

Research on the Trends and Landscape of Human Rights Funding in Latin America

Compiled by IHRFG, October 2013

From *Christian Science Monitor* article dealing with general funding trends:

<http://www.csmonitor.com/World/Americas/2013/0722/Foreign-funding-dries-up-for-Latin-American-NGOs>

- Aid from foreign governments fund about 50 percent of Latin America's civil society. The rest is made up of money from international NGOs and private donors.
- International government contributions are drying up. Between 2005 and 2008, contributions to NGOs in Latin America grew an average of 37 percent. From 2008 to 2011, the donations grew just 3 percent, well below the average regional inflation of 6.1 percent for 2012.

Reasons for this:

- Financial crisis' impact on U.S. and Spain, two biggest international funders.
- Rethinking on the global scale about effectiveness of aid has led international agencies to narrow their scope and target issues and countries they consider most in need.
- Many Latin American nations are now considered middle-income countries (per capita gross national income between \$1,006 and \$12,275), though many areas continue to suffer.

"Counting on local private philanthropy is also complicated, analysts say, because it is nearly non-existent in Latin America. Michael Layton, director of a center that studies philanthropy and civil society at the Instituto Tecnológico Autónomo de México (ITAM) says that in Latin America there is a 'cultural resistance' to giving."

From *Chronicle of Philanthropy*:

"Home Grown Philanthropy in Latin America" (2008):

<http://philanthropy.com/blogs/giveandtake/home-grown-philanthropy-in-latin-america/9711>

- Economic stability is fueling the expansion of giving by individuals, particularly among the continent's richest people. Between 2004 and 2006, the fortunes of Latin America's wealthiest Individuals grew from \$3.7-trillion to \$5.1-trillion, an increase of 38 percent.
- Corporate philanthropy is on the rise. More businesses are developing large-scale philanthropic budgets. Attendance at the Inter-American Development Bank's annual conference for Latin American business leaders on topics of social engagement has tripled since 2002.

"Giving in Latin America Increases Despite Dearth of Tax Breaks" (2011):

<http://philanthropy.com/blogs/philanthropytoday/giving-in-latin-america-increases-despite-dearth-of-charitable-tax-breaks/42617>

- Latin American countries give little in the way of tax incentives to donate to charity. Argentina, Brazil, and Mexico offer donors deductions of 5 to 7 percent, compared to 50 percent in the United States.
- Social welfare is widely viewed in the region as the province of church and state rather than private individuals, and histories of corruption and tax evasion caused some governments to repeal tax breaks for giving.

- “The bigger incentive is to have a less unequal society,” said Samuel Azout, a Colombian retail mogul who now focuses on philanthropy several years ago. “In the long run, that’s better for our companies.”

From Atlantic Philanthropies’ report, “Human Rights and International Justice: Challenges and Opportunities at an Inflection Point” (2011):

http://www.atlanticphilanthropies.org/sites/default/files/uploads/HumanRightsandInternationalJustice_ChallengesandOpportunitiesatanInflectionPoint_0.pdf

“We uncovered few examples of indigenous philanthropy directed explicitly to human rights. Time and again we heard that local donors, whether in Latin America, Asia, Africa, or the Middle East, are not interested, willing, or do not feel safe to fund human rights programs. While more could be done to facilitate anonymous giving, international foundations that are building up local human rights NGOs in the hope that local donors will take over will likely be disappointed.”

Recommendations for funders:

- Strengthen local justice systems, particularly related to building a *pro bono* legal culture. *Pro bono* work is currently illegal in Brazil.
- Examine role of non-state actors in abuses
- Pay attention to rising regional powers (Brazil), and sub-regional leaders (anecdotally, Mexico and Argentina). Invest in NGOs to improve HR records, support think tanks.

From *International Journal for Non-Profit Law*, Volume 13, Issues 1-2, April 2011, “Legal Framework for Global Philanthropy: Barriers and Opportunities”:

http://www.icnl.org/research/journal/vol13iss1/special_1.htm

Relevant facts about Latin America that do not necessarily constitute ‘regional trends’

- In Brazil, the number of private foundations increased 300% in twenty years; by 2008, Brazilian foundations gave away more than \$5.5 billion.
- The growth of philanthropy has corresponded with a rise of private wealth in Brazil, India, Russia, China, and other countries. Revealingly, 16 of the top 50 billionaires in March 2010 are from India (6), Russia (4), China (3), Brazil (2) and Mexico (1).
- In Argentina, the law permits the termination of an NGO when it is “necessary” or “in the best interests of the public.” In Paraguay, the Civil Code grants broad discretion to dissolve and liquidate foundations in cases where the objectives of the organization become impossible, or where the organization’s activities would (negatively) impact the public interest.
- One complex issue impeding cross-border giving is the desire of many governments to control the flow of all foreign funding into their respective countries – and to ensure that the foreign funding is used solely to finance governmental priorities. In Bolivia and Nicaragua, governments have justified mandatory coordination of foreign financial flows and civil society activity through reliance on the Paris Declaration on Aid Effectiveness and the Accra Agenda for Action.

- In Bolivia, Supreme Decree No. 29308 bans foreign assistance that carries “implied political or ideological conditions.” Without defining these terms, the law leaves enforcement of the restrictions to the full discretion of the state.
- In Venezuela, foreign exchange controls have been in place since 2003. Only transactions through the Central Bank of Venezuela can be approved, and the exchange rate is 4.3 Venezuelan Bolivars (VEB) to 1 USD, when the actual rate is close to 8 VEB to the dollar. Anyone caught using outside channels is fined.

From ICNL’s “NGO Law Monitor: Mexico” (2013): <http://www.icnl.org/research/monitor/mexico.pdf>

- No restrictions on foreign funding; 1994 Mexico-U.S. Tax Treaty encourages cross-border donations to Mexican organizations by allowing these to be deducted from individual and corporate taxable income.

From *Alliance*:

“Mixed record for Latin American governments on NGO relations” (2011):

<http://www.alliancemagazine.org/en/content/mixed-record-latin-american-governments-ngo-relations>

- Brazil and Chile have fair systems for registration and operation of NGOs and online access to information, and NGOs can register in less than six months. Their operations are free from intrusive government control and the government itself has an effective system in place for providing them with tax exemptions. Argentina, Mexico and El Salvador also scored relatively well.
- Cuba was by far the worst, with Venezuela, Honduras, Ecuador and Nicaragua also not showing well. Even when Cuban law allows for the registration of a civil society organization, its freedom to operate is severely limited, says Ponce, while in Venezuela the 2010 Law on Political Sovereignty curtails the ability of human rights and democracy organizations to associate, assemble and speak on issues of public importance.

From IHRFG’s *Advancing Human Rights: The State of Global Foundation Grantmaking* (2013):

Funding for Women’s and Girls’ Rights in Latin America, 2010:

Total Number of Foundations	55
Total Grant Dollars	\$30.2 Million
Total Recipients	411

Issue focus:

Sexual and Reproductive Rights	56%
Individual Integrity, Liberty, and Security	23%
Other Rights	9%
Human Rights—General	7%
Freedom from Violence	5%

Top Funders:

Susan Thompson Buffett Foundation	\$9.7 Million
Ford Foundation	\$5.8 Million
Sigrid Rausing Trust	\$1.8 Million
American Jewish World Service-Donor Advised Funds	\$1.3 Million
Global Fund for Women	\$1.2 Million

Country Specific Data, Women's Rights 2009-2010

From Knowledge Tools Map:

The general funding landscape in Latin America

Argentina:

- Total amount: \$12,092,036
- 11 grantmakers, 32 recipients, 46 grants
- Biggest funder: Ford Foundation, \$725,000 (5 Grants)
- Most grants: Global Fund for Women, 15 Grants (\$237,900)

Mexico:

- Total amount: \$75,529,448
- 54 grantmakers, 73 recipients, 176 grants
- Biggest funder: Susan Thompson Buffett Foundation, \$7,363,219 (5 Grants)
- Most grants: Ford Foundation, 29 Grants (\$5,036,300)

Colombia:

- Total amount: \$35,338,599
- 19 grantmakers, 43 recipients, 72 grants
- Biggest funder: Susan Thompson Buffett Foundation, \$11,762,119 (2 Grants)
- Most grants: Fondo Lunaria Mujer, 15 Grants (\$48,510)

Brazil:

- Total amount: \$83,816,709
- 32 grantmakers, 313 recipients, 527 grants
- Biggest funder: Ford Foundation, \$35,132,673 (157 grants)
- Most grants: Ford Foundation, 157 grants (\$35,132,673)

Peru:

- Total amount: \$21,699,935
- 34 grantmakers, 145 recipients, 342 grants

- Biggest funder: Ford Foundation, \$7,437,800 (34 grants)
- Most grants: Disability Rights Fund, 47 grants (\$806,330)