



Stories from the community philanthropy field Number 3

‘Rooted in the country, rooted in the community’

The Story of the Balkan Community Initiatives Fund

The GFCF asked Tanja Bjelanovic, Programme Director at the Balkan Community Initiatives Fund, about the establishment of the organization in 1999 and some of the challenges that Serbia’s largest grassroots grantmaking fund has encountered along the way.

The Balkans have a chequered record in European history. Still identified as the trigger point for the First World War, they were also, at the end of the last century, the source of the unpleasant reminder that Europe had not outgrown war. The Balkan conflict was bloody, protracted and the source of much international hand-wringing. The European and world community watched in horror as events spiralled out of control in the 1990s, and then intervened with belated heavy-handedness, and in an arguably partisan manner, with a bombing campaign against the perceived primary aggressor, Serbia.

Political conflicts have the effect of simplifying issues, and what is easily overlooked is that the people of Serbia were by no means universally supportive of the Belgrade administration run by Slobodan Milosevic. However popular he might have been with part of the Serbian population, Milosevic was a controversial figure, and there were a large number of Serbs who felt that he had usurped power and that he did not represent them.

The international origins of BCIF

Belgrade dominates Serbia: almost one-third of the country's population lives in the city, and almost all its administration and industry. In the 1990s, a whole country was being held responsible for the actions of a political minority, or so it seemed to British development practitioner, Jenny Hyatt, who gave a speech in 1999 on behalf of the 'ordinary' citizens of Serbia – particularly those in small, remote communities – whose suffering from the conflicts caused by Milosevic was being overlooked in the blanket condemnation of the aggression of Serbia.

Jenny's speech attracted support and funds: a small amount – £2,000 – but enough to establish a foundation to begin working in Serbia, designing programmes of support for Serbian communities and working with local people at a grassroots level. For five years, the newly formed Balkan Community Initiatives Fund (BCIF) provided small grants for people throughout Serbia, building capacity and local activity. Then, in 2004, the Fund was established as a local indigenous foundation and two years later, in 2006, the international wing of BCIF was disbanded, having, in Jenny Hyatt's words, 'ensured that local people had a lot of power from the beginning [and that there had] been a process of building people's confidence and capacities to use that power well in relation to their own communities and external supporters'.

Aspects of the background to BCIF, together with the general status of civil society, did not necessarily endear it to sectors of the Serbian population, however. For one thing, it was established with international money and run, in its infancy, mainly by people from outside Serbia. For another, its primary purpose was to support communities far from the country's capital, Belgrade, which was (and is) where most of the money and power were still to be found. As Tanja Bjelanovic, the current programme director at BCIF, explains:

At the time we began to work in Serbia, not many people actually knew about us. We were invisible except for some small communities and some most prominent NGO activists. The main problem for us at the time was outreach – how to reach communities, how to motivate people to take the initiative, how to build trust among other stakeholders and gain a good reputation. Trying to activate people in small communities and direct them to their own resources in their communities – that was the real challenge.



Tanja Bjelanovic, BCIF's programme director

At the same time, civil society faced considerable mistrust from some sections of the Serbian population. Tanja describes the atmosphere of the time, and the specific issues facing the Fund, in this way:

[Civil society] used to have this image among certain groups of people or citizens that it was working against national interests, that it was working for those from abroad – for international donors from the European Union, from the US. [Milosevic's government] perceived it as receiving money from international sources and doing what they are asked to do. And they do not trust it; because civil society in terms of human rights and this new movement of fighting for political freedom and democracy in Serbia – that was mostly developed in the 1990s, during the crisis, and it was directed against the authoritarian regime. So still some people have this picture of NGOs as working for somebody else who are traitors to the Serbian cause or using funds for their own interests but not for public good.

For us, as donors, the problem was more that there was little in terms of grassroots/bottom-up/community activism in Serbia. During the 1990s, donors used to invest large funds in human rights, in the economy, elections, democracy building on a policy and institutional level, etc. Support to small grassroots initiatives was rare and neither citizens nor stakeholders were used to it.

Another challenge for BCIF was the decline in an established tradition of philanthropy in Serbia and the absence of a model precisely matching its own chosen focus of work. At every level of society – governmental, commercial, regional, individual – voluntary activity and philanthropy were practised little and only partially understood.

These challenges persist: more recently, the campaign to re-establish trust has not been helped by the perception that a number of voluntary sector organizations had behaved inappropriately:

There were a few bad examples and affairs that happened with a few foundations that spent the money in an inappropriate way; and, of course, the media have this approach to present scandals rather than something less simple, less attractive, so people heard about these bad examples and it affected their trust generally in the work of civil society and in the work of foundations. For example, speaking about our foundation, fundraising from individuals is the biggest challenge: how to rebuild the trust, how to make them aware that we are somebody who will use their money in an appropriate way and invest it in the good parts.

In the early years of BCIF's activity, however, it was clear that changing perceptions and patterns of behaviour would be central to any possible success the Fund might have. But here again it was not helped by one particular fall-out from the conflict that had led to its establishment. The suspicion and mistrust of people who were proud Serb nationals is possibly understandable. What is less understandable – at least, at first – is the difficulty in mobilizing support from those people who actively campaigned for change, who fought to introduce democracy into Serbia and to cleanse the country of the authoritarian stain of the Milosevic era. These, surely, would be the people to participate in civil society vigorously and enthusiastically? The reality is slightly different:

People expected that another day there will be a heaven; but, of course, it didn't happen, and they lost their strength, they lost their energy, they lost their enthusiasm because they had been fighting and investing efforts but they didn't see any significant improvements. So, in terms of community work, the challenge is how to mobilize communities, how to attract people and how to recover and rebuild this enthusiasm.

Reinvigorating local communities

This was the background against which BCIF launched itself as a community organization in 2004, one of a very small number of organizations of that kind, orientated towards small local communities, supporting grassroots initiatives across Serbia. And it is this background that also explains why the Fund is currently based in Belgrade (despite its focus on local initiatives) and why its funding is still predominantly drawn from international sources, despite its commitment to developing national and local philanthropy.

If this might give the impression of a centralized, internationally funded organization, the activity of the fund is as far away as can be imagined from such a description. It has been an early axiom of the fund that it would not impose programmes on local communities but elicit from them their concerns and their preoccupations. If a community is particularly concerned about an environmental issue, for example, then the Fund's support would be to help them develop a programme to focus on that; if it's cultural, it would work with the community to provide the venue, or the outlet, or the facilities that the community was seeking. There was no attempt to impose a prescribed menu of topics and issues:

At the time we had only one grant programme – Active Communities – supporting people for any issue they find relevant, they find important in their community. And we've been running that programme now for 12 years. We let them choose their priorities. I think that's something that is really unique here and it's really flexible in terms of support: it helps the development of civil society but this civil society is rooted in communities and supported by citizens.

The strategy was clear. In order to build civil society, to increase its scope and to develop the habit of philanthropy, the important thing was first to give communities back their voice, to empower them and to allow them to see the consequences of the action that they were able to embark on with the help of the small grants BCIF provided.[1] This in turn would lead to eventual financial sustainability, with the majority of the funding for programmes supported by the Fund coming from local sources. Seismic changes of this kind take time, however, and this strategy – reinvigorating local communities in order to build civil society and develop individual and local philanthropy in a way that allows these community initiatives to be self-sustaining – was never going to be achieved overnight. Today, even 12 years after the Fund was established and 7 since its registration as a Serbian organization, the vast majority of its funding continues to come from international donors. As Tanja puts it:

We do have programmes that promote local fundraising; we also have capacity-building programmes for civil society organizations, trying to make them aware of local potential, local resources and local fundraising sources, teaching them to fundraise from small and medium enterprises, from citizens, from government, from local sources – and we are doing this ourselves. It is still pioneering work in Serbia, and there is still a lot to do in the future to reach significant results.

Successes against the grain

The development of philanthropy is just one element of BCIF's work. The major part of the Fund's activity is still grants programmes, but it is also involved in development programmes (including capacity building, education, networking, the opening of dialogue between civil society and government). Increasingly, of course, there are areas where the three strands overlap.

Here are some examples of programmes that have proven successful, some of which already show this kind of overlap:

- Two organizations – the Blue Bird association working with people with mental disabilities in Kula, and a similar association working with mentally disabled people in Trstenik – raised more than €50,000 on a local level, allowing them to build houses in their community as daycare centres for disabled people, and to become service providers within their communities as NGOs. This was largely the result of a programme BCIF had with the Cooperating Netherlands Foundations, which helped the Fund deliver grants up to €15,000 for local organizations engaged in the development of social services.

These two organizations were given guidance in fundraising and were then given matching grants – allowing them to secure the sum given above. Both started in similar

ways, supported by BCIF with small grants, providing daycare centres for people with learning difficulties and organizing different activities. The programmes slowly became more developed and advanced, involving fundraising from individuals, businesses and the community – emerging, amazingly, with more than €50,000 in receipts. Funded like this, they have now become sustainable and – in the case of Trstenik – are able to operate out of a new building which is itself environmentally sustainable, powered by renewable energy and solar heating. On top of this, Blue Bird has won a tender to become the service provider for people with learning difficulties in their community, so has itself also become organizationally sustainable.

- Another example specifically related to community foundations is Moonlight (in Subotica, northern Serbia). Starting out as a civil society organization, Moonlight started by organizing clubs for children from dysfunctional families and then rolled out this model, setting up many more similar clubs and establishing a community foundation to fundraise for future clubs.
- A third example is an informal group of young people in southern Serbia, which came into being through BCIF's Active Communities programme. Young people from two small villages – young people who willingly choose to live in their community, rather than join the exodus to Belgrade – came together to repair an old building and make it a community centre. In the process, they succeeded in gathering all the community around them, connecting young people and elderly people, introducing cultural activities so that the elderly people could dance again. As Tanja put it, 'Somehow they revived the whole community. And that's impressive because it was young people who did it, who were there, working with enthusiasm on something for their community, not escaping from their lives and their communities.' The young people's programme, Cobra, is now being funded by the Ministry of Youth and Sports (see below), and has won awards from the Ministry for specific projects. BCIF continues to support them, encouraging them to develop local philanthropy, but the young people are already well on the way to sustainability.

A changing backdrop

These impressive success stories² represent a considerable success for BCIF, especially when the circumstances of its establishment are taken into consideration: the demoralization of the country, the devastated national economy, a decline in the tradition of philanthropy and volunteering. Clearly, the Fund could not have achieved these successes single-handedly, so what are the additional factors that have lent it support?

One significant change is in evidence at a national level. Tanja has noticed that 'the government and the state and local authorities are now more open to co-operation with civil society'. This development is still in its infancy: the Ministry of Youth and Sports (mentioned above in relation to the programme Cobra) provides a small grant for distribution to youth groups aiming to raise the voice of youth in the community; but it is a small grant and rare in that it is distributed transparently and in a structured fashion.³ There is, however, a new government office for co-operation with civil society – recently established by government – and the Fund has co-operated positively with this new office.

Another change is in the willingness of companies and corporate organizations to engage in dialogue with civil society. Again, things are moving slowly here – unsurprisingly, given the economic position at the turn of the century and the current financial crisis – but there is clear evidence of a new openness, and some actual projects that have resulted from this new relationship:

Companies in Serbia see us as some kind of resource centre for civil society for projects that they would want to fund but which they have a lack of expertise for, because after the crash of the 90s the economy is now redeveloping in Serbia. Also companies are talking about corporate social responsibility (CSR) and corporate philanthropy, but they are still in the development phase of this activity. So we serve as a resource centre: we help them to organize their giving, to create a strategy of giving or a bridge between themselves and civil society. And we are open in our approach to companies. If there is a programme that we want to create or that we already have but which would benefit from being funded by companies, we offer the programme to companies as something they could support. But on the other hand, sometimes, maybe more often, companies approach us asking our help in advising or consulting about their giving.

This approach has led to a number of successful partnerships with companies: the Fund received a grant from the Erste Bank, for example, for a five-year project focused on youth and culture; and the Fund has also worked with the Serbian state lottery, helping them to fulfil their legal obligation to give funds to the community – another clear instance where the Fund was recognized as having the connections, links and expertise (in terms of its relationship to civil society) that the corporate organization lacked.

There is still work to be done at this level, and much of that work involves changing perceptions. One way the Fund is doing this is to run competitions for companies in Serbia in corporate philanthropy, with VIRTUS awards being presented to the best company in the previous year in the field of corporate philanthropy, building civil society, or community support. These awards are both national and local, and the Fund sees them as a way of encouraging all stakeholders to look at potential local resources and promoting philanthropy at the same time.

The final piece in this changing picture is at the local or individual level. The Fund's major activity here is three-fold: it works with other community organizations, training them in local fundraising, equipping them with the skills to do this on their own. It also has a grant-matching policy ('We like to challenge them: if they collect a certain amount of money, we match the funds,' says Tanja), which a number of the projects mentioned above have already benefited from. And the Fund itself has organized campaigns to promote individual philanthropy, one of the most successful of which, in terms of raising the profile of the activity, was an eight-month campaign called 'Penny is not petty' – a project designed to show how giving even small amounts of money can have a very real use, and which succeeded in heightening awareness of the issue while also raising significant funds.

Here, too, things are changing – for example, what was essentially an awareness-raising campaign for the Moonlight programme (mentioned above) ended up raising more than €3,000, almost all from individuals – and the landscape is shifting, if slowly. Community

organizations have no difficulty, for example, in mobilizing support for programmes in the form of volunteering or in-kind support. But there remains considerable scepticism about the whole field of civil society, a scepticism that extends to the media:

Our challenge is the lack of trust on the part of the people. They still don't see the usefulness and the good things that are practically done for ordinary people for everyday life by civil society. [Apart from] the major visibility of so-called human rights organizations, the rest of civil society is still quite invisible. So we are trying to promote civil society as something that works for the interests of citizens and that is dealing with ordinary issues, like the environment, like social issues, like children, like women – something that is doing simple, useful things for the population, for the citizens. And the media are becoming more and more open to this idea but they are not sensitized enough – and they are now also too dependent on marketing and, in the current crisis, on money, so there is not a lot of space for media for this kind of promotion. So that is also something that is a challenge in Serbia – how to build up support for civil society, how to present all these good examples and success stories which people and civil society produce to the public, how to build citizens' trust in civil society, especially in foundations: they do not have an idea of what it is, what we do, how we raise money, what we support, how all that functions in terms of finances.



Moonlight Foundation, Subotica, one of BICF's partners

This change of perception is vital if BCIF is going to achieve one of its main ambitions, which is to encourage its partners to find other sources of funding, not to be dependent on the Fund but to achieve financial sustainability by raising funds from other sources. And this sustainability is becoming more and more important with the accelerating withdrawal of aid from foreign donors.

Enlisting the support of others

Tanja would not go so far as to claim BCIF's successes entirely for themselves. In two important areas, the Fund has been able to draw on the support and experience of other organizations. The first involved learning from the experience of an organization in a different country:

Serbia is in the transition stage as far as its moves towards EU integration are concerned – something which many countries in the region have already passed through. And just as being among the last few countries to fight for EU accession can bring some advantages (learning from others' experiences and, hopefully, avoiding some mistakes), the same goes for donors' practice in times of transition. We've been lucky to have a great partner from the Czech Republic – the VIA Foundation – which operates in a similar way to BCIF and has nearly the same mission. Peer learning from the VIA Foundation has helped us develop faster and less stressfully, primarily in terms of fundraising strategy and development of local philanthropy.

From the VIA Foundation, BCIF learned how important it is to focus on local resources from the word go but also to have plans for switching to different funding models, should the need arise in the future. The VIA Foundation also gave BCIF useful advice when the Fund was approaching companies and setting up the VIRTUS award for corporate philanthropy. And it is now five years since, with the help of the VIA Foundation, BCIF set up the first grant-matching programmes in Serbia, to build the capacity of local CSOs to fundraise from local sources.

The second source of support has come from the Global Fund for Community Foundations (GFCF), which has provided peer exchange with other community foundations across the world. The BCIF has found this of huge value, especially in clarifying its role in Serbia: 'Our bottom-up, community approach places us somewhere between foundations operating on a national level and community foundations,' says Tanja. 'And, since the few community foundations that there are in Serbia are at the very beginning of their development, BCIF is often seen as the one that should fill this gap.' As a result, the Fund performs a double function, providing funds and supporting community initiatives through CSOs, but also serving as a resource centre for information, capacity building and consultation for the few community foundations in Serbia.

For example, the Moonlight community foundation in Subotica was established following years of BCIF support, and it's been in partnership with them that we've raised awareness of individual philanthropy – and it's through the campaign 'Penny is not Petty' that we have been raising funds for Moonlight activities. It's also thanks to financial support from the GFCF that we have been able to support seven CSOs and community foundations in their capacity building for fundraising from individuals. It's through this programme that Moonlight received donations from individuals in their community and therefore had the funding to open more clubs for children and youth from dysfunctional families.

GFCF support has also given BCIF the chance to explore individual philanthropy practice internationally, and to pilot a campaign for raising funds from individuals for its own work

(for general purposes). The support has thus allowed it to test a new model for its future funding – an important development in the context of the current lack of popular trust in civil society in Serbia and, especially, the lack of understanding of the work that foundations perform.

Long-term viability in the absence of international support

Even seven years after its establishment as a national organization (and some 12 years after it was first set up), BCIF still receives over 90% of its funds from international sources.⁴ It is a proportion that has shown no significant change over the years despite the changes at national, commercial and individual level, and despite the Fund's increasing success in raising the profile of civil society generally, and of community organizations and initiatives in particular. And it is a proportion that is becoming a growing concern for the Fund as a growing number of international donors withdraw from Serbia.

Tanja recognizes that 'this is one of the main challenges, not just for us as an organization, but for civil society in general in Serbia' and dates her first awareness of the issue (some eight years ago) as the moment that the Fund began to promote local philanthropy and to develop other programmes. It is a challenge that the recent economic turmoil in the international markets has served only to exacerbate.



Association working with mentally disabled people in Trstenik, BCIF partner

In the short term there has been a change in focus. Where previous funders had been international donors such as the Charles Stuart Mott Foundation, the Rockefeller Brothers Fund, USAID and others, the European Union (EU) is now emerging as the biggest donor to Serbian civil society. The structure of the EU's administration and bureaucracy, however, makes it difficult for small civil society organizations to reach; for this reason, BCIF would like to see itself operating as a conduit between the EU and the smaller

organizations it represents in Serbia, although such a role of advocacy would always be secondary to its primary role of grantmaker.

Until recently the signs were that things were moving inexorably in the direction of change, even if at a slower pace than many might have hoped. But the winds of economic change are blowing particularly strong and cold at the moment, and it is difficult to see how the Fund will entirely escape the storm. Tanja Bjelanovic is quietly confident, even if she does not underestimate the scale of the challenges that still face her organization.

That's why we're keeping this form of work and these structures, rooted in the country, in the community, and knowing the situation and knowing the context. There are other challenges, too: how to stay independent from the state, how to help civil society to be independent and how to continue to be the watchdog of government while still receiving funds from them.

To an outsider, these seem daunting challenges, particularly in view of the continuing suspicion with which civil society and philanthropy are viewed in her country. But where others might see grounds for pessimism, Tanja sees grounds for hope, noting how far the Fund and the programmes it has supported have come, and against odds that at one stage looked even worse than they are now. Looking to the future, she sees the Fund's role as essentially undiminished:

We want to keep these programmes independent and support the kind of initiative that cannot find other support from elsewhere, from the state or the EU. We want to continue to be a grantmaker, definitely, so that we can provide space for an independent and dynamic civil society.

Interview by Andrew Steeds

1 Nowadays the Fund has a budget of €1.3 million. It gives approximately 60% of its annual budget in grants, most in the form of small grassroots grants of €3,500 or less – these days it also gives out larger grants, up to €15,000 in value, for social services projects.

2 And there are many more. Visit http://www.bcif.org/en/Success_Stories.htm

3 The Ministry is not the only state institution distributing money to civil society, but it is currently unusual in the open and organized way in which it is doing so.

4 Two donors in particular – the Charles Stewart Mott Foundation and the Rockefeller Brothers Fund – have provided regular and flexible support for the Fund, which has been crucial for the success of its operation.