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

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



2011 ANNUAL REPORT

www.bhcrafts.org

Board of directors:

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

FACTS AND FIGURES FROM 2011

BACKGROUND

BHcrafts invests heavily in sustaining the program and in promoting crafts from BIH. Such operations include:

- ❖ 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 the up scaling of activities are typically funded through funds from the public and/or the philanthropic sector.

GOALS in 2011

In the beginning of 2011, BHcrafts team set the following priorities:

- ❖ To engage new groups of women
- ❖ To create more job opportunities for the women already involved
- ❖ To contribute to the reduction of poverty and unemployment

ACHIEVED GOALS AND YEAR HIGHLIGHTS:

- ❖ Thanks to loyal customers, it was possible to engage new groups of women and to secure enough work for those already producing for us. The total number of women in the project was decreased in 2011, but the volume of work and the income per person were increased. Some new groups joined the project during the past year; other producers trained by BHcrafts decided to start their own businesses..
- ❖ Holding training sessions on social entrepreneurship and small enterprises, new business ideas were developed which lead to several new small scale operations. It is hoped that some of them will survive and grow, creating new job opportunities for the most needy.
- ❖ In September 2010 BHcrafts signed a contract with UNDP – MDGF, “Culture for Development”, to implement the one-year project “Needlecraft as the source of income and as a promoter of cultural heritage”, which was successfully completed in August 2011.
- ❖ Throughout the year, BHcrafts products and organizational activities were featured in top local newspapers and magazines.

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ROAD TO EFFECTIVE SOCIAL CHANGE

- ❖ BHcrafts promotes local entrepreneurship and the development of the culturally oriented businesses necessary for a transitional economy. They focus on strengthening the social aspects of entrepreneurship, a field in which they have received international distinction.
- ❖ In 2011 BHcrafts' business gifts program was offered to a variety of 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 become a more positive trend, and that more companies, governmental bodies, and embassies will increase their support of BHcrafts campaigns.

PROJECTS IN 2011

- ❖ The Government of Tuzla Kanton has approved funds for the training of new beneficiaries in Banovici Municipality.
- ❖ The US sister organization BHcrafts, Inc., approved 1) funds for the implementation of the new, required fiscal system, and 2) funds for the purchase of another knitting machine, which made possible the engagement of one more woman in the machine knitting unit in Tuzla .
- ❖ In September 2010 BHcrafts signed the contract with UNDP – MDGF, “ Culture for Development“ to implement the one-year project “Needlecraft as the source of income and as a promoter of cultural heritage“. Through this project BHcrafts accomplished goals from the previous years, such as the development of new lines of souvenirs, the creation of postcards, furthering the visual identity of the organization through printing new paper bags, location maps, product information and brochures on Bosnian cultural heritage and its link to BHcrafts project.

IDENTITY

As in previous years, BHcrafts continued with strong marketing activities, focusing on new markets, while keeping and strengthening existing ones. 2011 was a recession year and now we are bracing for 2012, which could be even worse from a financial point of view. But we survived 2011, and fully expect to do even better in 2012.

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PHILANTHROPY

BHcrafts continued its “SHOPPING WITH PURPOSE” campaign, and hosted a fashion show at Sarajevo primary school “Musa Ćazim Ćatić“, on November 29th. Several companies and many individuals contributed to the success of this event. A number of BHcrafts collections were presented in a casual and relaxed atmosphere, with all ages of school children proudly modeling in front of their parents and other distinguish guests. The income from the sale at the school bazaar, which was held along with the fashion show, was over 2000KM, and the awareness of the social value of business was raised among the school children and their family members.



POSITIVE CHANGES

Despite the global recession, BHcrafts succeeded in keeping all old customers and adding new ones: the “ARGO” team from The Czech Republic; and a retail shop in Kuwait. The new on-line store for the EU market will be launched soon.

FINANCIAL FACTS

The total budget in 2011 was approximately 248,425 Euro, which is 16,86 % higher than the budget for 2010. A majority of the activities were financed through in-house sources; ie, sales of handicrafts, in the country and abroad.

Income from our own sources was 201,532 Euro (81,12% of the overall income), which represents an increase of almost 6,32% from Year 2010.

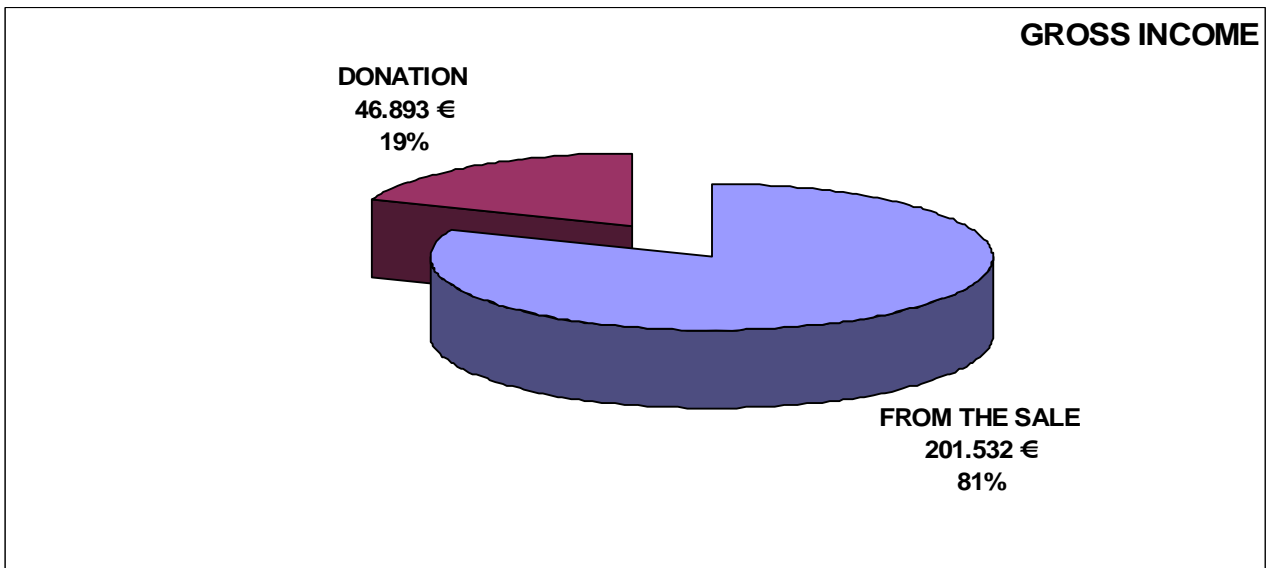
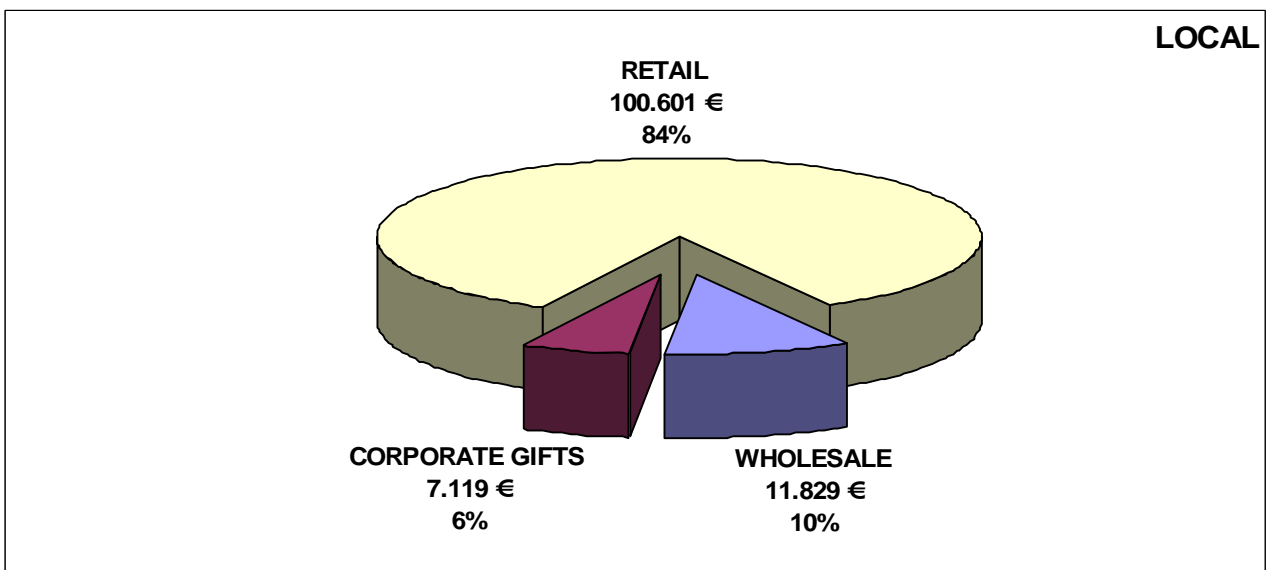
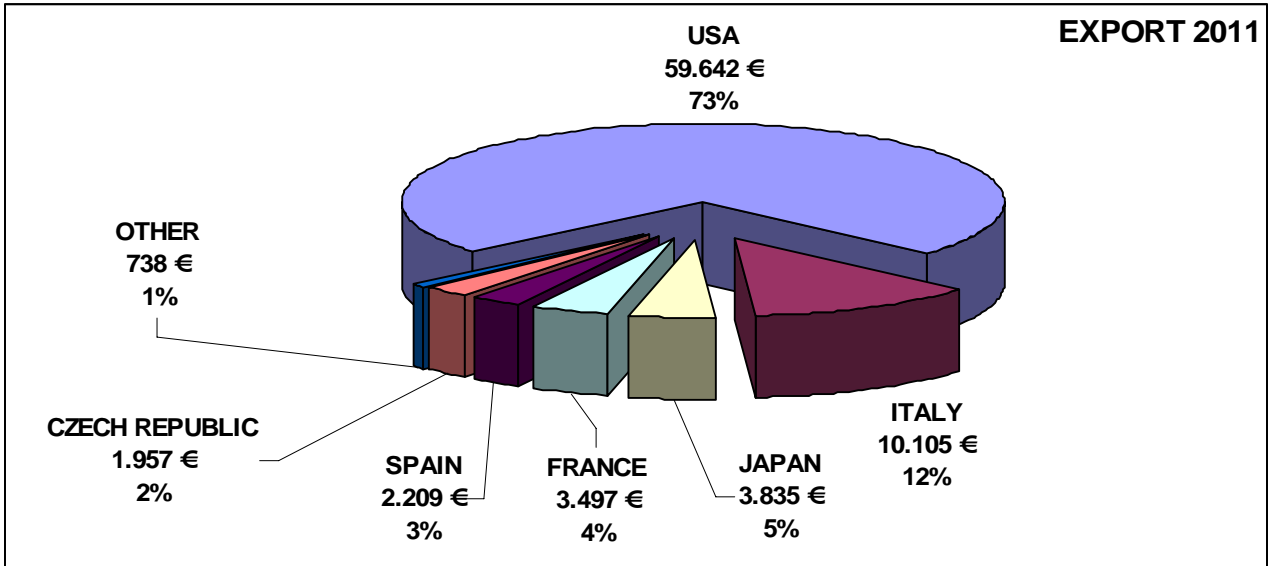
The majority of local sales comes from the local market (84,15% from retail outlets, 5,95% from corporate gifts program and 8,89% from wholesale program).

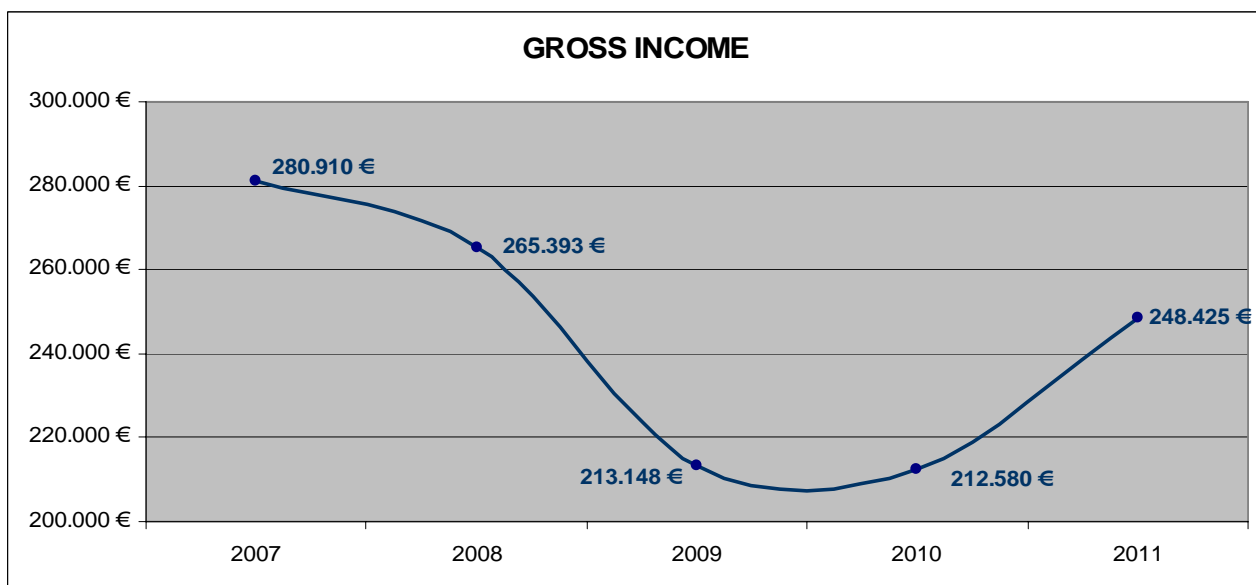
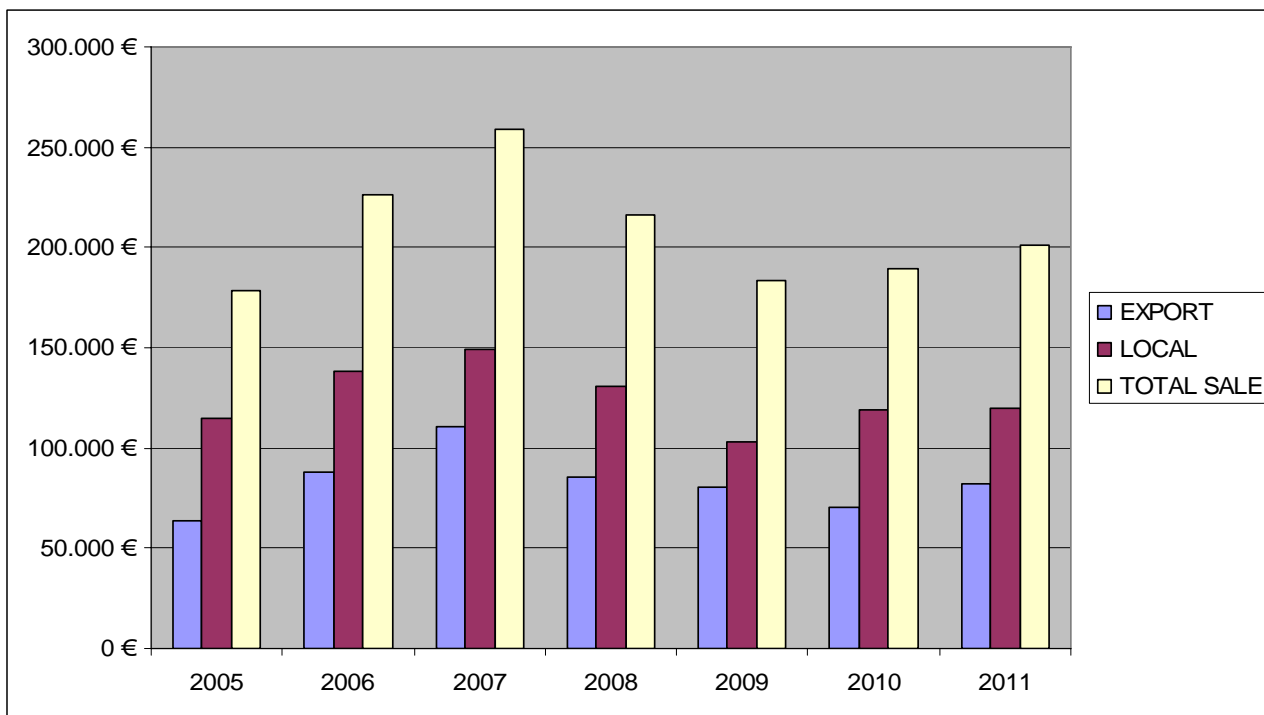
Of the total export sales, US market tops the list with 72,75%, following with Italy at 12,33%, Japan 4,68%, France 4,27%, and others.

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PROSPECTS FOR GROWTH

PLANS FOR 2012:

Despite the global recession and a bad situation in the textile sector of Bosnia, BHcrafts will make every effort to maintain the current level of production and to increase the volume of sales. If this is possible, it will be directly reflected in the producers' income.

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CHALLENGES IN 2012

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 a bad situation worse, predictions for the local economy in 2012 are pessimistic. This will put even more pressure on BHcrafts to create more jobs for the unemployed women whose only income comes from this production. Hopefully, our loyal buyers and generous donors will help us to overcome these difficulties, and reach the goal we set in the beginning: full sustainability; global markets; and jobs for all our producers.

FRAGMENTS OF AUTUMN/WINTER 2012-2013 COLLECTION



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