

BOSNIA AND HERZEGOVINA

Community Foundation Tuzla

History

Community Foundation Tuzla was initially established as Community Foundation Simin Han in 2003 by 18 citizens from Tuzla, the town that is situated in the north-east part of Bosnia and Herzegovina. Particularly, inhabitants from the most eastern suburb of Tuzla, called Simin Han, had the ideas, will and energy to do something for their local community and their town. The initial stimulus was given by the Youth Empowerment Partnership Program (YEPP), launched in Simin Han by the German foundation Freudenberg Stiftung that worked here from 1999 until 2004, because of its concern with specific post-war conditions. From 2003-2005, the initial focus of the community foundation was to address many problems in Simin Han suburb where people suffered from unstable living conditions caused by migration, refugee status, lack of basic conditions (housing, social and medical insurance, employment and access to education). In spring 2005, the Founders and the Board decided to spread the model of youth and community empowerment practiced in Simin Han to the whole area of Tuzla City. The aim was to promote a culture of giving and active citizenship that will improve living conditions in Tuzla. From the very beginning, Tuzla Community Foundation was an operative foundation, developing three major programs: youth empowerment program, community development program, and community education program. Through these programs we develop practices of youth and community organizing, training programs that build capacities of young and other community members, and we build partnerships, organize forums and round tables with local stakeholders, for the purpose of tackling issues that are important for the community, such as safety in traffic, ecology issues, non-adequate sewerage system, illegal dumping of garbage and recently the development of youth strategy. We developed a small grant-making program, through which we distribute small grants to local, formal and informal groups and associations that propose projects for community benefit.

Tuzla Community Foundation is supported mainly by foreign donors and, since 2006, we also get financial support from Tuzla Municipal Government and Tuzla Canton Government. In 2007, we developed a strategy to start partnerships with local donors too. In targeting local donors, we have to be aware that the existing laws on donations and tax incentives in Bosnia and Herzegovina do not promise much and cannot be of much help in stimulating local giving

Current status: Facts and figures

Geographic area served:	Municipality of Tuzla
Population size of service area:	200,000
Total sum of grants made in 2007:	€ 52368,41
Total number of grants made in 2007:	49 grants
Total sum of the income/ donations in 2007:	€ 161187,46
Single largest source of income in 2007:	Donation from the German foundation Freudenberg Stiftung
Is there an endowment? Yes/No.	Yes
If Yes, the size of the endowment:	Officially € 1000 – The higher amount noted below still needs to be reported to the relevant legal body, which will be done later this year.

Activities and impact

Community Foundation Tuzla (www.fondacijash-tz.org), in cooperation with local partners, aims to improve the quality of life in Tuzla community with the special focus on needs of young people. Through promotion of culture of giving and volunteerism, partnership and community education, we invite and motivate citizens, especially young people to engage actively in the development of local community and society in general. Community Foundation Tuzla is an operational foundation, which means that apart from effective grant making, we implement projects through our four programs: youth empowerment program and community education and community development program and grant making program.

Apart from small grant-making program and youth bank grant-making initiative for whole area of Tuzla City, in 2007, we initiated process of youth and community empowerment in the five targeted local communities in Tuzla. Five Local Activist Groups work on establishment of partnerships and cooperation of local government offices (MZs), primary schools and local NGOs, as well as non-formal groups of young and active citizens. They meet regularly on 1-2 month basis and work together on need assessment and planning together implementation of following activities:

1. Capacity building of young people.
 - Leadership training for young people to become responsible and active citizens in the community in cooperation with primary schools;
 - Youth Bank Tuzla Project aiming at involvement of young people in the process of planning, decision-making and implementing of the activities for youth benefit
2. Capacity building of active citizens, as well as local administration officers in community organizing process.
 - Community mapping, needs assessment, resource mapping within YEPP local actors' groups;
 - Workshops with action groups in local communities (participation, volunteerism, self-organization and leadership, skill development, capacity building);
 - Coordinating with local authorities to improve their services to citizens and proactive approach in communication with citizens.
3. Support to plan and implement small projects for community benefit.
 - Support projects for community benefit developed by active groups of citizens and non-profit associations and organizations. Grants are given mostly through General Fund but we have also defined Field of Interest Funds based on need assessment and donors interests (Youth, Education, Active Citizenship and Volunteerism, Marginalized people and communities);

- Support projects of local stakeholders in partnership and cooperation with Community Schools
- 4. Promotion of community education through:
 - Development of the Community Centre “Agora” in Simin Han as centre for life-long learning and open education for everybody;
 - Support “Community Schools” development in cooperation with the local NGO “MUIOS”.

Example: Program of community education.

Community Foundation Tuzla delivers a large annual grant to a local organization, a network of open schools in Tuzla, called MIOS Tuzla. We also support each school in Tuzla that is a part of this network with small grants of up to €500. Primary school "Pazar" joined the network 4 years ago, using the model that was developed in Simin Han suburb earlier, with the support of German foundation Freudenberg Stiftung and later Community Foundation Tuzla. Before that, the primary school "Pazar" was a closed school, strictly taking care of regular teaching curriculum. The school was unsightly and in a phase of degradation. The number of students decreased year by year, and a general feeling of apathy and non-motivation was present here for many years. Parents and teachers did not have an opportunity to participate in the development and improvement of such a situation. Students did not have an opportunity to express their individualism, creativity and skills. In transferring the model of open school "Simin Han" to this school, we paid attention to:

- developing teams which promoted team work,
- development of partner relationships of all actors in education,
- openness as an opportunity for development,
- education of teachers in interactive approach to learning and teaching, and
- teaching with the accent on individualization and democratization of work in the classroom.

After four years of planned work, this school is recognized in the city as an open school now – the school that accepts changes, where parents and community actively participate in the development of the school and community as well. This development is visible thanks to the traditional manifestations like these:

- Days of open school,
- Yearly donation show in which the whole community participates,
- Increasing number of students (30 new students from the other areas),
- The school initiates various activities in the community (building of secure street crossings for students),
- The school made development plans in cooperation with parents and community members.
- It has paid attention to individual skills, possibilities and interests of students in processes of learning and teaching.

Operations and staffing

The Steering Committee (Assembly), made up of the founders of Community Foundation Tuzla and the Community Foundation Board, consists of 7 volunteer members, who are the highest decision-making body in the Community Foundation Tuzla.

The professional executive team consists of the Executive Director, Finance Manager and two Program Officers. We also employ three supporting staff for development of the Community Center in Simin Han: Coordinator of the Center, heating and cleaning person. Administrative Board appoints the Executive Director.

The Executive Director runs the funds, bank accounts and other resources of the foundation, concludes contracts, and represents the foundation in relations with third parties. She is also responsible for the small grant-making program.

The Finance Manager is responsible for financial reports and budgeting, as well as the relationship with the bank and administrator of contracts with third parties.

The two Program Officers work as community and youth workers and developers of the community and youth empowerment activities and capacity building trainings. They also participate in monitoring and evaluating the small grant program.

Community foundation income

The Foundation is still mostly supported by international and local foundations. The percentage of financial support from individuals and families, as well as from local businesses and local government, remains very small and almost insignificant.

Income categories

General estimates by donor category are as follows:

87.90 %	foreign donors
4.60 %	local public donors (e.g. government programs)
1.20 %	local private donors
6.30 %	income from services and business activities

Purposes

The income received is for the following purposes:

Grant making (re-granting)	10.20 %
Specific programs	66.10 %
Administration	12.00 %
Marketing and organizational development	12.00 %

Permanent funds/sustainability

The Foundation was started with an endowment fund of € 1,000. In the last two years, the endowment increased to € 9285 with a grant from a local foundation and investments. However, this amount still needs to be approved by the Board to be officially registered with the Federal Ministry of Justice. Building the endowment fund is part of the Foundation's development strategy, but it will take time. The Foundation's strategy for raising funds for grant making is to focus on governmental bodies and public funds. Foreign foundation support will certainly be needed for some time. The Foundation receives some minor income from offering courses and training, renting out space and running a café in the Community

Center that it manages. This income cannot cover the running costs of the foundation. Most of the staff members are covered from specific program budgets.

Environment for philanthropy

Local attitudes

Generally speaking, in the Balkan region, people are not well informed of the funding needs of NGOs. Where there is awareness people are positive, but say that due to the generally bad economic situation of the majority, they are more concerned about survival and finding employment than about charitable giving. There is also a lack of trust in the motivation of those who fundraise. Businesses are reluctant to give to charities since tax laws do not recognize charities. There is not a long tradition and culture of charitable giving and local activism, a consequence of the former socialist system, where the government controlled charities.

Legal and tax environment

The existing laws on donations and tax incentives in Bosnia and Herzegovina do not promise much and cannot be much of a help in stimulating the local giving. According to the ICNL Survey of tax laws affecting NGOs and foundations in the CEE,¹ “generally, the countries in the region permit for-profit legal entities to claim deductions for their charitable contributions or their sponsorships to NGOs. All of the countries, including Bosnia and Herzegovina, limit the amount of deduction or credit that a legal entity may claim. The lowest allowable deduction is in Bosnia and Herzegovina, limited at 0.5 percent of revenue or gross income.” The same survey says that seven jurisdictions in the CEE region do not generally permit individuals to deduct for contributions to charity. Bosnia and Herzegovina is in this group.

Charitable giving is seen as similar to any other financial transaction in the business sector. If NGOs are performing commercial or economic activities, they are required to pay taxes. Nevertheless, the legal and tax environment should not be crucial to the community philanthropy movement in Bosnia and Herzegovina and cannot be seen as a major problem for the community foundation.

Changing attitudes and the national or regional environment

Bosnia and Herzegovina is passing through the period when many discussions are made about how and what strategy can be used to sustain the non-profit sector, citizens' formal and non-formal associations, clubs, groups and initiatives. And above that, we often ask ourselves do we really have enough domestic resources to build the healthy environment in which all segments of society will be involved in the development of the country and improvement of living conditions. General lack of trust and state of non-motivation and passiveness of Bosnian citizens, caused by different factors, such as unemployment, poverty, corruption and lack of belief in politicians and government, poor public services, ethnic differences, gaps between displaced persons and natives, are seen as the main obstacles in building social cohesion and social capital in Bosnia and Herzegovina.

Spirit of volunteerism, local giving and active citizenship is probably lost somewhere in between the great changes from socialism to capitalism and especially during and after the war when people from different

¹ ICNL Survey of Tax Laws Affecting NGOs in CEE

ethnic groups did not see each other as members of the same community and same country. Philanthropy and culture of giving exists in Bosnia and Herzegovina, but the amount of giving is still small.

Current challenges and future developments

Bosnia and Herzegovina is still rebuilding the economy and the legal system destroyed by the war. In addition, its legal and governmental structure is complicated, inhibiting positive development. High rates of unemployment also burden charitable giving in the region.

Community Foundation Tuzla, as the only promoter of the concept of community philanthropy in the region, faces a big challenge in starting to ask for donations at local level, both from individuals and corporate donors, because there is still a strong distrust and negative attitude towards the work of non-profit organizations.

For new organizations that were established during and after the war through the support of foreign and international non-profit organizations, Bosnian citizens' think that they just implement projects driven and made for the interest of foreigners and for the old ones that are existing from before, such as, women and pensioner's associations, school, parent and pupil's councils, youth councils, veteran's association, sport clubs, etc. People believe that they are corrupted and too much involved on ethnical base and dependent on the will of political parties.

The atmosphere is changing as people talk more about the need to look for funds within the local area from businesses and individuals. The Foundation will put more stress on spreading information on the charitable actions and activities in the area where it operates and speak more in public about the importance of philanthropy.

Meeting organizational support needs

There are many local organizations that provide training in areas such as capacity building, management and fundraising, and the Foundation takes advantage of these, such as TALDI Tuzla, Center for Civil Initiatives, Center for Promotion of Civil Society.

International links

The foundation has attached great importance to learning from similar organizations and collaborating over funding proposals. It is included in the following exchanges and networks:

- YEPP network – www.yepp-community.org – linked with YEPP sites in Turin, Antwerp, Mannheim, Kristinestad, where we are involved in international capacity building workshops, mostly for young people and in study visits to YEPP sites and international YEPP conferences and meetings.
- Youth Bank network and Youth Bank Balkans. We have regular contacts with Youth Bank from Community Foundation for Northern Ireland and our 2 representatives have been attending training for Youth Bank coordinators, last year in March in Dublin. We have contacts with Youth Bank initiatives in Togliatti Community Foundation in Russia and Prešov Community Foundation in Slovakia.

- We exchange experiences in running a community foundation with community foundations in Slovakia (CF Prešov), Russia and UK.

Additional resources

See the Community Foundation Tuzla website for additional information and the Annual Report:
www.fondacijash-tz.org

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