



**LILLY FAMILY
SCHOOL OF PHILANTHROPY**
INDIANA UNIVERSITY

The 2025 Global Philanthropy Environment Index Ukraine

Expert¹: Eugenia Mazurenko²

Edited by the Indiana University Lilly Family School of Philanthropy

OVERVIEW

The philanthropic landscape in Ukraine significantly transformed between 2021 and 2023, because of the ongoing full-scale war. This period has brought both unprecedented challenges and new opportunities for philanthropic organizations (POs) as they adapt to the country's evolving needs. The nonprofit sector has gained increased visibility and recognition from both the government and society, as it plays a pivotal role in providing critical support to the country during these challenging times. POs have emerged as essential partners in addressing humanitarian needs, coordinating aid, and contributing to the nation's resilience. Their contributions have become indispensable in supporting both the war effort and the well-being of affected populations.

PHILANTHROPIC ENVIRONMENT SCORES

Year	Ease of Operating a PO	Tax Incentives	Cross-border philanthropic flows	Political environment	Economic environment	Socio-cultural environment	Overall score
2025 GPEI	4.50	3.50	3.75	3.50	2.00	4.00	3.54
2022 GPEI	4.73	3.95	4.05	3.85	2.40	3.70	3.78
2018 GPEI	4.57	3.85	3.90	3.85	N/A	3.70	3.97

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)

The three indicator questions in this section pertain to the laws and regulations governing philanthropic organizations (POs). The scoring questions for this category cover three aspects of regulations: (A) formation and registration; (B) operations; and (C) dissolution.

¹ Authors of the 2025 GPEI report are providing updated narratives and scores to the 2022 GPEI report.

² Philanthropy in Ukraine

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

Score: 4.5

Ukraine's legal framework continues to support the relatively easy formation and registration of philanthropic organizations (POs). Laws upholding the freedom of association remain intact, and the process is generally accessible. Since the full-scale war began in 2022, registration of new POs has surged, with over 20,000 new POs registered in 2022 alone, marking a 12-fold increase (comparing 2022 registrations with 2021 registrations). These organizations, focusing primarily on humanitarian relief and defense, have become vital lifelines during the war. While some processes have slowed due to wartime disruptions, the government has made efforts to streamline the registration process, particularly for organizations involved in emergency response, maintaining a favorable environment for nonprofit formation.

The war has catalyzed the rapid formation of new organizations, especially in the humanitarian sector, as civil society stepped in to fill the gaps left by the overstretched government. Ukraine's entry into the top 10 countries with the fastest-growing charitable sectors in 2022 is a testament to this trend (Charities Aid Foundations' World Giving Index). However, challenges remain in the form of a lack of verification mechanisms and standards for transparency and accountability, which could improve trust in the sector. Despite this, the flexibility in registration during emergencies has been a positive development, allowing more grassroots and volunteer groups to formalize their operations effectively.

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

Score: 4.0

Philanthropic organizations in Ukraine generally operate with limited interference from the state, though the burden of regulatory compliance has increased as organizations deal with a higher volume of donations, particularly from abroad. Wartime bureaucracy has posed challenges, especially in terms of reporting and transparency requirements, which can be difficult for smaller organizations to navigate. Despite these challenges, the government has largely allowed organizations to function autonomously, understanding their critical role in delivering aid and services during the war.

There has been a marked increase in the operational scope of POs due to the war. Organizations have expanded their activities to include emergency relief, housing, psychological support, and reconstruction. However, while operational freedom is maintained, the bureaucratic burden has grown, particularly in terms of donor reporting and compliance.

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

Score: 5

The dissolution of philanthropic organizations is governed by clear legal guidelines in Ukraine. Organizations can voluntarily dissolve if they choose, and involuntary dissolution typically occurs only in cases of significant legal or operational violations, subject to judicial oversight. There have been no notable changes in this regard between 2021 and 2023, and the process remains clear and fair, ensuring organizations have protection from arbitrary dissolution.

II. Domestic Tax and Fiscal Issues

The two questions in this section pertain to laws and regulations governing the fiscal constraints of giving and receiving donations domestically.

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

Score: 3.0

Ukraine provides some tax incentives for both individual and corporate donors (4 percent), though they are somewhat limited. These tax benefits remain underutilized, with many potential donors either unaware of them or deterred by the complex processes involved in claiming deductions. Despite the war, there have been no significant reforms to enhance tax incentives for donations. While donations have increased dramatically during the full scale war, they were largely driven by the urgency of the situation rather than tax incentives. This still remains a missed opportunity to increase domestic philanthropy and encourage long-term giving.

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

Score: 4.0

Philanthropic organizations in Ukraine are eligible for tax-exempt status, which remains largely unchanged between 2021 and 2023. However, obtaining and maintaining tax exemptions is a bureaucratic challenge, as during the war, many organizations struggled to manage the increased influx of unexpected funds and humanitarian aid distribution. The tax-exempt status is beneficial, but more clarity and support are needed to help organizations navigate the fiscal landscape effectively. Nevertheless, the core tax exemptions remain in place and accessible.

III. Cross-Border Philanthropic Flows

The two questions in this section concern laws and regulations governing the fiscal constraints of giving and receiving cross-border donations. The scoring for these questions pertains to the donor and receiving entities.

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

Score: 3.0

When the war began, there was a notable shift in empathy within Ukrainian society, with a growing recognition of the importance of supporting individuals affected by crises abroad, whether due to natural disasters or conflicts. This heightened sense of global solidarity has increased the desire to contribute to international causes, reflecting the broader support Ukraine has received from the global community.

However, in terms of cross-border donations, Ukrainians face limitations due to financial regulations. The National Bank of Ukraine has imposed a cap on international transfers, allowing up to UAH 100,000 per month (approximately EUR 2,200) for personal spending abroad. While the willingness to assist those impacted by crises outside Ukraine has grown, these regulatory constraints have restricted the ability to make larger philanthropic contributions to international

causes. Therefore, while cross-border donations are possible, they are limited by these financial caps, impacting the scale of support Ukrainians can provide to global humanitarian efforts.

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

Score: 4.5

The war has seen a significant rise in cross-border donations, but the legal framework has not been adapted sufficiently to streamline this process. Many international donations are delayed by customs or tax-related complications, adding unnecessary obstacles to timely aid delivery. Sending cross-border donations to Ukraine remains a relatively straightforward process, but there are still delays on behalf of the bank side, such as needing proof of documents for significant amounts of funds. There are also restrictions on the types of activities that can be funded through international donations, particularly regarding defense-related efforts. On the Ukrainian side, sending donations from abroad to Ukraine is complex due to strict government limitations on foreign payments, further complicating the process.

The ability to receive cross-border donations has been and still is critical to Ukraine's survival during the war. While challenges exist, especially for smaller organizations, the overall process has functioned well given the circumstances. The government has made efforts to accommodate the surge in foreign aid, though bureaucratic hurdles remain. While reporting requirements for receiving foreign funds have increased, they have not significantly hindered the flow of aid, making Ukraine one of the most open countries in the region to cross-border philanthropy.

The banking infrastructure has adapted to the surge in foreign donations, proving essential in processing significant amounts of aid with relatively few disruptions. The banking system has effectively handled the influx of foreign donations, although the process remains complicated due to bureaucratic demands from banks, such as document translations and agreement verification, which consume time and resources for organizations. Additionally, tools like PayPal are available though only for personal use and not officially for POs, and Facebook's fundraising tool is not accessible to organizations in Ukraine.

IV. Political Environment

The four indicator questions in the next three sections concern the political context, economic conditions, and socio-cultural characteristics that influence the environment for philanthropy.

Question Eight: To what extent is the political environment favorable for philanthropy?

Score: 4.0

The political environment in Ukraine has become increasingly favorable for philanthropy since the war began. POs have emerged as essential partners in the war effort, and collaboration between the government and POs has strengthened significantly. Government structures try to work closely with POs and grassroots organizations, demonstrating a deeper understanding of the importance of this cooperation. This collaboration has become crucial for both the immediate humanitarian response and long-term recovery efforts.

However, challenges remain, particularly around transparency and accountability in managing both local and international aid. While political instability due to the war adds a layer of

unpredictability for POs, the government-PO partnerships have become more recognized as a vital part of the country's resilience and recovery. Donors also play a significant role in shaping these partnerships, often setting conditions for both sides to ensure effective cooperation and accountability. Despite progress, bureaucratic inefficiencies continue to pose challenges, and there is an ongoing need for greater transparency in these collaborations.

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

Score: 3.0

While Ukraine's government has worked closely with civil society organizations during the war, there is still no comprehensive national policy framework supporting philanthropy. Access to resources for POs has improved during the wartime, particularly in terms of international aid, but local organizations often struggle to secure consistent support from the government

V. Economic Environment

Question Ten: To what extent is the economic context favorable for philanthropy?

Score: 2.0

The economic environment in Ukraine has been severely damaged by the war, making it difficult for many organizations to sustain their activities. High inflation, currency devaluation, migration, lack of human resources, and economic instability have reduced the capacity of ordinary Ukrainians who were the main philanthropists before the full-scale war, and corporations or businesses to donate. Many organizations are now almost entirely dependent on international funding.

VI. Socio-Cultural Environment

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

Score: 4.0

The war has strengthened unity and solidarity within Ukraine, leading to a significant increase in public participation in philanthropy, with individual donations increasing from 57 percent before war to 73 percent during the war. Trust in POs has grown considerably, as they have taken on critical roles in providing humanitarian aid. A strong sense of responsibility, personal involvement, and a shared goal of victory have motivated many to contribute and support fundraising efforts, particularly for military aid and volunteer initiatives.

At the same time, there has been a rising demand for accountability from society, with donors and society at large expecting greater transparency in how funds are used. In response, POs are working to improve their accountability mechanisms, though capacity challenges still exist in meeting these heightened expectations. Although people increasingly understand the importance of donating, the war's economic impact has significantly affected their capacity to give.

ADDITIONAL INFORMATION

The role of civil society has been elevated during the war, with POs becoming central actors in providing humanitarian aid, medical support, and reconstruction services. Public trust in civil society organizations has grown significantly after the beginning of the full-scale invasion, as Ukrainians increasingly look to these organizations to provide critical services that the government cannot fully address. POs have also expanded their collaboration with international organizations and the private sector, further solidifying their importance in Ukraine's recovery efforts.

The war in Ukraine sparked an extraordinary wave of both domestic and international giving. Ukrainian citizens, businesses, and international donors rallied to support humanitarian efforts, defense initiatives, and post-war reconstruction. Emergency aid became a focal point of philanthropic activity, with civil society organizations playing a critical role in distributing resources to affected populations. According to the study, "Charitable Giving as Viewed by Ukrainians in 2021," the main philanthropists before the full-scale war were ordinary Ukrainian citizens. During 2022–2024, Ukrainians shifted focus to the country's protection and military support, which means that international support focuses on humanitarian aid and rebuilding.

The ongoing war has led to an increase in philanthropic activities, but donors are primarily motivated by the urgency of the situation rather than the relatively weak tax incentives provided by the government. The lack of comprehensive tax incentives continues to act as a barrier to growing domestic philanthropy. Much of the financial support has come from international sources, with local donors contributing less due to economic crises, complex tax systems, and a lack of incentives.

Following the invasion, cross-border giving surged as international partners, including governments, POs, private companies, and the Ukrainian diaspora, contributed millions in aid to Ukraine. However, the distribution of this aid has sometimes been delayed due to bureaucratic hurdles on the donor side and challenges related to customs clearance, particularly for military vehicles and humanitarian aid imports. While the Ukrainian government and civil society organizations have welcomed increased collaboration with foreign donors, the administrative processes for cross-border donations remain complex. Customs delays continue to create bottlenecks, slowing the timely delivery of aid.

In addition to local bureaucratic challenges, the aid process is further complicated by donor-side bureaucracy, including stringent due diligence requirements. Many grassroots organizations in Ukraine struggle to meet these strict criteria, which can result in delays or difficulties in securing funds. This combination of local and international administrative barriers has impacted the effectiveness of aid delivery during a critical time for the country.

The war fundamentally changed the way philanthropic funds are raised, with digital platforms playing a leading role. Online fundraising through platforms like United24 (a digital platform and PO, registered in the United States as a 501(c)(3) organization by the Embassy of Ukraine and launched by the President of Ukraine Volodymyr Zelenskyy as the main venue for collecting charitable donations in support of Ukraine, which has collected USD 739 million), became central to global efforts, raising millions in short timeframes. The easy way for Ukrainians to donate via Banka (Cup) through Monobank to easily donate to crowdfunding campaigns, supporting causes in just a few clicks. With customizable campaigns and the ability to collect funds in three currencies (UAH, USD, and EUR), donors can quickly contribute without needing to set a final goal, making the process fast and flexible.

Social media and crowdfunding democratized giving, allowing individuals from all over the world to contribute to Ukraine's war efforts. These digital tools have been particularly popular among younger generations, who are more likely to engage in charitable activities through online platforms than through traditional means. More than 80 percent of donations in Ukraine during the war have been made through online platforms as of 2022.

The war has profoundly influenced the giving culture in Ukraine, both for citizens and businesses. For individuals, supporting military efforts and urgent humanitarian needs became instinctive, driven by a shared sense of responsibility. Ukrainian businesses, in particular, have embraced philanthropy, not just as a strategic CSR initiative but also to demonstrate to employees that they are responsible and committed to societal welfare. In this new environment, the focus has shifted from how much one donates to ensuring donations are directed to impactful causes, reinforcing the critical role of both citizens and businesses in Ukraine's collective resilience. The war prompted a significant rise in corporate philanthropy, with Ukrainian and international companies, particularly in the technology and banking sectors, redirecting their CSR budgets toward humanitarian relief and reconstruction.

The rapid escalation of wartime needs forced many organizations to scale up their operations, often with limited resources, highlighting the need for stronger infrastructure, financial management, and strategic planning. While international partners have provided capacity-building support, long-term sustainability remains a concern. Additionally, the involvement of professionals from the business sector in the PO sector has increased the professionalism of aid delivery and management, further enhancing the effectiveness of Ukraine's philanthropic response.

REFERENCES

- Cabinet of Ministers of Ukraine. (2015). *On approval of the procedure for public collection of charitable donations to ensure combat, mobilization readiness, combat capability and functioning of the Armed Forces of Ukraine*. Retrieved from <https://zakon.rada.gov.ua/laws/show/451-2015-%D0%BF#n8>
- Council Legislation of Ukraine. (2013). *About charitable activities and charitable organizations*. Retrieved from <https://zakon.rada.gov.ua/laws/show/5073-17#Text>
- Kyiv International Institute of Sociology. (2024). *Civil society in Ukraine in the context of war: Report on a comprehensive sociological research*. Retrieved from [https://ednannia.ua/images/Procurements/Civil Society in Ukraine in the Context of War Report on a Comprehensive Sociological Research.pdf](https://ednannia.ua/images/Procurements/Civil_Society_in_Ukraine_in_the_Context_of_War_Report_on_a_Comprehensive_Sociological_Research.pdf)
- Rudnytska, R. (2024). *Success or failure of CSO and networks/coalitions*. Retrieved from https://ednannia.ua/attachments/article/12725!/Doslid_OGS_A4-EN.pdf
- Zagoriy Foundation. (2021). *Charitable giving as viewed by Ukrainians in 2021*. Retrieved from <https://zagoriy.foundation/en/publications/charitable-giving-as-viewed-by-ukrainians-in-2021/>
- Zagoriy Foundation. (2022). *Charity in times of war: A quantitative study*. Retrieved from <https://zagoriy.foundation/en/publications/charity-in-times-of-war-a-quantitative-study/>