

National Research Report: Community Foundations in Bosnia & Herzegovina



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Executive Summary

This study examines the journey of community foundations (CFs) in Bosnia and Herzegovina (B&H), institutions that are quietly carving out islands of trust and continuity in one of Europe’s most fragmented civic spaces. Built on desk research, semi-structured interviews with CF leaders and a representative of the Trag Foundation, and grounded in case studies, the analysis uses the 4Cs framework (Capacities, Capabilities, Credibility, and Connections) to explore both the strains and the promise of the field. The story unfolds against a difficult backdrop: regulatory fragmentation, the chilling effect of Republika Srpska’s 2025 “foreign agent” law, and the sudden suspension of USAID funding that forced many civil society organizations to close projects or release staff. In this churn, community foundations appear as steady anchors precisely because they are local, transparent, and rooted in participation.

The background reveals why this matters. The violent dissolution of Yugoslavia and the 1992–1995 war devastated institutions but also sparked grassroots groups that kept communities alive with food, education, and shelter. The post-Dayton period saw an explosion of NGOs, many clustered in Sarajevo, Banja Luka, and Mostar, largely dependent on international donors. By the 2010s, civil society began localizing, but structural fragilities such as fragmentation, donor dependence and uneven regulation remained. The shocks of 2025 only magnified these weaknesses: USAID’s retreat left critical gaps in media and civic life, while new legal restrictions narrowed civic space.

Philanthropy, however, has proven remarkably adaptive. Despite being governed by 46 separate laws, giving traditions persisted. Corporations contributed the largest sums, citizens gave most frequently, and humanitarian causes remained at the forefront. It is in this context that CFs stand out. Tuzla Community Foundation, founded in 2003, has become a pioneer of participatory grantmaking and digital transparency. More recently, community foundations in Sarajevo, Zenica, and Bijeljina, seeded by Trag Foundation’s Our Local Foundation – Community Has a Say! initiative with Porticus support, have transformed volunteer enthusiasm into recognized institutions of trust. Their story illustrates how grassroots energy can be institutionalized without losing authenticity.

The findings capture a sector that is both fragile and inventive. CF capacities are stretched: staff are few, core costs vulnerable, and dependence on external grants still strong. Yet these foundations have found creative ways to raise money, from sold-out fundraising evenings to donor-advised funds and transparent online giving platforms. Their capabilities in governance and participatory grantmaking are advancing, but the

skills needed for EU fundraising, professional communications, and digital infrastructure remain underdeveloped. Credibility, though, is their strongest asset. It is earned not through rhetoric but through transparency and leaders whose authenticity convinces neighbors that their money will be used well. Connections, too, are growing: personal and grassroots ties are vibrant, and peer learning among CFs, first nurtured by Trag and now increasingly self-sustaining, is building the sense of a wider movement. Tuzla's long game shows how decades of trust can be compounded, while Bijeljina's fast rise demonstrates how enthusiasm can quickly mobilize a city, though without institutional stamina, the risk of burnout is real.

The recommendations are therefore clear. Boards must evolve from symbolic guardianship into engines of fundraising and strategy. Modest but dedicated investments in staff for fundraising, communications, and grant management can protect fragile institutional memory. Funding streams must be diversified through donor-advised funds, long-term corporate partnerships, eventual endowments, and entry into EU and regional programs. Communications and digital tools should be sharpened to tell compelling stories of impact and counter misinformation. Above all, support organizations like Trag and long-term donors must resist the lure of short project cycles and instead commit to the slow, patient work of incubation, consolidation, and network-building when the time is right.

In conclusion, Bosnia's community foundations have already shown what trust plus transparency can unlock: neighbors pooling resources, rapid responses to crises, and visible, local legitimacy. The next test is sustainability. If boards embrace resource mobilization, if teams are resourced to execute, if donors stay for the long haul, CFs can transform credibility into scaled impact. The prize is larger than any single program: a participatory philanthropic culture born from within, capable of stabilizing civic life and shaping fairer, more responsive communities across Bosnia and Herzegovina.

1. Introduction

This research was undertaken to better understand the state of community foundations (CFs) in Bosnia and Herzegovina (B&H), where civic actors face a uniquely fragmented and fragile environment. Bosnia's civil society operates under 46 separate laws regulating the philanthropy sector, while the 2025 "foreign agent" law in Republika Srpska has introduced new restrictions on CSOs and media. At the same time, the sudden withdrawal of USAID support dealt a heavy blow, forcing many organizations to suspend projects or cut staff. In this difficult environment, CFs are emerging as a rare source of trust and continuity, rooted in their communities and resilient to donor volatility.

Bosnia and Herzegovina combines a long-standing pioneer, Tuzla Community Foundation (est. 2003), with newly created foundations in Zenica, Sarajevo, and Bijeljina, whose establishment was supported by the Trag Foundation through the "Our Local Foundation – Community Has a Say!" program. This mix of maturity and promise offers valuable lessons about how institutional traditions and grassroots enthusiasm interact in building the field.

The study, guided by the 4C framework, draws on interviews with CF leaders and representatives of the Trag Foundation, as well as desk research and case studies. It highlights both the

systemic vulnerabilities of CFs such as financial precarity, staffing gaps, and limited digital infrastructure and their distinctive strengths, above all their credibility and grassroots legitimacy. Importantly, it also explores how innovative community fundraising is beginning to shape the sector, offering new opportunities for sustainability.

The research does not assume a single trajectory for the movement. CFs must first consolidate their institutions before collectively deciding whether to build a formal network or pursue other forms of cooperation. Because incubating and consolidating foundations is a long-term commitment, the support architecture needs donor horizons that extend beyond the usual 4-year project cycle. Such support would allow resources to be dedicated to exploring a national network without jeopardizing local resource mobilization and grantmaking. Here too, Trag's role is clear: while its immediate priority is consolidation and movement-building, it remains open and prepared to accompany new CFs when favorable circumstances align, ensuring any growth is organic, context-aware, and sustainable. By situating CFs within Bosnia's broader civil society, the study shows how they are not only filling gaps left by the state and international donors but also modeling a deliberately participatory form of philanthropy. In short, consolidation remains the

priority, and longer-term donor commitments help the CFs to choose whether and when to formalize a movement or expand the field.

2. Methodology

This study combined desk research, semi-structured interviews, and case studies to capture the realities of community foundation (CF) development in Bosnia and Herzegovina. Interviews were conducted with a board member, an executive director, a program coordinator, and a representative of the Trag Foundation, providing both insider perspectives and external support insights. By including Tuzla Community Foundation, the country's pioneer, and newly established CFs from the Our Local Foundation – Community Has a Say! program, the research reflects both maturity and emergence within the field. Analysis followed the 4Cs framework (Capacities, Capabilities, Credibility, and Connections), enabling comparison while remaining grounded in Bosnia's unique socio-political context. Ethical protocols ensured confidentiality, and findings were triangulated across sources to enhance reliability. The approach was action-oriented, engaging participants as co-creators of knowledge to strengthen the sector and inform its future direction.

3. The State of Play for Community Foundation Development in B&H

The trajectory of civil society in B&H is closely tied to the country's turbulent political history. The violent dissolution of Yugoslavia (1992-1995) and the Bosnian war devastated institutions and fractured society. Amid the conflict, grassroots groups emerged to provide food, medical aid, and education in besieged communities. These early efforts laid the groundwork for a post-war NGO sector. After the Dayton Peace Agreement (1995), international donors poured resources into rebuilding civil society, both as a service provider to meet urgent needs and as a counterweight to nationalist politics. By the late 1990s and 2000s, thousands of CSOs were registered, though many remained donor-dependent and concentrated in urban centres like Sarajevo, Banja Luka, and Mostar (Ministry of Justice B&H, CPCD, 2024).

Since the 2010s, as international attention shifted elsewhere, B&H's civil society has evolved from being primarily donor-driven to becoming more locally rooted. However, structural weaknesses inherited from the post-Dayton era such as political fragmentation, donor dependency, and weak institutional frameworks, continue to shape today's civic landscape (CPCD, 2024; CIVICUS, 2024).

Civil society in B&H remains diverse. Local CSOs, community groups, human-rights defenders, media outlets,

and youth movements are active on issues that range from transitional justice and anti-corruption to social inclusion and LGBTQ+ rights. These groups have played visible roles in mobilising public protest and in providing services where public institutions have struggled.

However, the operational environment is significantly narrowed by funding volatility. In early 2025, the sudden suspension of USAID funding, forced many independent media outlets and CSOs to pause operations (Balcanicaucaso, 2025; Media.ba, 2025; Balkan CSD Network, 2025). At the same time, Republika Srpska enacted in February 2025 a "foreign agent" law requiring CSOs and media receiving foreign funding to register with a special registry, severely restricting fundamental freedoms (CPJ, 2025; Article 19/CIVICUS lens, 2025; Council of Europe/Human Rights Commissioner, 2025). These dynamics have amplified interest in building local giving structures, especially community foundations, as a means to foster domestic philanthropy, reduce dependency on volatile foreign funding, and strengthen grassroots resource mobilisation.

Philanthropy in Bosnia and Herzegovina represents a fragmented and complex field, governed by 46 separate laws (Mozaik Foundation et

al., 2021). Giving trends have shown both volatility and adaptability. It operates within a challenging socioeconomic context but demonstrates resilience, maintaining a largely humanitarian orientation (Network for Building Peace, 2023). Donations have largely targeted marginalized groups, healthcare, education, and poverty alleviation, with corporations contributing the largest financial amounts and citizens donating most frequently (Catalyst Balkans, 2022).

Civil society organizations in B&H recognize the importance of philanthropy for sustainability, but their reliance on international donors and public funding continues to pose risks. Efforts to enhance credibility and transparency in the philanthropic sector are ongoing. These efforts are significantly amplified by community foundations, primarily Tuzla Community Foundation that was established in 2003. Since its establishment, the Foundation has played a key role in supporting local initiatives, fostering citizen participation, and promoting sustainable community development across Tuzla and the wider region.

Building on the example set by Tuzla and recognizing the need for stronger, more sustainable community-based philanthropy, innovative approaches such as the “Our Local Foundation - Community Has a Say!” initiative,

implemented by the Trag Foundation with support from the Porticus Foundation, have gained ground. This initiative helped to seed and strengthen new community foundations in Zenica, Sarajevo, and Bijeljina, which have since pioneered inclusive models of local philanthropy that prioritize community-defined needs, promote transparency, and mobilize diverse funding from citizens, businesses, and diaspora (Trag Foundation, 2024).

This program was launched in 2021, reaching over one million inhabitants across Bosnia and Herzegovina. The program generated considerable interest, resulting in 60 applications from 41 communities, from which five initiative groups were selected to participate (Sarajevo, Bijeljina, Zenica, and the Birač and Borja regions). Following their selection, Trag Foundation maintained sustained engagement with the initiative groups, providing continuous capacity-building support and accompaniment across key domains, including communications and outreach, grantmaking, and fundraising, while also serving as their fiscal agent.

By the end of the program, three initiative groups (Bijeljina, Zenica, and Sarajevo) achieved the goals and registered as independent legal entities. They had collectively raised over €40,629.26 from citizens, companies, and local governments, with Trag contributing €29,944.39 in matching

funds. Funds are directed to small community initiatives in areas such as public spaces, arts and culture, education, local development, human rights, environmental protection, and animal rights. To date, they received a total of 326 project proposals and supported 64 community-based initiatives (Trag Foundation, 2025). This demonstrates how programs like Community Has a Say! can enable the emergence of CFs and shows that locally driven philanthropy can serve as a foundation for trust, resilience, and systemic change, provided that stakeholders invest in strategic fundraising, advocacy, and partnerships.

4. Key Findings

The analysis of community foundations (CFs) in Bosnia and Herzegovina is structured through the 4Cs framework: Capacities, Capabilities, Credibility, and Connections. This approach highlights not only the internal strengths and gaps of CFs but also their role in shaping the broader civic ecosystem.

Findings show a sector that is simultaneously fragile and innovative. Capacities remain under pressure, with staffing and funding vulnerabilities, yet CFs have succeeded in diversifying local fundraising and mobilizing trust. Capabilities are advancing, particularly in governance and community engagement, though digital tools and strategic fundraising remain underdeveloped. Credibility is the strongest asset, rooted in transparency and visible results, even in a polarized environment. Connections are vibrant at the grassroots level, though access to larger corporate and institutional partners is still limited.

Together, these findings suggest that while CFs face persistent challenges, they also represent one of the most trusted and promising parts of Bosnia's civic landscape.

4.1 Capacity Under Pressure

Community foundations in Bosnia and Herzegovina have become vital vehicles for strengthening local philanthropy, anchoring civil society, and creating

spaces where citizens can invest collectively in their own communities. Their growth, however, has been neither linear nor easy. To better understand both the strengths and constraints of these institutions, insights were gathered from four perspectives: a board member, an executive director, a program manager, and a representative of the Trag Foundation.

One of the recurring themes in these conversations is governance. At the heart of every community foundation lies its board, which is formally tasked with oversight but, in practice, carries responsibilities that stretch far beyond management. Boards often serve as engines of fundraising, legitimacy, and volunteer engagement. As one board chair described it, *“The founders are still the most active, because we see the foundation as ‘our thing’. New members are more passive, but they step in when needed... The hardest part is that initial step... deciding to act. Once we have a plan, everyone joins in.”*

Funding paints a similarly complex picture. Community foundations in B&H rely on a combination of international donor support, local fundraising, and in-kind contributions. As a program manager emphasized, *“Bilateral donors and the community remain important, but local fundraising is still a smaller portion of the budget.”* The

withdrawal of USAID funding was felt particularly strongly. One executive director explained, *“Directly, we were hit because we had one project funded by USAID. We relied on that to cover basic costs. Luckily, we didn’t have to fire people. But we did lose part of our planned budget.”*

Despite such setbacks, local contributions continue to play an important role. These include donations from socially responsible companies, individual givers, and occasional municipal support. For many CFs, non-financial resources are just as valuable as financial ones. A CF leader highlighted the importance of free office space: *“We use the premises for free, and that is much more valuable than getting 1,000 or 5,000 BAM[1] annually. It means we have a recognizable place, a door people can knock on.”*

Alongside these resources, fundraising approaches have become increasingly diverse. Events in particular have proven to be effective cornerstones, consistently attracting more interest than capacity allowed. *“There was always demand for more tickets, but we lacked the capacity to host more than 130 people,”* one director recalled. *“I am sure that if we could, we would have filled 250 seats.”*

Innovation has also taken root. Some CFs experimented with private donor-advised funds, initiated either by

business owners in their personal capacity or by groups of citizens pooling resources. Campaigns addressing urgent social issues such as health, vulnerable groups, children, elderly care, that proved especially successful. *“Fundraising for social causes works best,”* one program manager reflected, *“because people recognize the urgency and necessity.”* Underlying these efforts is one indispensable ingredient: trust. As one director insisted, *“Trust is definitely the most important. People donate because they believe the money will be used well.”*

Technology, though still in its initial stages, is beginning to reinforce this trust. Online platforms that publicly display donor names and contributions have improved transparency. *“Every donor can see their donation online. That visibility strengthens confidence,”* explained one CF representative. But here, too, limitations remain: local fundraising alone cannot sustain operations, especially staff salaries and institutional costs. Without international partners, many foundations would face existential threats.

This financial precarity is mirrored in human capacity. Several respondents acknowledged that staffing levels are stretched thin. *“We are five people, and that is just enough to meet community expectations,”* said one executive director. Another was more blunt: *“This*

[1] Approximately 500-2,500 EUR

year has been perhaps the hardest yet. We lost staff and had to reduce salaries. Last year we were in a much stronger position, and now we are in a very difficult place.” When staffing is unstable, knowledge, relationships and trust, assets built over years, are at risk of being lost.

Community foundations show remarkable resilience, even in the face of crisis. *“During the floods we raised money quickly and helped people immediately,”* one director recalled. *“During the pandemic, we supplied emergency and health services. We showed that a foundation can act fast in a crisis.”* Such adaptability demonstrates their potential as local safety nets when international donors retreat, and underlines why their continued development is so critical for the civic fabric of Bosnia and Herzegovina.

Recognizing the challenges, the Trag Foundation has played a unique role as an incubator and long-term partner to community foundations in Bosnia and Herzegovina. Their philosophy rests on accompaniment rather than short-term intervention. *“Trag does not just provide capacity building once, but remains present for years.... mentoring, advising, and attending events,”* a representative explained. Importantly, Trag also sees CFs as sources of knowledge in their own right: *“It’s not only us. Foundations support each other, exchange experience, and learn peer-to-peer.”*

Going forward, the road to sustainability requires both internal and external change. Boards need to take on clearer fundraising responsibilities, moving from passive support to proactive leadership. CFs must invest in dedicated staff for resource development, however modest at first, to avoid reliance on ad hoc efforts.

Diversification is critical. Accessing EU funding streams, developing endowments, and experimenting with social enterprise models can reduce dependence on a single source of funding. Equally, CFs must continue to reframe philanthropy in B&H by telling stories that show giving is not only about emergency relief but about shaping the future of local communities. Peer-to-peer learning will remain an asset. The ability of CFs to share experiences, campaigns, and even donors across regions could build resilience. Finally, building financial reserves, however small, would help cushion shocks like the sudden exit of a donor.

4.2 From Trust to Scale

The development of community foundations in Bosnia and Herzegovina is a story of resilience and aspiration. It is about more than the flow of grants or the architecture of governance. It is a story of people and organizations who are learning to combine authenticity, transparency, and community-

rootedness with increasingly sophisticated technical skills in fundraising, communication, and management.

For the board member interviewed, the question of capability begins with governance. Community foundations in B&H were born through deliberate investments in training and mentorship. *“We went through specific trainings, including on the responsibilities and the role of the Board,”* the board member recalled. *“So those of us who were there at the beginning, now board members, have gone through these trainings and in that sense we know what the Board is and how it should function.”* This testimony speaks to a basic but important fact: CF boards in B&H are not symbolic, but functional. Yet this baseline is not sufficient for future success. The same board member noted that *“it would be useful if board members, and more broadly everyone involved, had more knowledge about fundraising: how to establish contacts, build and expand the donor circle.”*

The narrative of the executive director of another foundation, emphasizes trust over structure. Her reflections placed authenticity and moral authority at the center of capability. *“I think the key was this genuine intention that a person has, which is really shown by example. I always guided myself by: if someone tells me something, let them show me [in practice].”* For her, leadership

capability lies in integrity and connection to community. She recalled how she once took classes from the community center and now felt compelled to give back. *“Now it’s time that maybe I give back to the community.”* In a climate of distrust and alienation, they approach citizens with a fresh openness: *“We asked people what they think, what they want. People were surprised, because they had forgotten about that way of doing things.”*

Trust, then, is both a value and a capability. It makes possible transparent financial management, which she proudly described: *“We clearly drew a line even when there was an incident with non-transparent spending. I think that has distinguished us from others... we showed that this is not how we want to work.”* But trust alone cannot carry a foundation into the future. She acknowledged that to grow, CFs need professional public communication skills. *“Public speaking and communication... We still need to work on those. We have results, and now we can go to larger donors, but we need more training in communication across different channels, especially social media, so posts don’t just present data but show the real purpose of our activities.”*

The program coordinator added yet another perspective. His CF excels in creative local projects. However, when it comes to larger, multi-country projects, they lack the implementation

capacity. *“We were not the ones who led the realization of large regional projects. I believe we have experience in preparation, but in implementation and providing security in carrying that out... we lack that.”* His analysis was specific: the greatest gap is advanced fundraising for EU funds. *“We have good experience in developing projects and writing applications, but we don’t have experience applying to EU funds... programs like Horizon, ADRION and other large ones, which really require cooperation between several organizations, regional and international approaches.”* This is not just a technical gap, but a strategic one, without EU fundraising skills, B&H’s CFs risk being excluded from the most significant and sustainable sources of funding available.

For Trag, the most important achievement has been the responsiveness of capacity building for the newly-established CFs. *“These were not trainings imposed from Trag. We always listened to the specific needs. And I think that was the right approach, that trainings happened at the right moment.”* Trag highlighted the flexibility of the process. Trainings were delivered not simultaneously, but according to each CF’s stage of maturity. *“When it was time for their first grant competition, only then did we organize training on grantmaking.”* Follow-up was also essential: *“We didn’t just provide training and then say, now organize your first grantmaking cycle on your own. We*

followed them, checked if we had transferred the knowledge adequately, and whether it was tailored to their needs.” This responsiveness built trust in the other direction as well. CFs themselves openly provided feedback, whether praise or criticism. For Trag, this openness was a sign of capability itself: interest had been sparked, curiosity awakened, and willingness to learn demonstrated.

Yet Trag is also clear-eyed about structural barriers. *“They all have boards and directors, but unfortunately none has developed to the point of having one or two more staff. The next stage of their development is team organization.”* Without flexible, multi-year funding from donors, this expansion is not possible. Trag highlights the meta-level risk: that without consistent external support for movement building, the fragile progress of B&H’s community foundations could stall.

The narratives of board members, directors, coordinators, and Trag staff converge on a simple truth: capabilities are what will determine whether B&H’s community foundations remain small, symbolic actors or grow into strong, sustainable institutions. They already have authenticity, trust, and creativity. What they need now are advanced fundraising, professional communication, stronger governance, and expanded teams supported by donors who understand that building

community foundations is a process measured not in months but in years. If these needs are met, the foundations of Bosnia and Herzegovina can become not only capable but transformative, serving as anchors of civic life and bridges between local communities and broader regional and international networks.

4.3 Credibility at the Core

Credibility is the invisible currency of community foundations. Without it, no fundraising strategy, no carefully designed program, and no governance structure can survive. With it, even modest resources can be transformed into lasting change. The voices of board members, executive directors, program coordinators, and representatives of Trag Foundation all converge on this point: trust is not given but earned, built step by step through personal integrity, transparency, and tangible results that communities can see and feel.

A board member reflected on how credibility begins with individual commitment. *“As founders, in every situation when I talk to someone, I try to mention or involve the Community Foundation. I want people to know I am part of it and that I want it to succeed.”* The executive director complemented this perspective with a more personal reflection on authenticity. She insisted that trust is not built on formal roles

alone but on how genuinely people embody their mission. *“People tell me they can see it in my eyes, because I live this. When I talk about the foundation, they simply believe me.”* For her, credibility is about the contagious effect of conviction - showing, not just telling, that change is possible. She emphasized that many people want to connect, to work together, but often lack someone to spark that first step. *“They need someone to encourage them and show them that it’s possible right here in their community. When they see what we have achieved with little, they start to believe what could be achieved with more.”*

The program coordinator, meanwhile, placed credibility in a broader context, highlighting the fragility of trust in the civil sector as a whole. He pointed out that external political dynamics and misinformation can quickly undermine legitimacy, regardless of a foundation’s own actions. *“When a major international donor withdrew from its last initiative, people online attacked them, spreading misinformation. That showed how fragile the civil sector can be in defending itself.”* In his view, the problem is compounded by the fact that some organizations in the sector have indeed failed to justify trust, tainting the reputation of others by association. *“There are organizations that have not lived up to expectations, and that influences the image of the entire sector.”*

Across all these voices, there is agreement that credibility is confirmed most clearly through transparency. The board member stressed the importance of publishing all decisions, acts, financial reports, and board membership online. *“We want people to know we have nothing to hide.”* The executive director echoed the same principle when she described how openness in communication - being willing to ask for support, to tell stories, to show results - creates a cycle of trust. The program coordinator pointed out that transparency is also what distinguishes credible organizations from those that harm the sector’s reputation. In a context where skepticism is widespread, openness becomes the strongest defense.

The role of Trag Foundation in supporting credibility was emphasized repeatedly, but with a distinct framing. From the beginning, Trag made transparency non-negotiable. *“We always insisted that CFs be transparent in every sense,”* a representative explained. *“Publish donor names, thank them publicly, organize open competitions for small grants, and share the results openly. Financial and narrative reports must be available... Transparency and accountability are essential to earning trust.”*

Trag also ensured that credibility was embedded structurally in grantmaking through independent selection

committees. *“CF staff do not decide which projects are funded; independent community members do. That gives credibility to the process.”* At the same time, Trag recognizes that credibility cannot be reduced to procedures. Trust rests on people. *“The first circle of donors trusted the individuals, not the institution. Later, when they saw that all the money raised was going back into the community, trust expanded.”*

In conclusion, credibility for community foundations in Bosnia and Herzegovina is not a static achievement but an ongoing practice. It is earned through everyday advocacy, embodied integrity, transparent procedures, and visible results. It can be eroded by neglect, misinformation, or disengagement. But it is sustained, above all, by people who live their mission and by communities who recognize themselves in that mission. As one leader reflected, *“When you love what you do, and it fulfills you, what more do you need in life? That is the meaning of it all.”*

4.4 Click to Connect

The development of community foundations in Bosnia and Herzegovina has been shaped not only by their ability to mobilize resources but also by the networks and relationships they have built along the way. Across the interviews, several themes emerge: the strength of personal and grassroots

connections, the challenge of accessing larger or more institutional partners, the centrality of trust and credibility, and the critical role that Trag Foundation has played as a facilitator, mentor, and partner in building the ecosystem for community philanthropy.

From the perspective of the board member and executive staff, partnerships are often born out of personal relationships rather than formal agreements. One board member explained, *“Since we are a small local community, the strongest connections are the personal ones. If you already know someone, meet them regularly, or share both private and professional spaces, that creates the most solid partnerships. For us, everything is volunteer-based, so these connections naturally fit into our everyday lives.”*

This reliance on personal networks also reveals a gap. As the same board member admitted, *“We don’t have big partnerships with big companies. All the large firms usually have staff in Sarajevo or Banja Luka dealing with philanthropy, and we cannot easily reach them. Sometimes they only fund specific themes, and if we don’t fit into that theme, there is no entry point.”* This challenge highlights the structural imbalance between local actors and national or regional corporations, where community foundations must adapt to predefined agendas that do not always

align with their broad missions.

The executive director emphasized the importance of grassroots groups and informal collectives. She described: *“Often, the best ideas came from those who were not burdened by statutes or formalities. They just had a good idea and the energy to make it happen.”* These experiences underline that CFs are uniquely positioned to activate the potential of ordinary citizens, which often remain invisible to larger donors. CFs also see opportunities in strengthening ties with other relevant actors. As one director put it, *“We defined four pillars of cooperation: citizens, businesses, media, and local government. The municipality doesn’t need to give us money; giving us space and allowing us to use the city’s name is already a big sign of support.”* Media partnerships are also seen as crucial, with journalists following their activities and amplifying their stories without the need for active outreach.

From the perspective of the program manager, partnerships are not only local but also national and international: *“If we want to amplify our impact, no one can or should work alone. Our mission, and the mission of community foundations, is to strengthen ourselves through partnerships.”* They cited work with more substantial donors and the most prominent CSOs in the country and the wider region. These collaborations enhance

legitimacy, but they also demonstrate that CFs are increasingly seen not only as grantseekers but also as donors and supporters of smaller initiatives, which strengthens their credibility.

When it comes to the role of the Trag Foundation, Trag is perceived not only as a donor but a guide, mentor, and in many cases, a trusted ally. As one executive director of a newly-established CF put it, *“Without Trag, this idea would not have even been born. They were not just donors; they were true friends. The trust we felt gave us the strength to continue.”* Another board member described the program as *“simple enough for volunteers to understand, yet sophisticated enough to prepare us for independent work.”*

From Trag’s own perspective, the role was deliberately positioned as that of a facilitator rather than a central actor. *“Our role was to bring people together,”* one representative explained. *“At first, we moderated, but the biggest success is that now they continue networking on their own. They visit each other, share experiences, and even organize joint events without our involvement.”* This indicates that Trag’s strategy of “guided autonomy” has borne fruit: the ecosystem has reached a level of maturity where CFs see each other as allies and resources, not competitors.

While CFs have begun to stand on their own, ongoing mentorship, exchange

opportunities, and strategic guidance will help them consolidate their progress. At the same time, donor support is indispensable: it is crucial that donors who understand the process-oriented nature of this work come on board, recognizing that community foundations represent one of the healthiest and most promising parts of the non-profit landscape in B&H. As one director reflected, *“Nobody builds these things alone. It is always the result of joint energy.”* That joint energy between citizens, CFs, businesses, and support organizations remains the cornerstone of building a sustainable culture of local philanthropy in B&H.

5. Case Examples

Tuzla Community Foundation

Established in 2003, it was the country's first community foundation and quickly became a reference point for how philanthropy can be mobilized to support local development. From the outset, Tuzla Community Foundation (TCF) invested heavily in building the capacities needed to sustain a long-term community foundation. Over time it developed professional staff, strengthened governance structures, and wide volunteer engagement. Its Board of Directors has always reflected cross-sectoral diversity. For many years, the staff team numbered more than a dozen, coordinating hundreds of volunteers through the Youth Bank and other programs. The termination of USAID's support in 2025 required the foundation to recalibrate its operations. While this shift meant operating with a leaner structure, ongoing support from several institutional partners, in the form of private foundations, has helped sustain core activities and maintain the foundation's presence in the community.

TCF has consistently demonstrated creativity in fundraising and community mobilization. Large campaigns such as *You Can Be That Person Too* raised hundreds of thousands of BAM[1] in weeks. In 2023, to mark its 20th anniversary, TCF launched the first Philanthropy Days designed to celebrate and inspire the

culture of giving. It has also embraced digital innovation. Through the platform Doniraj.ba it has created a national online infrastructure for philanthropy. Doniraj.ba enables citizens and companies across Bosnia and Herzegovina to donate transparently to vetted local initiatives, giving TCF and its grantees a tool to reach beyond Tuzla and attract donors outside traditional personal networks.

Over the years, the TCF's credibility has been one of its greatest strengths. As one of the first community foundations in the region, it has built trust through transparent governance, participatory grantmaking, and rigorous accountability. Independent committees, often including citizens themselves, decide on grant allocations, reinforcing fairness and legitimacy. This trust has enabled TCF to establish donor-advised funds, such as the Mensur and Jasmina Alić Fund, showing how personal philanthropy can be institutionalized for long-term benefit.

TCF's extensive connections reflect its two decades of networking and collaboration. Locally, it works closely with municipalities, schools, businesses, grassroots associations, and diaspora networks. Nationally, TCF has positioned itself as a mentor and supporter for newer community foundations in Zenica, Bijeljina, and Sarajevo, helping to transfer knowledge

[1] 1 BAM = 0.51 EUR

and provide solidarity as they establish themselves. Regionally, it has engaged in exchanges with community foundations in Serbia, Romania and the wider European philanthropic community, giving it visibility beyond Bosnia and Herzegovina. To navigate the post-USAID landscape, TCF can invest more systematically in joint campaigns and coordinated advocacy with other CFs in Bosnia and Herzegovina, positioning itself not just as a mentor but also as part of a strong collective voice for community philanthropy.

Going forward, TCF's Center for Democracy and Active Citizenship is both the greatest opportunity and the greatest challenge facing Tuzla Community Foundation. Built in cooperation with the City of Tuzla, the Center is envisioned as a permanent hub for civic dialogue, community organizing, and democratic participation. This Center has a great potential to serve as a model for democratic infrastructure in the Western Balkans. If it succeeds, it will remain not only a cornerstone of Tuzla's civic life but also a beacon for community philanthropy across the region.

Community Foundation Bijeljina

The Community Foundation Bijeljina (CF Bijeljina) reflects both the promise and the challenges of building community philanthropy in Bosnia and

Herzegovina. Officially registered in February 2024 as part of the "Our Local Foundation – The Community Has a Say!", program led by the Trag Foundation. Their journey illustrates how enthusiasm and collective will can be translated into grantmaking and civic engagement.

From the beginning, CF Bijeljina worked to establish capacities that would allow it to function as a recognizable community foundation. The Board of Directors brings together the founding members alongside representatives of local businesses ensuring that different sectors and perspectives are represented in decision-making. In addition to the Board, the foundation has a small operational team consisting of an Executive Director and three team members responsible for administration and communication, as well as several volunteers. Still, CF Bijeljina largely functions on a voluntary basis. The lack of secure, long-term funding compounds the challenge, preventing the stabilization of possible staff contracts and leaving the foundation vulnerable to burnout and turnover.

Despite these structural weaknesses, CF Bijeljina has demonstrated notable capabilities in organizing creative and popular community-oriented events. Its flagship event, the "Easter Egg Hunt Day," has been held annually since 2022 in the city park and now attracts more

than 1,000 participants each year. The foundation has also organized concerts, panel discussions, and community gatherings, as well as smaller fundraising actions that contributed to its growing profile. By mid 2025, it had completed three public calls and awarded more than €23,000 to 30 grassroots initiatives, ranging from youth projects to cultural and educational events and environmental actions.

In terms of credibility, CF Bijeljina has benefited from the trust its founders and Board members enjoyed in the community prior to formal registration. Their proven ability to raise funds, manage grants transparently, and deliver visible results has generated confidence among citizens, local businesses, and media outlets. The foundation's reputation was further strengthened by awarding grants through an independent Selection Committee, which ensured impartiality and fairness.

CF Bijeljina has also built important connections at both local and regional levels. In Bijeljina itself, it has forged partnerships with schools, businesses, and the City administration, often co-organizing events that drew wide participation. Beyond their local community, CF Bijeljina has actively engaged with peer foundations across Bosnia and Herzegovina, Serbia and North Macedonia. It hosted study visits, participated in regional exchanges, and

took part in Tuzla Community Foundation's Philanthropy Days in 2023 and 2024, contributing to conferences and community events.

The story of CF Bijeljina shows how passion and civic energy can create rapid impact, but also how fragile such progress can be without clear positioning, stable leadership, and diversified resources. The next phase will determine whether CF Bijeljina can evolve from a visible but vulnerable newcomer into a resilient institution that embodies the long-term promise of community philanthropy in Bosnia and Herzegovina.

6. Recommendations

Community foundations in Bosnia and Herzegovina have established themselves as trusted and resilient institutions, but their growth is still fragile, shaped by financial precarity, staff shortages, and the broader structural weaknesses of the nonprofit sector. Moving forward, several priorities emerge that can help transform their resilience into long-term sustainability.

First, the role of the Boards should evolve from symbolic oversight into active resource mobilization and strategic leadership. With training in donor cultivation, clear expectations for engagement, and opportunities to learn from more experienced boards, they can become genuine engines of sustainability rather than passive stewards.

Second, community foundations need to strengthen their organizational capacity. Even modest investments in dedicated staff for fundraising, communications, and grant management can make a decisive difference, ensuring that knowledge, relationships, and trust built over years are not lost when individuals leave.

Third, diversification of funding streams remains essential. CFs must experiment with new models such as donor-advised funds, multi-year corporate partnerships and even long-term endowment building. They need

the skills and confidence to compete for EU and regional funds, ideally through joint applications that pool resources and strengthen their competitiveness. Building small financial reserves, however modest at first, would also provide a cushion against shocks like sudden donor withdrawals. Alongside financial resilience, communication strategies need to be sharpened. More proactive storytelling and digital outreach are necessary to broaden trust and engage new audiences. By demonstrating tangible results in ways that resonate with everyday life, CFs can counter misinformation, inspire giving, and show that philanthropy is about shaping the future of communities, not only responding to crises.

Finally, the role of support organizations such as the Trag Foundation is indispensable. It is vital that donors who understand the process-oriented nature of institution building come on board. Community foundations represent one of the healthiest and most promising parts of the nonprofit landscape in Bosnia and Herzegovina. To build on this foundation, funders should consider investing strategically in both strengthening existing community foundations and supporting the creation of new ones. Bosnia and Herzegovina's deep community ties and strong local identities offer a unique advantage: philanthropy here can

thrive when rooted in relationships and trust. With flexible, long-term funding, the community foundation field could expand into regions still lacking such infrastructure, ensuring that every community has a local resource dedicated to mobilizing solidarity, addressing local priorities, and sustaining civic engagement. Such investment would not only stabilize what already exists but could fundamentally transform the country's civic landscape, embedding resilience, collaboration, and local ownership at the heart of social change.

7. Conclusions

The analysis shows that community foundations in Bosnia and Herzegovina have established themselves as trusted and credible actors, uniquely rooted in their communities. They mobilize citizens and create spaces where giving is not only possible but visible and impactful. Their strengths lie in authenticity, transparency, and the ability to act quickly in times of crisis, qualities that have earned them deep trust.

At the same time, their sustainability is under pressure. Boards are engaged but need clearer structures for strategic fundraising. Staff are overstretched, and institutional memory is fragile. Local fundraising has grown but remains insufficient to cover core costs, while access to international donors and EU programs is still limited. Technology and communication capacities, though promising, are underdeveloped. Above all, sudden donor withdrawals have exposed the risks of building long-term institutions without long-term support.

The next steps are clear. Community foundations must professionalize and expand their teams, strengthen governance so boards become and diversify income streams. They need to refine their communications, telling stories that move beyond humanitarian relief and toward long-term community investment. Peer-to-peer learning and regional networking should be

deepened to build resilience and shared know-how.

Donors, meanwhile, hold the key to whether this movement flourishes or falters. Their support is indispensable, especially those willing to invest flexibly, patiently, and with a long-term perspective. Beyond sustaining the existing community foundations, there is significant untapped potential for establishing new ones in regions that currently lack such local philanthropic infrastructure. Bosnia and Herzegovina's strong community bonds, tradition of mutual aid, and local leadership energy provide fertile ground for expanding the field. By funding both consolidation and growth, donors can help ensure that every community has its own platform for civic action and solidarity - a trusted, locally rooted space where citizens organize, give, and shape the future together. This is not just an investment in institutions, but in the long-term democratic and social fabric of the country.

8. Annexes

Include any additional materials, such as survey questionnaires, data summaries, and tools.

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In-Depth Interview Guides

CF Lead Coordinators – Interview Questions

General Information
1. Name of Respondent:
2. Organization:
3. Role/Position:
4. Years of Experience in this Role:
5. Interview Date:

Capacity
1. What are your main sources of funding (including in-kind funding)?
2. Assess the adequacy and sufficiency of your current funding and human resources. Define challenges and opportunities.
3. What are your fundraising approaches and how do you engage with the local donors? What works/ what doesn't?
4. Beyond funding, what other types of resources (e.g. staff, skills, infrastructure, access to data or networks) are critical for your CF's work, and how adequate are they currently?
5. How has your CF adapted its operations or strategies in response to shifts or uncertainties in the funding landscape?

Capability
1. Which skills or competencies have been most critical to your CF's development so far? (e.g. fundraising, communications, facilitation, financial management, etc.)
2. How do you build these capacities and where do you need more training or support?
3. Looking ahead, which capabilities do you believe are essential for your CF's future success, and where do you feel you or your team need to grow?

Connections
1. Who are your key partners, collaborators, networks, and alliances?
2. Are there any specific groups or stakeholders that are hard to reach or engage? What makes it difficult?
3. Is there a stakeholder or a group of stakeholders that the CF refuses to collaborate with? If yes, how does this reflect on your work as an entity that by definition should be reflective of the community that it serves?
4. What kind of support and partnerships do you need to get established and grow?
5. How do you perceive the role of the CFSO in your development?

Credibility
1. Which factors need you to be established and recognized as a credible CF focused on community development and local philanthropy?
2. Have you encountered any challenges in being recognized as a legitimate or relevant local actor? If so, what were they?
3. Are there any specific examples that reflect how your CF is perceived or trusted by the local community? Can you give me some examples?
4. What builds or erodes trust in your organization?

Executive Leadership of CFs – Interview Questions

General Information
1. Name of Interviewee:
2. Organization:
3. Role/Position:
4. Years of Experience in this Role:
5. Interview Date:

Capacity
1. How does the leadership team ensure the financial sustainability of your CF?
2. Have you developed any innovative fundraising strategies?
3. How do you evaluate the effectiveness of your fundraising efforts?

Capacity
1. How does the leadership team ensure the financial sustainability of your CF?
2. Have you developed any innovative fundraising strategies?
3. How do you evaluate the effectiveness of your fundraising efforts?

Capability
1. What capacity-building priorities have the leadership identified for further developing your CFs?
2. How do you assess the skills and development needs of your team?
3. What types of training would be most beneficial for your team?

Credibility
1. How does your organization ensure trust, transparency, and accountability?
2. What governance practices are in place to maintain credibility?
3. Are there any reputational risks or challenges that you've faced?
4. What role does your organization play in promoting local philanthropy?

Connections
1. What partnerships are most strategic for your CF and how do you maintain them?
2. What challenges do you face in stakeholder and donor engagement?
3. How do you perceive the role of the CFSO in your development?

Governance structure of the CFs – Interview Questions

General Information
1. Name of Interviewee:
2. Name of the LAH that they support:
3. Years of involvement with the Board of the CF:
4. Location and Area of Operation:
5. Interview Date:

Financial Capacity
1. How does the board contribute to fundraising and financial sustainability, and how do you ensure effective oversight of the CFs fundraising operations?
2. What challenges do you face in mobilizing local resources?
3. Are there any strategies in place to diversify funding sources?

Capability
1. What are the key strengths of the leadership board in terms of governance and strategic direction?
2. What capacity-building efforts have been undertaken for the leadership board members?
3. Are there any skill gaps or areas where the board needs additional support?
4. How do you assess the LoE of Board members and renew their membership in case of member inactivity?

Credibility
1. What role does the board play in building and maintaining public trust in local philanthropy?
2. How is the Board perceived by your community and donors? (Are you identified and recognized as part of the leadership of the CF?)
3. What measures are in place to ensure transparency and accountability?
4. How does the board handle conflicts of interest or ethical dilemmas?

Connections
1. What partnerships are most strategic for your CF and how do you maintain them?
2. What challenges do you face in stakeholder and donor engagement?
3. How do you perceive the role of the CFSO in your development?

Document existing experiences of CFSOs in working with CFs

General Information
1. Name of the organization:
2. Year of establishment:
3. Location and geographic area of operation:
4. Interviewee name and role:
5. Date of interview:

Capacity
1. How do you support CFs in building their financial capacity?
2. What are the common financial challenges you observe among CFs?
3. Do you provide training or tools for fundraising and financial planning?
4. How do you assess the financial sustainability of the CFs you support?
5. Beyond funding, what other types of resources (e.g. staff, skills, infrastructure, access to data or networks) are critical for you to support the CFs in the country? Please assess how adequate they are currently and what do you need to build these types of resources.
Capability
1. What types of capacity-building support do you offer to CFs?
2. How do you identify the general needs of CFs?
3. What are the most common capability gaps you encounter?
3. Do you collaborate with other organizations to deliver training?
Connections
1. How do you facilitate networking among CFs?
2. What partnerships have been most effective in supporting CF development?
3. Do you help CFs connect with donors, government, or other stakeholders?
4. What role do you play in building a broader ecosystem for CFs?
5. Have you experienced any barriers in reaching CFs? Are there any specifics to the CFs that are hard to reach or engage with? What makes it difficult?

Credibility
1. How do you support CFs in building their credibility?
2. What practices do you use to promote transparency and accountability?
3. How do you assess the trustworthiness of the CFs you work with?
4. What are the key factors that influence public trust in CFs?