

Enabling Social Innovation in Bosnia & Herzegovina



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Country Snapshot

Social innovation: "the processes and outcomes of developing novel approaches to address societal challenges facing people and planet." ¹

This snapshot represents a descriptive, non-exhaustive overview of key highlights from Bosnia and Herzegovina's social innovation ecosystem.

- Direct focus on social innovation Connected but indirect focus on social innovation No focus on social innovation

INSTITUTIONAL FRAMEWORK

Official Definition of Social Innovation



Bosnia and Herzegovina does not have a formal legal definition of social innovation. However, the Federation of BiH's Social Inclusion Strategy (2021–2027) describes social innovation as new responses to social problems that improve quality of life ².

Government Body for Social Innovation



There is no dedicated central government institution for social innovation in Bosnia and Herzegovina. In the Republic of Srpska (RS), the Law on Social Entrepreneurship (2021) established a Council for Social Entrepreneurship that serves as a coordination body ³.

Government Strategy for Social Innovation



While there is no standalone strategy for social innovation, the concept is included in broader policy documents. The Federation of BiH's Social Inclusion Strategy and the RS SME Development Strategy both emphasize innovation in addressing social and economic challenges ²⁻⁴.

Policies, Laws & Regulations



Bosnia and Herzegovina has emerging legislation that enables social innovation:

- The RS Law on Social Entrepreneurship (2021) defines criteria for social enterprises and sets up a registry and oversight mechanism ³.
- The Federation of BiH has prepared a draft Law on Social Entrepreneurship (2023) that is currently under review ⁵.
- Additional relevant frameworks include laws on cooperatives, foundations, and employment subsidies that indirectly support social innovation ⁶.

Official Statistics



- There are no official government statistics on social innovation or social enterprises. Independent studies estimate that between 30 and 50 organizations in the country could be classified as social enterprises ⁷.

Government Programs



There is no dedicated national program for social innovation. However, government employment subsidies and partnerships with international donors have supported youth entrepreneurship and social inclusion efforts ⁸.

ECOSYSTEM

Stakeholders



The social innovation ecosystem in Bosnia and Herzegovina is driven primarily by civil society and international donors. Key actors include:

- The Mozaik Foundation, a leader in youth-focused social entrepreneurship ².
- International development partners such as UNDP, the EU, and GIZ.
- Emerging municipal-level cooperation between local governments and community organizations.

Support Initiatives



Several initiatives support social innovators across the country:

- The Mozaik Startup Studio provides training, mentorship, and seed funding to early-stage social entrepreneurs ².
- YouthBank, active in more than 50 municipalities, offers small grants for youth-led community innovation projects ².
- The Social Impact Award (SIA) fosters social innovation among students through workshops and competitions.
- The UNDP Accelerator Lab pilots citizen-driven solutions for public service delivery.

Collaboration



Collaborations in the SI ecosystem are mostly facilitated by donor-funded programs. The RS Council for Social Entrepreneurship is the only institutionalized mechanism for coordination. In other areas, partnerships tend to be informal and project-based.

Events & Awards



Bosnia and Herzegovina hosts several events and awards to recognize social innovation:

- The Social Impact Award BiH is an annual competition for student-led ventures.
- Sarajevo Unlimited is an innovation summit that includes social entrepreneurship panels.
- BiH organizations regularly participate in regional challenges such as Balkan Green Ideas.

FINANCE

Financing Schemes

Bosnia and Herzegovina does not have a dedicated national fund for social innovation. Most financial support comes from international donors such as the EU and UNDP. Microcredit is widely available and accessible to small businesses, though it is not tailored specifically to social enterprises ¹⁰.



Providers & Instruments

Key funding providers include:

- The Mozaik impact fund, which offers seed-stage investments to social ventures ².
- EU and UNDP grant schemes targeting youth and marginalized groups.
- No social impact bonds, tax incentives, or government-backed credit guarantees currently exist.
- Crowdfunding and private equity are still underdeveloped financing options for social innovators.

Financing Inclusivity



Most financing initiatives prioritize inclusion. Key target groups include youth, women entrepreneurs, and persons with disabilities. Programs such as Mozaik's Startup Studio and EU-funded projects emphasize outreach to underrepresented communities ².

SOCIETY

Public Awareness of Social Innovation



Public awareness of the concept of social innovation remains limited. While media outlets occasionally report on socially beneficial projects, the term “social innovation” is rarely used explicitly. Youth-focused programs such as SIA and YouthBank are beginning to shift this narrative ².

Research



Academic engagement with social innovation is limited. Notable contributions include studies on NGO-led service innovation and social entrepreneurship. Donor-funded reports by the EU, UNDP, and OECD remain the primary sources of data and analysis ^{11 12}.

Education & Human Capital



There are no formal academic programs in social innovation. However, young people can access informal learning through initiatives such as SIA workshops and Mozaik’s online and in-person training. Integration of SI topics into public education is minimal.

Entrepreneurship



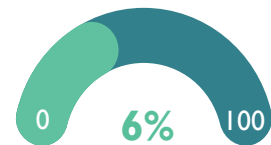
Business Environment

90th in the World Bank’s Ease of Doing Business Index ¹⁵.



Innovation Capacity

The country ranks 77th in the Global Innovation Index ¹⁴



Social entrepreneurship prevalence

Bosnia and Herzegovina faces persistent barriers to entrepreneurship. According to GEM, total early-stage entrepreneurial activity remains low at approximately 6% ¹³

Social & Environmental Consciousness



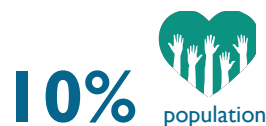
Solidarity

Bosnians demonstrate moderate levels of solidarity



Political participation

Political participation is low, and trust in institutions remains limited



Volunteering

The World Giving Index (2022) reports that 44% of respondents helped a stranger in the past month, while 10% volunteered ¹⁶

World Giving Index 2022



Sustainability

Environmental Performance Index (2022) ¹⁷.