



SHOPPING WITH PURPOSE
VIŠE OD OBIČNE KUPOVINE

N.G.O. Bosnian handicrafts
BHcrafts
SHOPPING WITH PURPOSE



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**15 YEARS OF
IMPROVING LIVES
AND TRANSFORMING SOCIETY**

**BY HELPING WOMEN EARN A LIVING
THROUGH
TRADITIONAL CRAFTSMANSHIP**



2009 ANNUAL REPORT

www.bhcrafts.org

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FACTS AND FIGURES FROM 2009

BACKGROUND

The handicraft project run by NGO Bosnian Handicrafts is a large scale project that is providing a secure income to up to 500 craft producers in Bosnia and Herzegovina each year. Most of the producers are poor or otherwise marginalized from society, being primarily unemployed, poorly educated rural women. The statistics show that approximately 150 to 200 women were engaged in 2009., due to the global recession and much less orders than in the previous years.

The organization invests heavily in sustaining the program and promoting crafts from BIH, including:

The purchase of raw materials and production equipment, such as yarn, looms, knitting needles, etc.;

Marketing activities, including market research, attendance at international trade fairs, maintaining and extending networks of sales representatives, developing retail shops in country, etc.;

Promotional activities, such as web site development, brochures, and post cards;

Development of new products and the training of additional producers;

Administrative costs, covering the maintenance of two offices and several vehicles.

Approximately 80% of these investments are financed each year through the sale of goods and services performed by association's commercial arm (BHcrafts ltd.), while the new initiatives and up scaling of activities are typically funded through sources or funds mobilized from the public and/or the philanthropic sector.

PREVIOUS YEAR GOALS

In the beginning of 2009, the BHcrafts team set the following goals as the priority:

- To strengthen and improve the Centre for Transfer of Traditional Craft Skills;
- To find a market for a felted products, and strengthen that part of the production
- To become a member of WFTO - (THE INTERNATIONAL FAIR TRADE ASSOCIATION);
- To secure current markets and strengthen new markets, particularly Scandinavian countries
- To do the proper strategy and “make through” the recession year with minimum lost
- To secure enough job to as much of our beneficiaries, as possible

ACHIEVED GOALS AND YEAR HIGHLIGHTS:

- In spite of the less orders than in the previous years, we managed to train new groups of producers and get them involved in BHcrafts family. The Centre has got a lot of visibility through the regular media campaign, and through the projects implemented in the last year.
- The market for some felted products was found – Japanese and Italian agents placed the orders for couple hundred felted soaps, which was the good start for the brand new product.
- In March'09 BHcrafts became a member of WFTO (INTERNATIONAL FAIR TRADE ASSOCIATION), and got the clearance to use the FTO mark of certification.
- BHcrafts strengthened its existing network of foreign sales representatives, and has extended its markets in Sweden and Denmark
- Japanese market entry was accomplished through KETCHUP LTD, Kobe.
- BHcrafts signed a contract with three agents from Florence, who received exclusive rights for the Italian market.
- Since the beginning of December 2008, BHcrafts products are being sold in Mercator Centers in Sarajevo and Tuzla.
- Only cca 200 women were involved in BHcrafts production.
- Throughout the year BHcrafts products and organizational activities were featured in top local newspapers and magazines.

ROAD TO EFFECTIVE SOCIAL CHANGE

- BHcrafts promotes local entrepreneurship and the development of the business oriented culture necessary for a transitional economy. They focus on strengthening social entrepreneurship, a field in which they have received international distinction.
- In 2009 BHcrafts' business gifts program was offered to companies and organizations in BiH: small businesses, corporations, diplomatic bureaus, embassies, municipal and governmental bodies. The aim was to create a more socially aware environment in BiH, where people in leadership roles focus more clearly on the needs of its citizens. The challenge of high unemployment that the community faces today must be overcome by the cooperative efforts of all elements of society. Through this program, business and government leaders are encouraged to support local producers, thereby reducing local poverty. New public-private partnerships are being created that are crossing boundaries within government sectors, and between the public and private sector.
- BHcrafts hopes that the previous hands-off attitude of these key actors will transform into a positive trend, and that more companies, governmental bodies, and embassies will become actively involved in supporting BHcrafts campaigns.

PROJECTS IN 2009

- Felting project –“The introduction of a new crafting technique” was made possible through generous support from sister organization BHcrafts from the US and from the German Embassy in Sarajevo. Twelve women were trained in felting techniques, including the making of felt from natural wool fiber using wet felting and barbed needles. A new product line was developed and a base for further expansion in this area was set. The training was focused on the production, not only clothing and fashion accessories, but also the set of souvenirs, something this country is lack of.
- A grant from the Ministry of tourism and environment allowed for the development of unique Bosnian souvenirs that proclaim Bosnian identity and historical heritage. The new line of souvenirs, developed through this project, is based on felting technique combined with knitting and embroidering. The most interesting product in the new line is the doll dressed in the national BIH costume, all made in felt, ecological friendly, easy to pack in the baggage – the real souvenir which represents our country in the best possible way.
- The Norwegian Embassy in BiH supported the handicraft production unit by assisting BHcrafts in developing a sustainable business structure, and a generous donation was used for the research of raw materials, including purchasing, warehousing and production of cotton yarn suppliers.

IDENTITY

As the previous two years, BHcrafts continued with strong marketing activities, focused on new markets (Italy and Scandinavia), while keeping and strengthening existing markets. 2009 was “marked” as the year we should put all the efforts to survive – and we’ve made it!

PHILANTHROPY

- BHcrafts continued its “SHOPPING WITH PURPOSE” campaign, and hosted an auction/fashion show at Bosniak Institute, on December 09Th. Many organizations and individuals contributed to the success of this event. Professional and amateur models volunteered their time, and auctioneer of this year’s auction were H.E the US Ambassador to BiH, Mr.Charles English, Ms.Emina Ganic, BHcrafts Board member , and Mr.Haris Pinjo, Executive Director of Amcham . Media patrons of November’s event were Magazin Gracija, Radio Stari Grad and BHRT



POSITIVE CHANGES

Despite the global recession, BHcrafts succeeded in keeping all our old customers (Sundance, National Geographics, and GAIAM, among others), and were successful in finding new markets for our products – Denmark and Sweden.

FINANCIAL FACTS

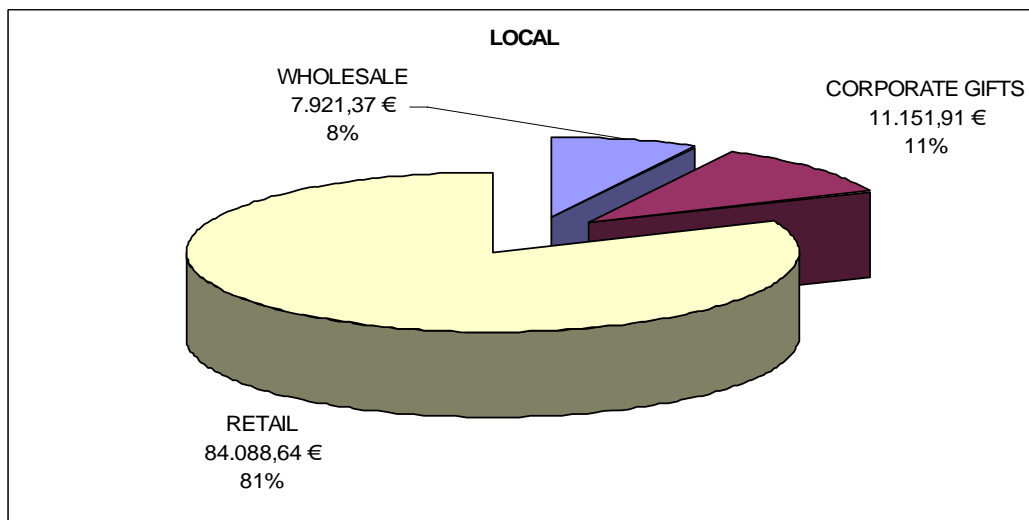
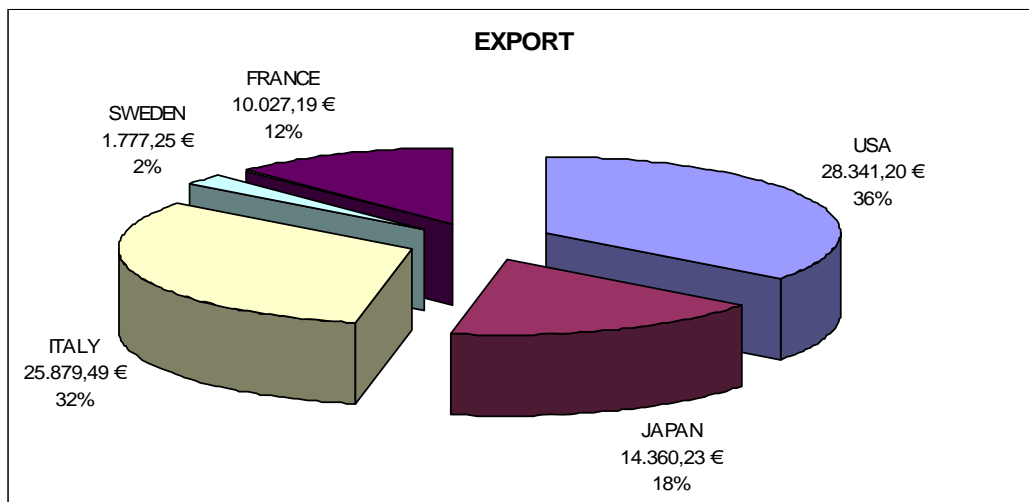
The total budget in 2009 was approximately 213,148 Euro, which is 20% lower than the budget for year 2008. A majority of activities were financed through own sources (sales of handicrafts, in the country and abroad).

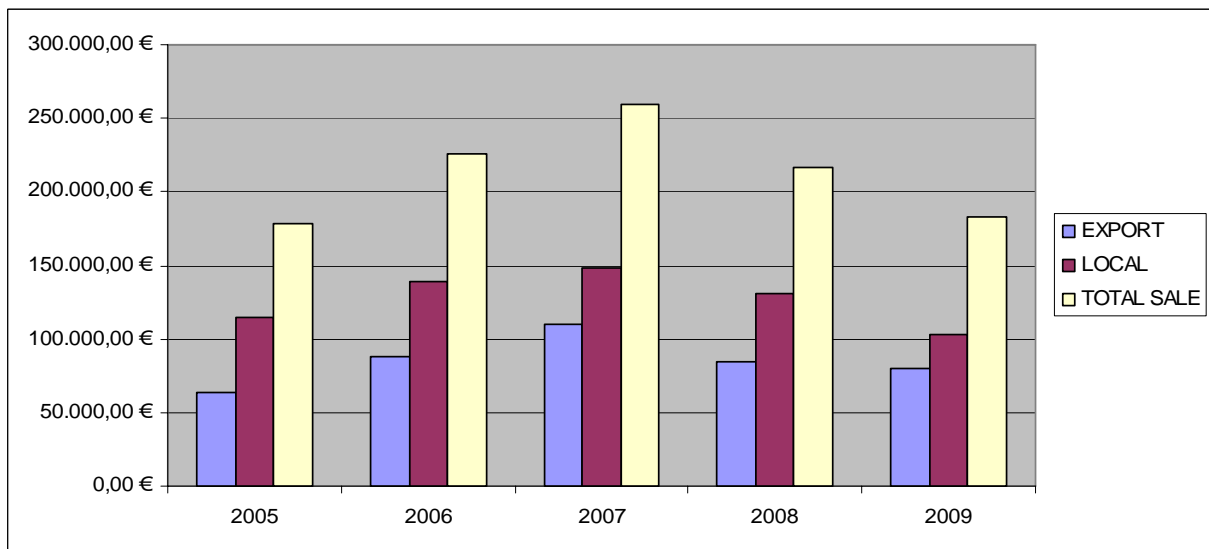
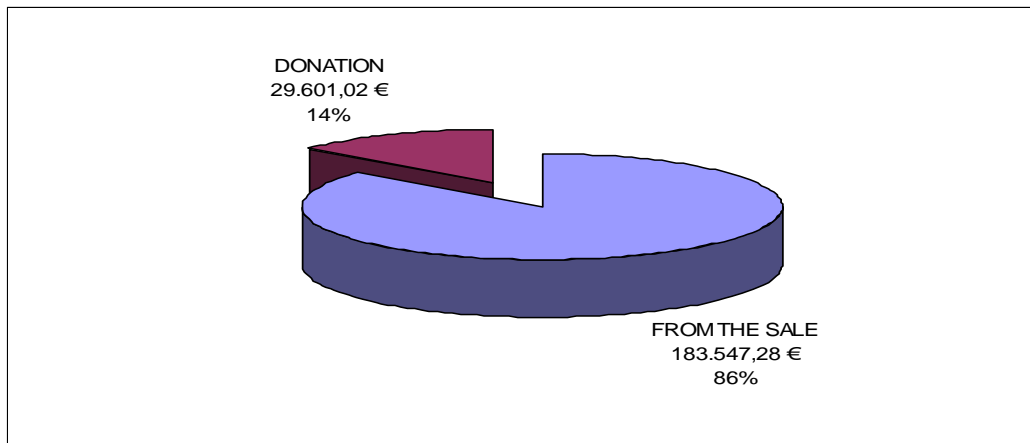
Income from own sources (sales of handicrafts) was 183,547 Euro, which represents a decrease of almost 15% from Year 2008.

This decrease can be attributed to the effect of the global economic.

The majority of local sales comes from the local market (81% from retail outlets, 11% from corporate gifts program and 8% from wholesale program).

Of the total export sales, US market tops the list with 36%, following with Italy 32%, Japan 18%, France 12%, Sweden 2%.





PROSPECTS FOR GROWTH

PLANS FOR 2010:

- Exercise greater influence in suppression of poverty in BIH by creating more work opportunities in traditional activities, particularly supporting the economic empowerment of underprivileged women
- To increase BHcrafts influence on increased regional economic growth, especially emphasizing rural areas;
- To promote a consciousness shift in philanthropical and entrepreneurial enterprises, which are necessary to the growth of a transitional economy;
- To provide support for the economic and organizational development of small and medium enterprises, humanitarian organizations, associations, co-operatives and other groups;
- To support and strengthen local wholesale trade;
- To expand within the regional markets, i.e., Slovenia, Croatia and Serbia.

CHALLENGES IN 2010

Unfortunately, with the dramatic world-wide recession, all major economies are struggling to keep their heads above water. Many international businesses are decreasing foreign imports. To make the bad thing even worse, predictions for the local economy in 2010 are very pessimistic, which will put even more pressure to Bhcrafts on creating more job for unemployed women whose only income is what they earn through this production. Hopefully, our loyal buyers and generous donors will help us to overcome these “hard times” and reach the goal we set in the beginning – full sustainability, global markets and jobs for all our producers.