



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



Addressa: Izeta Sarajlića 5, 75000 Tuzla
Muhameda Hadžijahića 29, 71000 Sarajevo
Bosna i Hercegovina
Tel/fax: 387.35.314.460 / 314.461
387.33.551.535 / 551.536
E-mail: bhcrafts@bih.net.ba
ID Br.: 4209332590007

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

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



2010 ANNUAL REPORT

www.bhcrafts.org

Board of directors:

Amina Rizvanbegović – Džuvić Lejla Omeragić Emina Ganić Alma Šahbaz Zoran Ivančić
Maelys de Rudder Alma Nukić Damir Kunto Peggy Barry

FACTS AND FIGURES FROM 2010

BACKGROUND

The handicraft project run by NGO Bosnian Handicrafts is a large scale project that is providing a secure income for 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 180 to 220 women were engaged in 2010., slightly fewer than in previous years, due to the global recession and smaller orders.

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 the association's commercial arm (BHcrafts ltd.), while new initiatives and up scaling of activities are typically funded through sources mobilized from the public and/or the philanthropic sector.

PREVIOUS YEAR GOALS

In the beginning of 2010, BHcrafts team set the following goals:

- Exercise greater influence in reduction 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 regional economic growth, especially emphasizing rural areas;
- To promote a shift in consciousness toward philanthropic and entrepreneurial enterprises, which is 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.

ACHIEVED GOALS AND YEAR HIGHLIGHTS:

- In spite of fewer orders than in previous years, BHcrafts engaged new groups of women and secured enough work for the current producers.
- Through contacts made in the region, the message is spread about BHcrafts project which has helped hundreds of marginalized women, by using traditional skills to create well-paying jobs.
- Training in social entrepreneurship and in creating small enterprises, initiating new business ideas for future development.
- BHcrafts strengthened its existing network of foreign sales representatives, and has extended its markets to Spain and Australia.
- In September 2010 BHcrafts signed a contract with UNDP – Millennium Development Goal Fund (MDGF), “Culture for Development“ to implement the one-year project, “Needlecraft as the source of income: Promoter of cultural heritage.“
- 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 a business oriented culture necessary for a transitional economy. They focus on strengthening social entrepreneurship, a field in which they have received international distinction.
- In 2010 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 would 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 change into a more positive approach, and that more companies, governmental bodies, and embassies will become actively involved in supporting BHcrafts campaigns.

PROJECTS IN 2010

- A grant from the Ministry of tourism and environment assisted in the development of unique Bosnian souvenirs that proclaim Bosnian identity and historical heritage. The new line of souvenirs, is based on felting technology, in combination with knitting and embroidering. The most interesting product in the new line is a doll dressed in national Bosnian costume, ecological friendly and easy to pack – a real souvenir which represents our country in the best possible way.
- The Embassy of the Kingdom of the Netherlands agreed to finance the project, “Advance Training Course in Felting“, which was a great addition to previously implemented projects focused on felting technique.
- The Government of Tuzla Kanton approved additional funds for the project initially funded by UNDP – MDGF.
- The US sister organization BHcrafts, Inc. approved funds for the purchase of yarn to create a bank of raw materials, assuring that BHcrafts would be able to meet customers requirements.
- BHcrafts will further implement the “Culture for Development” contract with UNDP – MDGF, “Needlecraft as the source of income: Promoter of cultural heritage“. Through this project BHcrafts will pursue many of the goals from the previous year, such as the development of new lines of souvenirs, creation of postcards, finalization of the visual identity of the organization through printing new paper bags, location maps, product information and brochures about cultural heritage and its link to BHcrafts project.

IDENTITY

As in the previous two years, BHcrafts continued with strong marketing activities, focused on new markets (Spain and Italy), while keeping and strengthening existing markets.

2010 was designated as the year to put all BHcrafts’ efforts into survival – and BHcrafts is better than ever!

PHILANTHROPY

- BHcrafts continued its “SHOPPING WITH PURPOSE” campaign, and hosted a fashion show at Bosniak Institute, on November 23rd. Many organizations and individuals contributed to the success of this event. Professional and amateur models volunteered their time to show the latest creations of BHcrafts – Collection Spring/Summer 2011. Media patrons of November’s event were Magazin Gracija and Radio Stari Grad.



POSITIVE CHANGES

Despite the global recession, BHcrafts succeeded in keeping all its old customers, and were successful in finding new markets for its products – Spain and Australia.

FINANCIAL FACTS

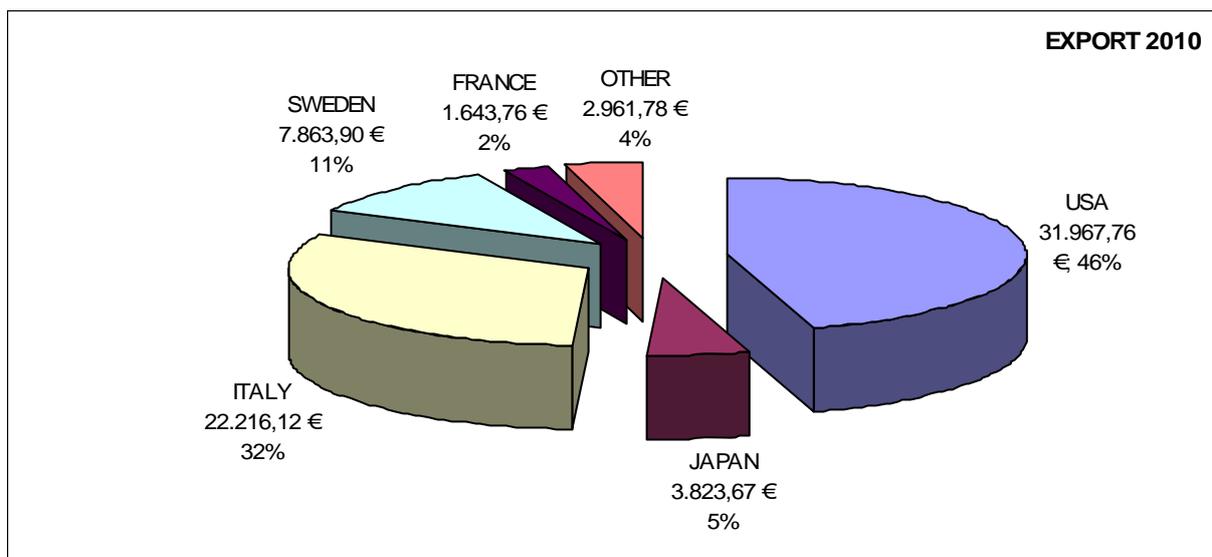
The total budget in 2010 was approximately 212,580 Euro, which is about the same as for 2009. A majority of activities were financed through its own sources (sales of handicrafts, in Bosnia and abroad).

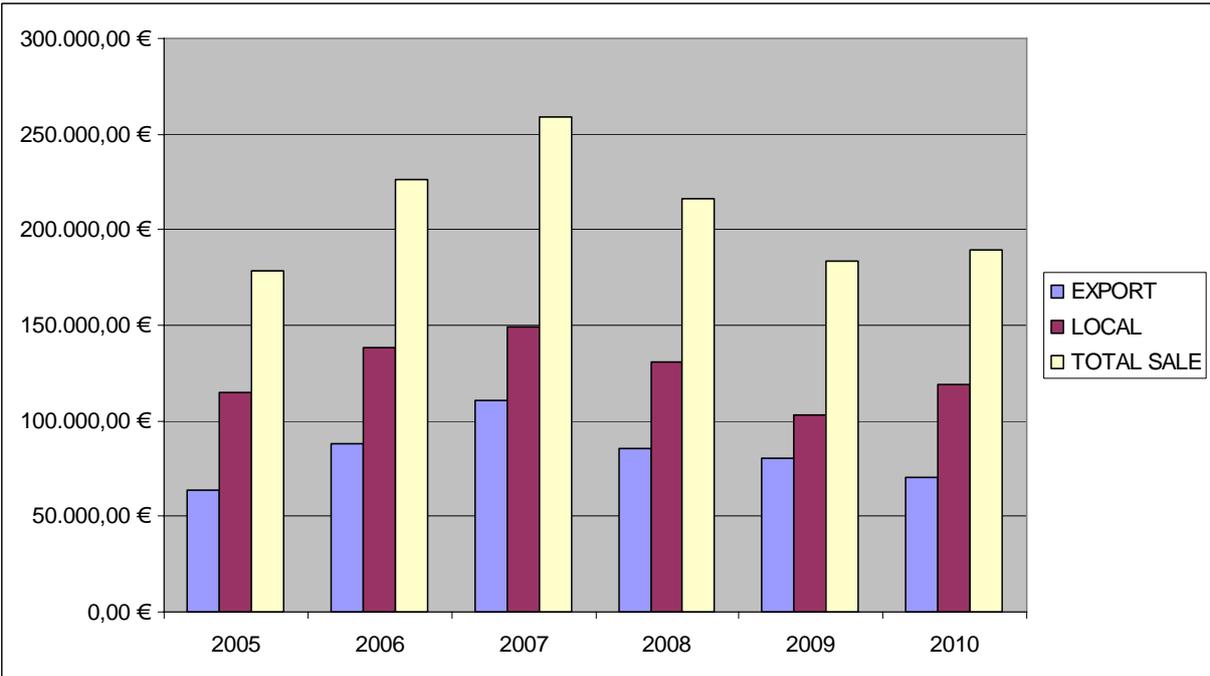
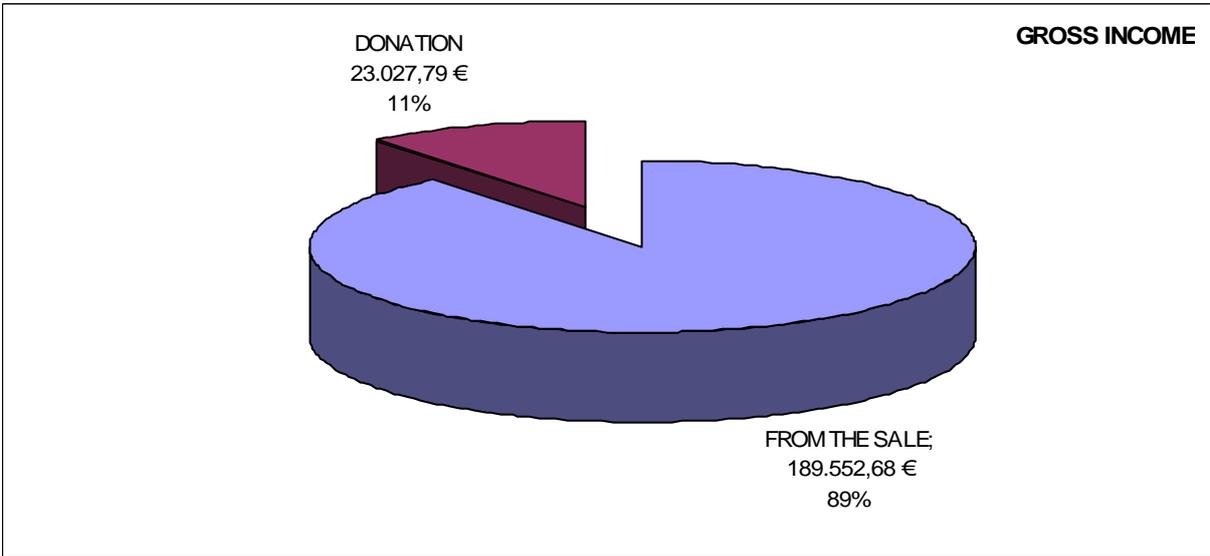
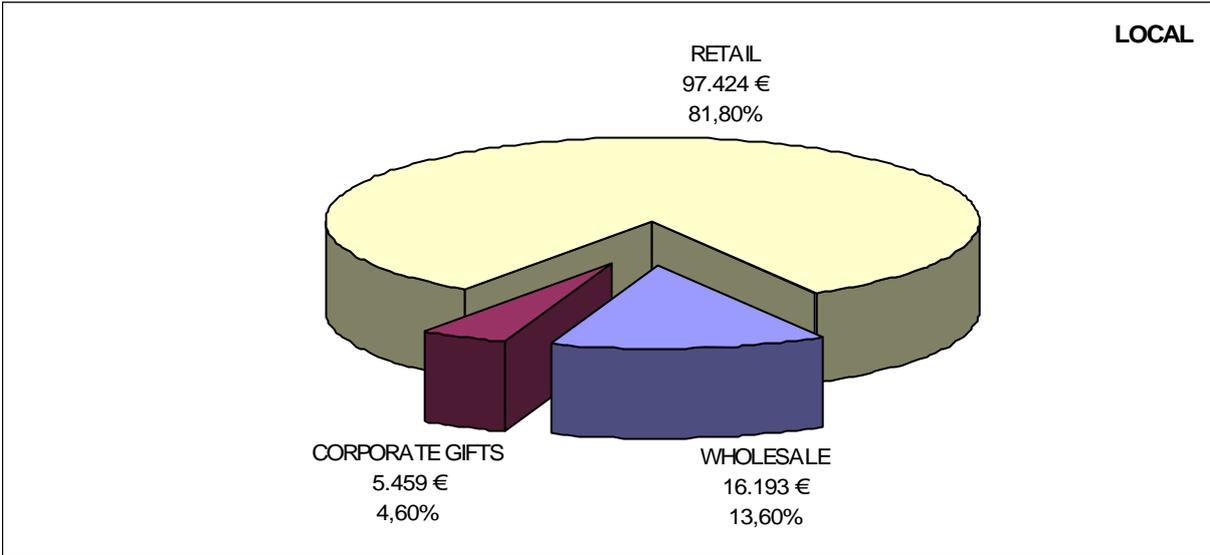
Income from own sources (sales of handicrafts) was 189,553 Euro (89% of the overall income), which represents an increase of 3% from Year 2009.

A slight decrease in total turn-over can be attributed to the effect of the global economic down-turn.

The majority of local income comes from the local market (82% from retail outlets, 4% from corporate gifts program and 14% from wholesale operations).

Of the total export sales, US market tops the list with 46%, following with Italy, 32%, Sweden, 11%, Japan, 5%, France, 2% and others, 4%.





PROSPECTS FOR GROWTH

PLANS FOR 2011:

There is just one BIG goal BHcrafts will be working on in 2011:

To engage new groups of women, who live on the margins of this society, to create job opportunities, to contribute to the reduction of poverty and the decrease of the unemployment rate.

To accomplish this, BHcrafts will increase sales and find new outlets, by discovering, developing, and intensifying marketing strategies!!!

CHALLENGES IN 2011

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 things even worse, predictions for the local economy in 2011 are pessimistic, putting even more pressure on Bhcrafts to increase jobs for unemployed women whose only income comes from this production. It is hoped that BHcrafts loyal customers and generous donors will help to overcome these difficulties and reach the goal set in the beginning – full sustainability, global markets and jobs for all BHcrafts loyal producers.