

# National Research Report: Community Foundations in Serbia

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# Contents

<i>Executive Summary</i>	4
1. Introduction	6
2. Methodology	7
3. The State of Play for Community Foundations in Serbia	8
4. Key Findings	11
5. Case Studies	21
6. Recommendations	23
7. Conclusions	25
8. Annexes	26

# Executive Summary

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Community foundations (CFs) in Serbia have emerged as key actors in strengthening local philanthropy, civic engagement, and community-driven development. Since 2019, Trag Foundation's program Our Local Foundation - Community Has a Say! has supported the creation of six CFs in Pančevo, Stara Pazova, Niš, Kragujevac, Kraljevo, and the Braničevski district. Together, these organizations have mobilized more than \$150,000 from citizens and companies, matched with \$100,000 from Trag, and supported over 140 local initiatives. These results demonstrate that, even in a difficult political and economic environment, the CF model resonates strongly with local communities and shows potential as a sustainable infrastructure for civic participation.

This study, part of a comparative action research project across the Balkans region, applied the 4Cs framework (Capacities, Capabilities, Credibility, and Connections) to analyze the organizational development of CFs in Serbia, the challenges they face, and their place within the broader philanthropic ecosystem. Data were collected through desk research, prior studies, and interviews with CF leaders, board members, and Trag Foundation staff.

The findings indicate that capacities remain fragile, as most CFs continue to lack stable staff and face challenges in covering operational costs. At the same time, their fundraising efforts have been notably creative through donor circles, raffles, auctions, sporting events, and corporate partnerships, demonstrating both innovation and community engagement. Continuity remains difficult without salaried employees, and the dominance of humanitarian fundraising in Serbia creates additional obstacles for development-oriented giving. The sudden withdrawal of USAID funds in 2025 highlighted this vulnerability, but it also encouraged CFs to rely more strongly on local resource mobilization, reinforcing the value of community-rooted approaches.

The findings suggest that capabilities are advancing, though unevenly. Fundraising and communication skills have proven decisive, and CFs are gradually strengthening their ability to manage finances, negotiate partnerships, and plan strategically. Digital competencies remain a pressing gap, yet awareness of their importance is increasing, with some foundations beginning to experiment with new tools. Boards bring diverse professional expertise, though systematic renewal is still needed to sustain energy and expand networks. A strong culture of peer learning and long-term mentoring has been one of the most valuable assets, enabling foundations to build confidence and apply new skills over time.

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Credibility has emerged as one of the strongest assets of CFs, built through transparency, visible results, and consistent community presence. While still vulnerable to misperceptions, particularly associations with municipal structures, and occasional hostile narratives, foundations have generally succeeded in demonstrating their independence and ethical standards. Decisions to reject problematic donors, together with the personal visibility of board members and staff, reinforce this trust. Maintaining credibility requires persistence and repetition, but cumulative experience shows that over time foundations can move from being little known to widely recognized and respected community anchors.

Connections are central to CF success and are steadily expanding. Local grantees and volunteers serve as powerful ambassadors, while board members contribute valuable networks that open doors across sectors. Peer-to-peer exchanges between CFs provide solidarity and hands-on learning, strengthening the sense of belonging to a wider movement. Partnerships with political actors and larger companies remain inconsistent, yet progress with smaller businesses, schools, and citizen groups shows the potential for growth. Support from Trag has been crucial, though the gradual establishment of a national CF network is expected to enhance self-reliance and collective advocacy.

Two case studies illustrate these findings. CF Niš shows how innovative fundraising, participatory grantmaking, and strategic networking can secure credibility in a large city. CF Stara Pazova demonstrates how even a small municipality can generate broad participation through signature donor events and tangible community projects.

The research concludes that community foundations in Serbia have demonstrated notable resilience and adaptability, yet their institutional consolidation remains incomplete. Resilience alone cannot guarantee sustainability; the sector must secure stable staffing, long-term operational funding, and embedded digital competencies in order to transition from fragile experimentation to durable practice.

At the ecosystem level, the consolidation of existing foundations into a national network represents the decisive next step. Such a body would enable peer solidarity, strengthen collective credibility, and gradually shift functions from reliance on Trag toward sectoral self-governance. Accordingly, the current priority lies in strengthening existing foundations and deepening movement-building. Field expansion is not on the immediate agenda, but it is not foreclosed. Should new initiative groups with strong local commitment emerge, Trag stands ready to accompany them, and in the longer term a formalized CF network may take on the role of expanding the field. In this sense, expansion is best understood as a natural and welcome development once the foundations of consolidation are firmly in place.

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# 1. Introduction

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Community foundations have become increasingly significant actors in fostering local philanthropy, civic participation, and community-driven development. Within the Balkan region, their growth and consolidation have been supported through a variety of models and strategies, many of which aim to respond to the particular historical, social, and political conditions of the region. As the region undergoes significant contextual changes, it becomes essential to reassess whether existing models and support mechanisms remain effective and aligned with emerging realities.

This study addresses this need by providing a national-level assessment of the CF field in Serbia. It examines the current state of CFs, the challenges and opportunities they face, and the ways in which support structures contribute to or hinder their development. The 4Cs framework (Capacities, Capabilities, Credibility, and Connections) provides a structured lens for analyzing both internal organizational dimensions and external relational dynamics (Carothers & Brechenmacher, 2014).

By combining these perspectives, the research not only maps the current landscape of CFs in Serbia but also identifies the conditions under which the field can be expanded. The aim is to enhance sustainability, broaden societal impact, and strengthen community foundations as key contributors to long-term development.

## 2. Methodology

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The study adopted a qualitative, multi-source approach, combining desk research, documentary analysis, and semi-structured interviews. It builds on action research principles, engaging CFs not only as objects of study but also as knowledge partners.

Three main sources of data were used:

- Desk research of prior studies and socio-political literature, including two earlier publications produced by Trag Foundation with academic partners (Trag Foundation & Institute for Philosophy and Social Theory, 2021; Trag Foundation & Center for Study of Social Development, 2023).
- Semi-structured interviews with CF representatives (executive director, program officer, board member) to capture lived experiences.
- Interviews with Trag staff to contextualize development trajectories and support strategies.

The 4Cs framework structured the analysis, while reflexivity was applied to mitigate bias given Trag's dual role as support organization and research convener. Ethical standards were upheld, with informed consent and anonymity guaranteed. Limitations include the small number of CFs in Serbia and reliance on Trag-produced data. Still, triangulation with independent literature ensures validity.

## 3. The State of Play for Community Foundations in Serbia

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### 3.1 Historical Context of Civil Society and Recent Trends in Civic Activism

The development of civil society in Serbia has been shaped by the country's complex political and social transformations since the 1990s. Despite war, nationalism, and repression, numerous civic organizations emerged, advocating for human rights, peace, and democracy (Sissenich, 2010). CSOs provided humanitarian aid, supported displaced populations, and fostered informal solidarity networks when state institutions were absent or complicit in violence (Howard, 2003). They promoted accountability and civic education, while in the 2000s they contributed to transitional justice and EU-related reforms.

Yet civil society has consistently struggled with sustainability, political hostility, and financial dependence on foreign donors (Pouligny, 2005). Recent years have seen intensified repression, with government-aligned media stigmatizing CSOs and activists (Bajomi-Lázár, 2014; Freedom House, 2024). President Vučić's administration has repeatedly targeted CSOs through disinformation and intimidation campaigns (Carothers, 2016; Mendelson, 2015). Public protest movements have surged in the past decade around corruption, environmental degradation, and urban development (Tilly & Tarrow, 2015).

A decisive moment for civil society and philanthropy occurred on November 1, 2024, when the canopy of the newly renovated Novi Sad railway station collapsed, resulting in the deaths of 16 people. This human-caused disaster triggered widespread civic protests across Serbia, accompanied by intensified repression by authorities, including hostile media campaigns and physical attacks on demonstrators. Public outrage over the inadequate institutional response and overt pressure from the government catalyzed the emergence of a student movement. Students, supported by university faculty, organized road blockades and campus protests, sparking unprecedented civic solidarity.

A further shock came in January 2025, when the U.S. administration announced a freeze on USAID funds. Since 2001, USAID has invested nearly \$1 billion in Serbian democracy programs (Government of Serbia, 2024). The suspension left many CSOs without critical resources. Authorities launched politically motivated investigations into alleged misuse, targeting groups including Trag Foundation (Civic Initiatives, 2025). Civil society responded by freezing their membership in the government consultative body, the Council for Creating the Enabling Environment for Civil Society Development.

Despite repression, grassroots activism is vibrant, and philanthropy has grown as a mechanism of resilience. These crises underscored both the vulnerability and resilience of Serbian civil society, conditions that also frame CF development and their relevance to the field.

### **3.2 The State of Giving for Public Good**

Philanthropy in Serbia has gradually expanded, driven by individuals, small businesses, corporations, and diaspora contributions (Catalyst Balkans, 2023). GivingBalkans data shows a rise from under €20 million in 2019 to €50 million during the COVID-19 pandemic, stabilizing at €30 million in 2023 (Catalyst Balkans, 2021, 2023).

Forms of giving include SMS campaigns, crowdfunding, and in-kind donations. While health dominates, interest is expanding into community development, environment, and social inclusion. Companies provide monetary and service contributions through CSR, often focused on education and local infrastructure. The diaspora has also become more active, particularly during crises.

The 2024 Novi Sad disaster further spurred donations and civic solidarity, especially among students. The Otisak Foundation in Toplički district raised \$93,000 within one month for wildfire relief in 2025 (Otisak Foundation, 2025). However, challenges remain:

donations are heavily skewed toward humanitarian causes, legal incentives for giving are insufficient, and administrative burdens hinder philanthropy. Nevertheless, CSOs and CFs are increasingly trusted to channel resources effectively.

### **3.3 Development of Community Foundations in Serbia**

The development of community foundations (CFs) in Serbia has been gradual, shaped by both early experiments and more structured support in recent years. The first attempts appeared in the early 2010s, when organizations such as Step Forward in Zaječar, the Obrenovac Youth Foundation, and the Front Foundation in Novi Pazar were established under very different circumstances: as a spin-off of an existing CSO, as a response to flooding, and as a diaspora-supported youth initiative. While these efforts demonstrated local potential, their long-term sustainability was constrained by limited funding, reliance on volunteers, and the absence of stable staff. By 2020, most of them had ceased regular activity, underscoring the difficulty of maintaining momentum without systematic support.

A more decisive stage began with the Trag Foundation's program Our Local Foundation – Community Has a Say!, launched in 2019 with backing from the C.S. Mott Foundation. The program provided structured incubation, mentoring, and matching

grants, modeled partly on the Romanian CF experience. Initiative groups of at least three community members were supported to raise \$15,000 locally, which was then doubled by Trag to create grantmaking funds. Alongside fundraising, groups received capacity-building in governance, communications, grant administration, and resource mobilization, enabling them to learn by doing.

This approach led to significant growth: by 2022, three new CFs were registered in Pančevo, Stara Pazova, and Niš, with another three (Kragujevac, Kraljevo, and Braničevo County) expected to complete registration by 2025. Collectively, these six foundations had mobilized over \$150,000 from citizens and companies by mid-2025, with Trag contributing an additional \$100,000 in matching funds. Around 140 community-based initiatives have been supported, spanning public spaces, education, arts, culture, human rights, and environmental protection. Donations came roughly half from businesses, one-third from citizens, and the remainder from events and in-kind contributions.

While challenges remain, particularly in securing stable staff and diversifying beyond project-based funding, the new generation of CFs has shown that when local energy is combined with structured mentoring and external matching, durable institutions can emerge. Importantly, these foundations are increasingly

embedded in their communities and connected to one another, laying the groundwork for a movement that will eventually consolidate into a national CF network.

## 4. Key Findings

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The findings of this study are organized and analyzed through the lens of the 4Cs framework (Capacities, Capabilities, Credibility, and Connections) which provides a comprehensive approach to understanding CFs as both organizational entities and active participants within their broader social, economic, and political ecosystems. This framework allows for a multidimensional assessment, capturing not only the internal resources and competencies of CFs but also their ability to engage effectively with stakeholders, foster trust, and leverage networks to create impact.

By applying the 4Cs framework, this section deep-dives into the strengths and challenges of community foundations in Serbia, highlighting how internal resources, organizational competencies, stakeholder trust, and network engagement collectively shape their effectiveness and sustainability. The analysis not only identifies areas of organizational maturity but also sheds light on the broader ecosystem dynamics in which these foundations operate, providing a nuanced understanding of their current and potential contributions to local development and civic engagement.

### 4.1 Capacities to Survive and Thrive

The experiences of community foundations in Serbia, as voiced by an executive director, a program officer,

and a board member, highlight the fragile yet resilient character of their organizational life. Their narratives reveal how limited resources challenge continuity, while creativity, values, and community embeddedness sustain survival. Representatives of Trag Foundation confirmed this picture, stressing that their accompaniment aims to provide systematic mentoring: “when we support initiative groups, we try to provide them with fundraising training and mentorship, which is the basic first step.” They emphasize that CFs must learn not only to mobilize funds but to manage them responsibly: “we see it as a rounded process – teaching them how to bring in funds, but also how to use those funds in a responsible and transparent way. In that way, foundations promote trust in the community to which they belong.

Funding remains the most critical weakness. Early on, CFs relied on local mobilization through donor circles, raffles, auctions, and corporate partnerships. This experimentation created distinctive fundraising identities in each community. From Trag’s perspective, “We are constantly keeping the idea of a long-term fundraising campaign in the forefront of their planning.” Yet the uneven economic base across municipalities makes replication difficult.

An executive director explained, “earlier, the structure of donations was

more dependent on larger companies, such as banks. In recent times we have been less active in that direction, which has led to limitations.” At the same time, events proved vital: they gathered companies and citizens in shared spaces, reinforced visibility, and built trust. Personal donor circles also proved decisive: the program officer recalled, “it started as a smaller circle of people, friends and acquaintances who gave money because of us... For example, my brother set up a standing order just to support what I do, and later became a permanent supporter of the foundation.”

CFs also sought project funding, to cover the expertise, coordination, and continuous effort that make resource mobilization and grantmaking possible; costs often overlooked by individual and corporate donors. Trag highlighted the difficulty of shifting perceptions: “one of the hardest things is to explain, especially to individual donors, that part of their donation has to cover the financial and administrative side of operations, the processing of grants and all the activities that follow.” This vulnerability deepened when USAID withdrew support in early 2025. The program officer recalled, “at the beginning of the year USAID funding suddenly stopped, so all projects... in Serbia financed through USAID programs were lost. This affected about 80% of the funds expected through projects.” As Trag staff underlined, “In the past, foundations could apply to such funds to cover

operational costs, but now that is one of the greatest challenges. There are fewer donors who understand how community foundations function and who are flexible enough to support them.”

The lack of permanent staff undermines long-term planning. “The biggest challenge is that we do not have permanent employees,” admitted the executive director. “All of us involved, the board and I as executive director, practically work as volunteers.” A board member confirmed: “it sounds nice when we say there is a board, a foundation manager, an employee and so on, but that is not a realistic picture... Funds are very modest and we cannot raise the work to a higher level.” Temporary grants enabled short-term staff and equipment, but, as the director reflected, “it turned out that one year was too short... if it had lasted two or three years, the effect would have been much greater.” Trag staff echoed this concern: “the biggest financial challenge is how to secure a person, within a reduced budget, who can cover that aspect of work... It is a double danger: regular donations do not cover operational costs, and project experience is often too weak to generate resources that way.”

Volunteers have been essential. As the executive director explained, “every volunteer is not just one person, but someone who connects with ten more people around them. That kind of volunteering network would mean a lot.” Yet engagement remains sporadic

- many say “call us whenever you need us” without sustained involvement. Still, volunteer efforts often evolve into donations, while the proximity of CF leaders to everyday community life builds trust: “we are a small local community, and I suppose it is like this everywhere... you cannot separate community life from private life. You organize something with the foundation, and then you meet those same people on the street.”

At the same time, digital skills remain limited. One director admitted, “we don’t need a programmer, but someone who knows the basics of Instagram, Facebook, and maintaining a website. When we pay for these services, we are rarely satisfied, because it takes a lot of calls and wasted time. If someone with those skills were part of our team, we could handle it ourselves.” He also pointed to opportunities: “today many things that used to require extra people and money can be done almost for free. With some instructions and training, we could manage our online presence in a professional way.”

Continuity is the most consistent challenge. As the director put it, “sometimes we work three weeks as if we were fully paid staff, and then for three months nothing happens. That is the biggest problem... the lack of continuity.” This volatility is compounded by the dominance of humanitarian campaigns for children’s medical treatment: “If we talk about collecting smaller

donations from citizens, a huge part of that money in Serbia goes to the treatment of children... It completely dominates the fundraising scene,” a board member noted.

Yet survival itself is treated as a victory. “Our goal as a board is that the foundation survives. We are ready to reduce activities if needed, but it is important that the foundation does not disappear,” one board member emphasized. Peer solidarity helps sustain motivation: knowing “we are not alone” encourages perseverance.

Ultimately, capacities remain fragile but deeply value-driven. As the board member concluded, “our personal values and life choices align with what community foundations do. That is why we stay motivated, despite financial difficulties.” These values, combined with resilience and community embeddedness, explain why CFs endure despite systemic weaknesses. Still, institutional consolidation will require stable staff, operational funding, and digital literacy if these organizations are to move beyond survival toward long-term sustainability.

#### **4.2 Evolving Capabilities: From Fundraising to Foresight**

The narratives of community foundation representatives in Serbia underscore the centrality of capabilities in shaping organizational trajectories. Beyond financial resources, specific skills in fundraising, communication, finan-

cial management, and negotiation have been decisive in determining whether CFs merely survive or move toward professionalization. Both leadership boards and supporting organizations emphasize that capability-building is a continuous process, blending formal training, mentoring, and experiential learning.

For the executive director, the priority is clear: “Fundraising is key... without it, none of the other work would be possible.” He stressed that communication must reinforce these efforts, explaining, “If those who already donated see their support acknowledged publicly, it increases the chance they will donate again. People feel proud when they see, even indirectly, that their contribution is mentioned.” Financial management was also recognized as fundamental. A colleague’s persistence in careful budgeting created buffers during uncertainty, illustrating that technical skills could protect CFs from immediate shocks.

The program officer emphasized her own contribution in this area: she cultivated media access across outlets of different political orientations, noting, “We still have invitations from all local media in [our community] to appear and promote our stories, whether it is regime-leaning stations like Prva or KCN, or oppositional ones like N1 and Nova.” Communication and visibility were seen as equally decisive for sustaining credibility with donors.

Board members widened the lens further, situating capabilities in governance and long-term strategy. One recalled, “We first seriously discussed the structure of the foundation during a study visit to Romania. That helped us understand what the board should do, what executive staff should do, and what kind of model we are striving for.” He stressed the importance of patience in negotiations: “Big things take time... sometimes years of negotiation. You have to be ready when the opportunity comes.” A renewable energy contract had required a year and a half of sustained talks, showing that negotiation is as crucial as technical fundraising.

Strategic flexibility was also emphasized. The program officer explained, “Our strategic plan changes every six months,” highlighting the need for foresight in volatile contexts. For boards, capability development also meant systematic renewal: “It would be good to bring in new people, to refresh the team, add new perspectives, and expand our contacts.”

Respondents consistently described learning as layered and relational. One board member reflected, “Mentoring processes were crucial... having someone from outside tell us honestly how they see the problem gave us a perspective we didn’t have ourselves.” Though workshops sometimes felt like box-ticking exercises, unexpected knowledge and contacts frequently emerged.

Trag staff confirmed that their model emphasizes accompaniment rather than short-term interventions: “It is not the traditional donor model where we give money and wait for indicators. It is a constant relationship: mentoring, site visits, study tours, and creating opportunities for them to learn from each other.” They added, “In the synergy between Trag and the community foundations, skills naturally ‘rub off’ on them, and later we see how they apply these in their everyday practice.”

Study visits were repeatedly described as transformative. As one participant observed, “In Timișoara we saw that some foundations had been struggling for over ten years before achieving stable municipal support. It gave us hope that persistence matters, that opportunities eventually come.” CFs also highlighted peer-to-peer learning as one of the strongest assets of the movement. A board member recalled, “We never felt alone when trying something new. If someone had already organized an auction or a donor circle, they would openly share their steps, their mistakes, and their lessons. That gave us courage to try.”

This culture of sharing is now extending to emerging CFs. As one executive director explained, “We had our struggles in the early days, so we don’t want new foundations to waste energy on the same hurdles. We invite them to sit with us during planning, to see how we negotiate with local businesses, even to copy our donor

communication templates.” Trag representatives also stressed adaptability: “Even if they are not ready to apply it immediately, we did not let it discourage them. We nurtured their ideas carefully and approached them as friends.”

Taken together, these narratives demonstrate that capabilities are not static skills but ongoing processes of learning and adaptation. Fundraising and communication remain the core drivers, reinforced by financial management, negotiation, and strategic foresight. Mentoring and peer exchanges provide a scaffolding that allows capabilities to become institutionalized. As one Trag representative concluded, “If we don’t know something, we will learn it; if we do know, we will deliver it in the best possible way.”

The combination of structured support, shared experience, and gradual governance renewal explains why Serbian CFs have advanced despite volatile contexts. Their challenge now lies in converting this culture of enthusiasm and solidarity into formalized systems that can withstand shocks, leadership changes, and donor volatility.

#### **4.3 Credibility: Building and Sustaining Trust in Community Foundations**

Credibility is the cornerstone of community foundations. In Serbia, legitimacy is neither automatic nor guaranteed; it must be earned

through transparent practices, visible results, and principled decision-making. The experiences of CF leaders and staff show that credibility is cumulative and fragile, shaped both by community engagement and the wider political culture of distrust.

The executive director of one foundation was clear about the challenge: “It is not there yet. Maybe a part of the community knows us, but not fully. If I knew the answer to how we become fully recognized, things would be easier.” For him, recognition depended on presence - multiple grant calls, transparent reporting of funds raised and spent, and constant public presentation of results.

Credibility often hinges on clear communication. As one program officer explained, “The unwritten rule, which can now be written, is: where does the money go?” She described the turning point: the first grant call, when citizens saw projects materialize, silenced suspicions of fraud. Since then, “continuous openness and communication, backed by evidence, built trust.” This trust can grow into deep loyalty. She recalled a donor who, after years of attending events and following reports, spent 300,000 dinars on a tennis ball at an auction: “He had already decided he would give that money. The auction was only a formality. That was trust built over years.”

Credibility is also fragile. In Stara Pazova, citizens sometimes assume

the foundation is tied to the local municipality: “People often think we are ‘something at the municipality.’ Since we fund projects that the municipality should do, some ask why we give money at all, or assume we are covering for them. Add to that the existing corruption, and it discourages people.” Such misidentification blurs lines between civic and political life, reinforcing skepticism. Foundations with limited staff struggle to counter these narratives consistently. The executive director stressed the importance of exclusivity in roles: credibility requires that “key roles such as PR and executive director must remain visibly and exclusively tied to the foundation itself.”

Hostile attacks also occur. The program officer recalled being targeted online: “malicious tongues” accused her of being “Soros-funded.” In one case, a local critic demanded bank statements during a joint project. She explained, “We had already communicated publicly how much was raised. Anything else was just an attempt to create a negative story.” The decision not to engage shows the delicate balance between openness and avoiding manipulation.

Credibility is reinforced not only by outputs but by relationships. The program officer described attending a grantee’s event: “They were thankful because we were the first to give them money. On that basis they could then go to companies and ask for more.” Another campaign, for maternity

wards, attracted donations from cities beyond Niš, demonstrating that trust extended across regions.

Board members play a visible role in this process. One explained, “People often connect me directly with the foundation, especially when I invite them to apply for grants. In those moments, they see me as the face of the foundation.” This dual identity - teacher in everyday life, board member in civic life - illustrates how personal credibility flows into institutional legitimacy. Boards also set ethical boundaries. One member recalled debates on donor policies: “Our stance is that it is better to cut some things early. In the long run, transparency and the absence of financial ties strengthen credibility.” By rejecting funds from casinos, polluting industries, or “green-washing” efforts, foundations communicate principled independence, even at the cost of resources.

Trag Foundation has embedded credibility-building into its model. Staff described training CFs in transparent grantmaking, insisting on independent selection committees, clear communication of decisions, and publication of annual reports. “We always push them to be open. Every step they take, we bring them back to the idea that they must communicate clearly.” For Trag, credibility is measurable in community response: “When I see that serious donors have gathered around a CF, when civil society actors ask what they are doing, and when there is a steady

tinflow of applications, that tells me they have earned trust.”

Credibility in Serbian CFs is built gradually through transparency, visibility, and ethical integrity, yet it remains vulnerable to political misidentification, online hostility, and structural weaknesses. As one program officer summarized, “Constantly repeating where the money goes, and backing it with proof, is what keeps credibility alive.”

By maintaining principled donor policies, engaging visibly in community life, and demonstrating results through grantmaking, CFs carve out legitimacy in a culture of skepticism. Boards and staff act as both ambassadors and guardians of ethical boundaries, while Trag’s support helps institutionalize accountability practices. The challenge ahead is to consolidate these practices so that credibility does not rest solely on individuals but becomes embedded in systems that can endure leadership changes and external pressures.

#### **4.4 Connections: Building and Sustaining Partnerships to propel the Community Foundations Movement forward**

For community foundations in Serbia, connections are not secondary but central to their ability to survive and grow. The narratives of leaders, program staff, board members, and representatives of Trag Foundation reveal that networks (local, peer-to-

peer, and institutional) provide continuity, legitimacy, and solidarity. At the same time, these relationships are fragile and require careful cultivation in contexts where civic trust is uneven and political institutions often obstructive.

The executive director of one foundation explained, “our core network is the circle of existing grantees and potential grantees. They are the best ambassadors of the foundation, because who can represent us better than people who already participated?” In small municipalities, such networks provide legitimacy and a sense of belonging. Yet awareness remains limited, as he noted, “We thought in the beginning that everyone knows us, but it turned out that many people still have no idea. Sometimes a single conversation at a birthday party changes that. That is why even these ‘accidental meetings’ matter.”

Boards act as unique connectors. A program officer described them as “our little treasure, because every member is in a different sector. Whatever we need, we know who to call.” Members’ professional and personal networks extend the foundation’s reach into business, education, and civic circles, often bridging doors that would otherwise remain closed. A board member reinforced this point: “Partnerships that keep us alive are those with organizations and people in our ecosystem, like SINHRO, Femplatz, and local initiatives. They are the ones

who can jump in, support, and push when needed.”

Beyond local ties, respondents consistently highlighted the importance of horizontal connections with other CFs. Study visits, exchanges, and mentoring were seen as decisive. As one director put it, “At the national level we could act together, and that would strengthen our capacity and attract more donors.” Such encounters created trust and solidarity, allowing foundations to share not only successes but also failures without fear of reputational damage.

This culture of mutual support extends to emerging CFs. By sharing templates, strategies, and negotiation tips, established CFs reduce the learning curve for newcomers, embedding solidarity as a sectoral norm. These exchanges, supported by Trag, are gradually creating the foundation for a formalized national network that could amplify collective voice and bargaining power.

Despite successes, certain connections remain elusive. Businesses often prefer to fund humanitarian causes rather than community development. A program officer explained, “It was hard to explain to directors that our funds are not for sick children or social cases. For those purposes, they always have budgets. But when it comes to development projects, the sense of urgency is not recognized.” Younger business leaders appear more open,

but older generations often fail to see the relevance of supporting local initiatives.

Relations with political actors pose an even greater challenge. Initial optimism with new municipal administrations often gives way to frustration: “When we needed support, again it was about knowing one person. Meetings were scheduled, but they didn’t show up.” Such unpredictability weakens the ability of CFs to position themselves as stable community actors.

The question of who not to collaborate with is equally important. A board member stressed, “We do not want to do greenwashing. We think carefully about where the money comes from.” Rejecting funds from gambling industries or polluters strengthens credibility, even when resources are scarce. These ethical stances signal integrity to communities and help CFs differentiate themselves from political and corporate interests.

Respondents were unanimous in highlighting the importance of Trag’s support in building connections. One executive director explained, “What mattered most was the relationship. They explained everything in a human and understandable way, never from above. That is one of the reasons we even survived.” A board member added that initial expectations may have been too ambitious: “Back in 2020 we thought that within a few years there would be

ten registered foundations with stable funding and staff. That was unrealistic. Processes like this take much longer.”

Trag acknowledged this tension, framing it as part of the learning process: “The most sensitive part is when we see something could be done differently, but we must let foundations discover it themselves.” Their philosophy emphasizes flexibility: adjusting fundraising thresholds, providing operational grants, and supporting gradual professionalization. As one staff member summarized, “They are now more than beneficiaries of our reputation. They have built reputations of their own.”

Connections sustain community foundations through trust, solidarity, and collective identity. Local grantees, boards, and civic partners provide the relational infrastructure for survival. Peer-to-peer exchanges foster learning and resilience, while Trag Foundation’s accompaniment anchors these processes in long-term support. Yet barriers remain in engaging businesses and political actors, requiring persistence, strategic negotiation, and ethical clarity.

The vision of a national CF network, repeatedly voiced by respondents, suggests a pathway toward consolidating these connections into durable institutional structures. Such a network could provide not only solidarity but also advocacy power, ensuring that community foundations

move beyond dependence on a single support organization and toward recognition as a legitimate national movement. As one respondent put it, the value lies not only in immediate partnerships but in knowing that “we are not alone.”

## 5. Case Studies

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### 5.1 Community Foundation Niš

The Community Foundation Niš (CF Niš) illustrates how local initiatives can evolve into trusted civic institutions. Emerging in 2020 and officially registered in 2022, CF Niš quickly established legitimacy by mobilizing \$15,000 from citizens and businesses, matched by the Trag Foundation. Within two years, it reinvested over \$45,000 in local initiatives ranging from public space renovations to youth-led cultural projects.

Fundraising creativity has been a defining feature. The foundation organized online and live auctions, sports tournaments, and cause-related marketing with local companies. A tennis ball signed by Novak Djokovic raised 300,000 dinars, becoming a symbol of community pride. Despite such successes, covering salaries and professional roles remains difficult: project-based support collapsed after the USAID withdrawal, exposing vulnerabilities.

Still, CF Niš responded by strengthening events and diversifying support. A 3x3 basketball tournament convened 30 companies, while a “Business Run” mobilized 1,500 citizens. Partnerships expanded to schools, startups, and cultural institutions, reinforcing its visibility. By mid-2025, CF Niš had raised over \$75,000, supporting 45 initiatives. Its

transparency, participatory grant-making, and constant communication made it widely trusted. Mentoring new CFs in Serbia and Bosnia further strengthened its position as a regional leader.

### 5.2 Community Foundation Stara Pazova

Stara Pazova Community Foundation shows how even smaller municipalities can build a strong philanthropic culture. Founded in 2022 after two years of volunteer organizing, it serves a community of about 65,000 residents, bridging two urban centers and surrounding villages. Its origins lie in a group of parents and local entrepreneurs who recognized the potential of collective giving.

From the outset, the foundation built credibility with local companies, securing major donations from supermarket chains and banks, alongside numerous contributions from small businesses. Equally important were its public events, which have become hallmarks of local philanthropy. The annual raffle with valuable prizes and the Easter Egg Hunt, coupled with a community bazaar, brought visibility and broad participation. In 2024, the introduction of Giving Circles allowed local initiatives to pitch live to donors, combining fundraising with direct community decision-making.

By 2025, the foundation had raised more than \$47,000, including matched funds from Trag, and supported over 30 initiatives. Its signature investments include safe playgrounds, sports fields, and walking paths, as well as educational projects like free robotics classes that grew into a permanent program. Its voluntary leadership, backed by an active board, has been central to its success. Stara Pazova CF demonstrates how determination, creativity, and collaboration can translate into visible community improvements and set standards for participatory local philanthropy.

## 6. Recommendations

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The experiences of community foundations in Serbia reveal a wealth of practices worth consolidating and areas demanding further improvement. Across the four dimensions of capacities, capabilities, credibility, and connections, the most successful strategies have been grounded in transparency, relational presence, and experimentation. Fundraising through events, donor circles, and small corporate partnerships should now be institutionalized as recurring practices, while consistent communication about where funds are directed and what results are achieved remains indispensable. Boards' principled decisions to reject problematic funding sources, coupled with their willingness to serve as public ambassadors, should be further strengthened as part of a deliberate strategy to uphold credibility and mobilize networks.

At the same time, critical weaknesses must be addressed to secure long-term sustainability. Stabilizing staff positions should become a priority, with operational costs reframed not as overhead but as recognition of the knowledge, skills, and time invested in accumulating resources and managing grantmaking efforts. Digital competencies should be cultivated in-house to reduce reliance on outsourcing and to improve visibility, while volunteer engagement should be structured as a pathway for deeper

participation and leadership development. Boards should adopt more systematic renewal processes and formalize conflict-of-interest policies, while targeted branding and civic education campaigns can help counter misidentification with local authorities.

Supporting organizations such as Trag also have a role in deepening the impact of their accompaniment. Their model of long-term mentoring and peer learning has been indispensable, but it must remain realistic and adaptive to local rhythms. Providing flexible operational grants, setting achievable fundraising thresholds, and tailoring support to foundations of different sizes will help ensure progress is both steady and durable. Crucially, this accompaniment should now evolve into scaffolding for something larger: a nation-wide network of community foundations. Such a body could become a platform for solidarity, collective advocacy, and pooled expertise, while gradually assuming functions now concentrated in Trag.

Looking ahead, the focus remains on strengthening existing CFs and consolidating the movement. Yet, the recommendations also leave open the possibility of field expansion. If new initiative groups emerge and local circumstances align, the groundwork already laid offers a pathway for

supporting them. In this way, Serbia's CF ecosystem can continue to grow stronger while remaining flexible and responsive to opportunities for broader expansion.

## 7. Conclusions

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Taken together, the findings of this action research confirm that community foundations in Serbia have proven resilient and adaptive, and that they are gradually building the institutional strength needed for long-term sustainability. The 4Cs framework captures both the advances and the vulnerabilities: capacities are present though still fragile; capabilities in fundraising and communication are advancing, even if unevenly; credibility is firmly rooted in transparency but requires continued reinforcement in a culture of distrust; and connections are vital but remain inconsistent across sectors.

The key conclusion is that resilience, while essential, is only the foundation. The next step is to transform episodic successes into durable systems. Embedding professional staff roles, ensuring sustainable funding streams, and cultivating digital literacy will be critical. Equally important will be boards embracing renewal, codifying ethical boundaries, and systematically evaluating their effectiveness. These shifts are achievable and already underway in many foundations, signaling a trajectory of growth.

At the ecosystem level, the future looks promising if peer-to-peer solidarity continues to deepen and external linkages with companies, schools, and public authorities expand. The vision of a nation-wide CF network emerges

not as a distant aspiration but as a realistic pathway for the next stage of movement-building. Such a network could provide collective credibility, advocate for supportive policies, and gradually mark a shift from dependence on Trag toward sectoral self-governance.

Ultimately, the evolution of CFs in Serbia will depend on their ability to transition from fragile experimenters to trusted community anchors. If capacities, capabilities, credibility, and connections are consolidated within a networked ecosystem, community foundations will not only endure but also reshape the landscape of local philanthropy as a recognized force for democratic community development. While the immediate focus remains on strengthening existing foundations and the movement as a whole, there is also room for optimism: the field retains the potential to expand when local energy, resources, and supportive conditions converge. In this way, Serbia's community foundations can continue to grow stronger while leaving open the possibility of new initiatives that build on their momentum.

## 8. Annexes

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### 8.1 References

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## 8.2 In-Depth Interview Guides

### CF Lead Coordinators – Interview Questions

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

<b>Capacity</b>
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?

<b>Capability</b>
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?

<b>Connections</b>
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?

<b>Credibility</b>
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

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

<b>Capacity</b>
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?

<b>Capacity</b>
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?

<b>Capability</b>
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?

<b>Credibility</b>
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?

<b>Connections</b>
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

<b>General Information</b>
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:

<b>Financial Capacity</b>
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?

<b>Capability</b>
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?

<b>Credibility</b>
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?

<b>Connections</b>
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**

<b>General Information</b>
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:

<b>Capacity</b>
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.
<b>Capability</b>
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?
<b>Connections</b>
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?

<b>Credibility</b>
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?