors uniquely, and with different cultural norms.
 - Colombia: Colombia's social and cultural fabric is deeply intertwined with a long-standing tradition of helping others. This spirit of solidarity dates back to the precolonial era, evident in common words like "neighbor," "partner," and "brother," and practices like "convite" (collective work) and "minga" (communal labor). Mink'a is a Quechua/Inca word.
 - Colombia has the highest level of volunteerism in the region, alongside Chile.
 - Venezuela: Venezuelans are likely to help one another survive, and the role of the Venezuelan diaspora in philanthropy appears significant, although research on diaspora philanthropy is lacking.
 - Mexico: Only 21% of Mexicans donate to CSOs, Mexicans make more donations in kind. Individual monetary support is, on average, 1,341 pesos, or about USD \$64.
 - Peru: In the *World Giving Index 2023*, Peru ranked 114 out of 142 countries. They are lower in donated money (13%), volunteerism (18%), and higher in helping a stranger (64%). Volunteerism is being taught now in Peru.
 - Brazil: Brazil does not have a well-developed culture of philanthropy. About 84% of Brazilians donate, but mostly goods. Only 36% of the population donate to POs, but it is more of an emotional donation than strategic and transformative donation. 75% of Brazilians feel they should donate anonymously or without publicly announcing their donations.

VII. Climate Change and Philanthropy

Please provide a brief summary of the role of philanthropy as it pertains to climate change.

- LATAM has many developing nations. As such, climate change awareness depends on the level of development of a country's infrastructure and communication. Larger or more developed countries have mixed implementation. For example, government support for environmental initiatives is inconsistent in Mexico. In Argentina, it is also a mixed bag. Environmental initiatives receive varying levels of support among different government levels or political parties. In poorer countries like El Salvador, Peru, and Bolivia, public ignorance or indifference reigns.
- Chile is an exception in the region, as Chile is highly vulnerable to climate change. POs are leading initiatives that engage POs and governments in common goals with other stakeholders.

VIII. Keywords Describing Philanthropy

- Mexico: Restricted, Setback, Centralized
- El Salvador: Non-visible, mercenary, risky
- Uruguay: Sustainability, Stability, Stagnation
- Argentina: Onerous, Discouraging, Politicized
- Colombia: Poverty, Inequality, Distrust
- Chile: Growth, Collaboration, Crisis
- Brazil: Challenging, Polarized, Evolving
- Peru: Economic Sustainability, Public Participation, Climate Change
- Bolivia: Threatened, Controlled, Government controlled