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MONITORING AND EVALUATION SUPPORT ACTIVITY (MEASURE II)

STATE OF PHILANTHROPY IN BIH BRIEF ASSESSMENT

December 8, 2021

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ACRONYMS

BiH	Bosnia and Herzegovina
CSOs	Civil Society Organizations
FG	Focus group
KI	Key informant
KII	Key informant interview
MEASURE II	Monitoring and Evaluation Support Activity
NGOs	Non-governmental organizations
NSCP-BiH	National Survey of Citizens' Perceptions
USAID	U.S. Agency for International Development
USAID/BiH	U.S. Agency for International Development in Bosnia and Herzegovina

INTRODUCTION AND METHODOLOGY

The United States Agency for International Development (USAID) Mission in Bosnia and Herzegovina (BiH) has requested its Monitoring and Evaluation Support Activity (MEASURE II) to conduct a brief assessment of philanthropy in the country by organizing roundtables with relevant stakeholders. This assessment explores developments and challenges in the philanthropy sector, focusing on the relevant infrastructure, levels of transparency, and opportunities for enhancing the culture of philanthropy in BiH. The assessment supports USAID/BiH in the design of a new philanthropy activity.

To inform the assessment, MEASURE II completed a desk study of secondary documentation¹ and conducted key informant interviews (KIIs) with USAID's implementing partners (4 implementing partners, 6 individuals) and roundtable discussions (3) with 21 stakeholders representing relevant civil society organizations (CSOs), the corporate sector, and local governments. The assessment also draws on the National Survey of Citizens' Perceptions (NSPC-BiH)² post-survey focus groups with citizens (11 individuals). Data collection occurred from November 9 to November 30, 2021.

The assessment team identified several limitations in preparing for and conducting the assessment, largely a result of the lack of official data on philanthropic funding. Media reports provide the main source of data informing the amounts and instances of philanthropic actions. Because media reports do not cover all philanthropic giving, figures presented in this report represent only rough estimates of these data.

FINDINGS AND CONCLUSIONS

BACKGROUND INFORMATION ON PHILANTHROPY IN BIH

Key informants' (KI) perceptions and available data indicate that philanthropy in BiH is growing and continuously evolving. According to the Catalyst Foundation³, philanthropic giving in Bosnia and Herzegovina increased from €7.5 million in 2019 to €22 million in 2020⁴, and the donated amount per capita increased from €3.7 in 2019 to €11.7 in 2020. According to the 2020 NSCP, percent of individuals who gave monetary and in-kind donations increased to 65 percent in 2020, compared to 55 percent in 2019 and 38 percent in 2018. According to data from the Catalyst Foundation, in 2020, the largest share of donations comes from the corporate sector and by groups of mixed donors, representing 33.2 percent and 31.7 percent respectively.⁵ The remaining share (35.7 percent) represents the combined contributions from mass individual actions, private foundations, individuals, CSOs and Associations, and others (15.1 percent, 9.1 percent, 6.4 percent, 2.1 percent, and 3 percent respectively). Of the donated value, 10 percent of the total share is representative of diaspora's engagement.⁶

¹ MEASURE II reviewed 12 documents, but the Assessment uses only the Giving in Bosnia and Herzegovina – Report on the State of Philanthropy and the 2020 National Survey of Citizens' Perception report. Other reviewed documents were not used as they are outdated.

² The NSCP-BiH is an annual survey conducted by MEASURE II to inform the USAID/BiH's strategic planning and programming.

³ Giving in Bosnia and Herzegovina – Report on the State of Philanthropy; Catalyst Foundation.

⁴ Because this analysis was based on the media reporting on about 3,500 donations in 2020, the Catalyst Foundation assumes that the total amount of philanthropic donations in 2020 was considerably higher.

⁵ Instances where donations were provided by a group of donors comprised from different categories of donors.

⁶ Giving in Bosnia and Herzegovina – Report on the State of Philanthropy; Catalyst Foundation.

In 2021, Mozaik Foundation and its partner organizations (Hastor Foundation, Pomozi.ba Association, Network for Building Peace, Trag Foundation, and Catalyst Balkans) established the Philanthropy Forum in BiH as part of the “Legal Framework for Philanthropy” Program implemented with financial support from the USAID/BiH. The forum works on improving legal and policy environment for philanthropy, awareness-raising and promotion activities, and enhancing the culture of philanthropy in BiH.

COVID-19 INFLUENCE

A number of contextual or environmental factors, such as the recent emergence of the global COVID-19 pandemic, often influence a country’s philanthropic activities. In efforts to combat COVID-19, BiH has experienced an increase in philanthropic activity and the total amount of donations in 2020. The main effects of the pandemic on the philanthropic sector in BiH are⁷:

- A big increase in the number of philanthropic activities and the total amount donated.
- For the first time in the last 5 years, citizens are not the largest donor in terms of the number and total amount of donations – companies took over.
- A big increase in the number and amount of COVID-19 related donations that went to the government and public institutions.
- International donors and corporations provided most of the funds to fight the pandemic.
- Philanthropic foundations and CSOs continued their regular activities and, as a result, other areas (marginalized groups, individuals, and families in need) did not suffer from the shift of donor focus to the fight against the pandemic. The number and amount of donations aimed at marginalized groups, individuals, and families in need (poverty, health problems) has not decreased.
- Unlike in previous years when philanthropic activities had limited geographical reach, in 2020 philanthropic activities covered the whole country for the first time.

Also, KIs believe that, although the pandemic might have exhausted philanthropic resources, it reinforced the philanthropic culture in the society and contributed to growth of philanthropy in the long run. KIs also noted that a number of informal high-quality philanthropic groups are operating in BiH. With the needed capacity strengthening support, these groups have the potential to become formal philanthropic foundations further enhancing the culture of philanthropy in BiH.

THE PHILANTHROPY CULTURE IN BIH

According to KIs, BiH has a culture of helping neighbors or people in need. As an example, one implementing partner indicated that only one-third of funds for alternative care for children without parental care comes from the government and the rest comes from individual donors and companies. But the giving is not systemic; philanthropic actions are spontaneous, short-term, and driven by specific needs and situations. Roundtable participants agree that citizens are likely to react by giving to nature-induced disasters, appeals for help to individuals in difficult socioeconomic or health situations, or during the national and religious holidays. Participants also agree that the

⁷ Based on information and data from the Giving in Bosnia and Herzegovina – Report on the State of Philanthropy; Catalyst Foundation

strength of philanthropy in BiH is especially evident in crisis situations when citizens and other stakeholders act collectively. However, when those situations are over, citizens' motivation to engage in philanthropy fades. KIs think that much more should be done to promote philanthropy as a value to transform the ad hoc giving habits into a culture of philanthropy. For the businesses, according to representatives from the corporate sector, the decisions to give are driven by: 1) need to give back to local communities affected by the company's operations; 2) a desire to improve the company's image and brand; 3) gaps created by insufficient institutional support to specific population categories; and 4) a desire to leave the lasting legacy.

PUBLIC CONFIDENCE, TRANSPARENCY, AND ACCOUNTABILITY OF STAKEHOLDERS

CITIZENS

Several citizens who participated in the FGs do not trust the CSOs, governments, or companies' philanthropic intentions. According to the 2020 NSCP-BiH, about one-third of respondents (32 percent) believe that CSOs mainly advocate for issues of interest only to themselves, 29 percent see CSOs as serving their funders' interests, and 18 percent believe CSOs serve the interests of political parties. Only 15 percent of respondents believe that CSOs work for the citizens. CSO representatives believe that citizens' mistrust is generated from the perception that CSOs have access to enormous funds, that citizens lack information about the use of funds and control mechanisms in place, and that citizens fail to see visible results. Several citizen representatives have expressed their confidence in philanthropic organizations, while many voiced trust in faith-based organizations.

Citizen representatives' opinions on the government's role in philanthropy are mostly negative. Participants also believe that companies, especially the large ones, are mainly driven to give to promote their businesses. This belief aligns with most representatives from the corporate sector (large businesses) who indicated that businesses' philanthropic activities are in part driven by a desire to build the image of the socially responsible company and strengthen the company's brand. According to roundtable participants, citizens would be more likely to participate in philanthropic actions if they believed that their contributions will reach intended individuals, if citizens perceived a philanthropic organization as credible, and if they were provided with reliable and easy channels of giving. For example, Pomozi.ba, a philanthropic NGO widely trusted by BiH citizens, collected 250,000 BAM from 40,000 citizens in the first 48 hours of a charity action⁸.

CIVIL SOCIETY ORGANIZATIONS

CSO representatives do not trust the philanthropic intentions of local authorities. The representatives claim that local governments have their favorite CSOs to which they regularly transfer the funds without transparent procedures. The representatives feel that governments have no appreciation for CSOs' activities and their contributions to society.

Some CSO representatives perceive corporate philanthropy as humanitarian marketing rather than sincere philanthropy. Other representatives claim that many companies donate anonymously. However, roundtable participants are aware that many CSOs receiving funds from the corporate sector are insufficiently transparent and compromise their relationships. CSO representatives think that the lack of structured communication channels and insufficient transparency are leading causes of citizens and companies' mistrust in CSOs.

⁸ <https://www.facebook.com/222427534556187/posts/2493850727413845/>

CORPORATE SECTOR

Companies believe that local authorities' interest in philanthropy is insufficient and that NGOs have difficulties accepting and understanding the needs and role of the corporate sector in philanthropy. Due to the large number of registered NGOs whose activities and credibility are unknown, and from which companies receive a large number of requests on daily basis, companies are unable to make an informed decision to whom to donate. Companies mitigate this issue by selecting CSOs with a strong public profile or by choosing the organizations with whom they worked successfully in the past.

Companies cannot donate directly to individuals. The easiest way for the corporate sector is to work directly with local communities and public institutions. However, these institutions cannot provide a wider reach, while CSOs can. An emerging trend among large companies is to overcome the intermediaries by establishing their own foundations. The corporate KIs believe that higher government levels should do much more to develop cooperation with large companies, initiating discussions about philanthropy, awareness raising, creating enabling environment through the system of incentives, and regulating the work of the CSO sector.

GOVERNMENT

Local authorities are either unaware or unwilling to admit that citizens and CSOs do not trust them. KIs from local governments feel that they have good cooperation with citizens' associations, citizens' groups, and companies. Local governments trust active CSOs⁹ that work well and produce results. When it comes to the business sector, local government representatives believe that companies support philanthropic activities, but do not initiate them.

Municipalities employ different approaches to cooperate with and provide financing to CSOs. However, in most cases, the vast majority of funds for CSOs go to sports associations, war-related status associations, and associations of people with disabilities. Considerably smaller funds support CSOs' community development projects and other project-based initiatives. These CSOs receive support through public calls or based on direct requests for support. Usually, amounts allocated to these CSOs are small, up to 5,000 BAM. Some municipalities try to align CSOs projects with the municipality's development strategy, while others allocate equal amounts of money to all public call applicants. All roundtable participants representing a local government believe that their fund allocation is fair and transparent.

Local government representatives believe that much more could be done to motivate people to engage in philanthropy, and key to increased philanthropic engagement is trust between stakeholders. These KIs believe that building the culture of philanthropy should be done through education, promotion, and multi-sector cooperation.

DATA COLLECTION AND REPORTING

CAPTURING PHILANTHROPY DATA

KIs agree that more people would engage in philanthropy if they had information about where, why, and how to give. All KIs agree that transparency is the key factor of philanthropy development and growth, and that it is primarily up to CSOs to invest more to improve the transparency of their

⁹ According to local government representatives, only one-third of all registered local NGOs are active.

work. But, CSOs data collection and reporting ability is limited by lack of human, financial, and technical (e.g., knowledge, tools) resources. Without well-established data systems, CSOs employ different strategies to improve their transparency, such as: keeping daily communication with their (potential) donors; publishing everything they do in social media; checking all requests for assistance to eliminate possibilities for fraud and ensure and prove that the donated money was used properly and as planned. Some KIs believe that the exchange of experiences and knowledge between CSOs would help less developed organizations increase their transparency. Some KIs noted that CSOs should go beyond the legal reporting requirements and operate in accordance with good transparency practices.

CSOs believe that the existence of a single platform to collect and share all information about philanthropic activities would significantly contribute to increasing trust, promoting philanthropy, and raising community awareness of its importance. However, developing a joint data platform would be challenging due to the lack of and incomplete data (e.g., from the CSOs' financial reports). According to KIs, currently, only a few individual databases of philanthropic organizations exist. The most used sources of information are random media reports on philanthropic activities and individual project reports to donors.

EASE OF GIVING

GIVING ONLINE

KIs believe that giving is complicated in BiH due to the lack of adequate philanthropy infrastructure. The digital platforms could be a solution for informing people and companies about opportunities for engagement in philanthropic activities. There are possibilities for online giving in BiH, but the existing opportunities are fragmented.

Examples of existing online platforms for giving include:

- Tuzla Community Foundation has their own platform, doniraj.ba¹⁰, serving to raise funds for community projects implemented by NGOs and informal groups of citizens.
- Pomozi.ba has a crowdfunding page similar to gofundme.com, implementing a large number of campaigns to help individuals, groups, and support various causes.
- The Website Volontiraj.ba (created by KULT) serves to encourage companies to donate their employees' working hours to organizations.
- The platform trebalsta.ba, launched by BBI Bank and the Sarajevo Canton Ministry of Education, is intended for high school students who can register and apply to participate in projects of various associations.

Foreign online platforms can be used to raise funds, but they have high commissions. According to KIs, some directives and decisions of the Ministry of Finance and the Banking Agency covering fundraising are unclear and not well grounded, and represent obstacles for philanthropic actions.

¹⁰ <https://doniraj.ba/>

PHONE ENABLED GIVING AND DONATION BOXES

According to KIs, the easiest way for citizens to donate is to leave cash in donation boxes, or to call the humanitarian phone number. However, CSOs use all the possible tools to collect donations, and they use the tools as long as they produce results. According to KIs, donation boxes turned out to be an excellent way to raise funds, with many examples of private sector and CSO collaboration.

WHO CAN DO MORE

CITIZENS

According to the Catalyst Foundation, citizens have been the most active donors before 2020, primarily through mass giving for appeals and campaigns. Mass individual giving accounted for 35.3 percent of instances and one-third of the donation value in 2020.¹¹ KIs believe there is still a potential for an increase in citizens giving, which could appear with improved general economic situation, strengthened philanthropic infrastructure and ease of giving, and improved trust and awareness. Diaspora could significantly increase their share in philanthropy if adequately informed about existing needs and encouraged to engage in philanthropy beyond transfers to family members.

GOVERNMENT

The primary role of the public sector in philanthropy is to create a stimulating environment. According to KIs, the current institutional environment is not conducive to development and growth of philanthropy. Individuals and businesses believe that the authorities should do more to address existing humanitarian and community development issues, and CSOs and companies should contribute to these initiatives.

The public sector's involvement in philanthropy is most pronounced at the local level. KIs cited several examples of local authorities assisting philanthropic organizations in fundraising, program design, and implementation. Also, some donors require that CSOs cooperate with local governments in project preparation and execution. However, support from the higher government levels is generally lacking.

PRIVATE SECTOR

Larger companies and corporations have their corporate social responsibility plans as part of their business strategies. The companies expressed interest in awareness-raising activities and initiatives producing long-term and sustainable effects. But, they also want to use philanthropic activities to strengthen their brands. Companies believe there are many other ways and areas where they could engage in philanthropy, in addition to donating money. They believe that philanthropy should evolve and become the society development tool.

All KIs agree that the corporate sector's potential for philanthropy is underutilized in terms of financial giving and in contributing expertise, services, and volunteering. KIs believe that improving the legal framework, upgrading philanthropy infrastructure, and increasing trust and awareness will contribute to the corporate sector's greater engagement in philanthropy. The further development of philanthropic infrastructure is extremely important for the growth of corporate philanthropy as companies need strong and reliable partners to distribute their funds.

¹¹ Giving in Bosnia and Herzegovina – Report on the State of Philanthropy; Catalyst Foundation.

According to KIs, while most large companies include philanthropic activities in their business strategies, this is often not the case with small and medium enterprises (SMEs). SMEs engage themselves in philanthropic activities on an ad-hoc basis and are less likely to promote their philanthropic work.

RECOMMENDATIONS

USAID should consider the following recommendations:

- Use the Philanthropy Forum to broaden cooperation between public, private, and NGO sectors, focusing on trust building among stakeholders.
- Support a single online platform that would collect and share information on philanthropic activities in BiH. The platform should also provide information on where, when, and how to engage in supporting a cause.
- Identify and promote a larger number of good CSOs active in various philanthropic areas. Assist the CSOs in defining and implementing good transparency practices and improving CSOs' information and data systems, data processing and reporting, increasing their capacity to present their work and results, and explaining the effects of their work on society. Provide support to CSOs' efforts to raise awareness and educate stakeholders about philanthropy.
- Use the Philanthropy Forum to identify and support good quality philanthropic informal groups and help them increase their capacities for philanthropic engagement.
- Develop broader models of corporate philanthropy, beyond monetary donations. These models can include volunteering, providing expert assistance, and knowledge transfers. Work with SMEs and assist them to adopt a strategic approach to philanthropy.
- Enhance cooperation between the corporate sector and CSOs and increase CSOs capacity for corporate philanthropy promotion. Encourage and facilitate collaboration among different USAID's activities and implementing partners to promote philanthropy and leverage synergies across philanthropic actions, capture positive stories, and increase the presence of philanthropic topics in the media.

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