



ANNUAL REPORT
JANUARY 1ST– DECEMBER 31ST 2013

SARAJEVO, JANUARY 2014

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1. SHORT SUMMARY

MOZAIK FOUNDATION is a social enterprise that provides financial and advisory support to citizens' actions of common interest in communities of Bosnia and Herzegovina (BiH). We build communities, and at the same time, look for the most promising young entrepreneurial talents to accelerate their development.

In the 2013, we have supported 301 community initiatives, reaching the total value of €671,028 out of which 52% was raised from local sources. During the implementation of community initiatives 3,774 volunteers were registered providing 73,028 hours of voluntary work. Our annual budget in 2013 totaled €1,210,896.

2013 was a year full of successes and challenges. We have closed some and started new programs, working in line with the draft of our new impact-driven 10-year strategy. YouthBank has become the largest youth program in the region. Partnership with over 30 municipalities continued while memorandums of understanding were signed with several authorities from cantonal and entity level. These included a financial commitment to our programs.

In partnership with Deloitte International we won USAID GOLD project that will create 6,020 new jobs in BiH. As partner to Catholic Relief Services we start to implement the biggest USAID funded reconciliation project, where Mozaik will administer grants to formal and non-formal groups.

We significantly advanced our IT - two portals for on-line grants administration and Dynamics Nav (Microsoft's flag-ship software for financial and corporate management) are now in function. We established a new department for communication, to raise our visibility and support our philanthropic efforts.

We are still struggling with challenges in EkoMozaik, especially the fact that it did not make break-even yet. However, we used this as an opportunity to re-organize and look for a strategic partner with necessary market links. Our second social business, MaSta Agency made annual profit of over \$25.000.

Today, Mozaik gathers a team of 25 professionals that together with our social businesses numbers over 40 jobs.

2. STRATEGIC STATEMENTS

In 2013 we continued with our strategic planning initiated in October 2012. We are currently developing a new curriculum for all youth going through our programs in the next 10 years. Some of the M&E tools are being integrated into our online portal, to make sure that we collect in an efficient manner the data that we need.

Our strategic planning is ongoing and we expect to have the final version in the next six months. In the meantime, we are still governed by our strategic statements from the last period:

2.1. VISION

Active communities – initiators of social and economic development

2.2. MISSION

Mozaik Foundation is a Bosnian and Herzegovinian social enterprise, which through financial and advisory support encourages people to organize and advance their own communities.

2.3. GOAL

Improve the social cohesion¹ and support the development of active and strong communities that recognize their own resources, take initiatives and together with the government and the business sector work on their own social and economic development.

3. 2010-2014 OBJECTIVES AND ACHIEVED PROGRESS IN 2013

OBJECTIVE 1 – PROVIDE SUPPORT TO TARGET COMMUNITIES BASED ON EMI METHODOLOGY

EMI (Educate-Mobilize-Impact) methodology ensures mobilization of local resources, strengthening capacities within community to jointly work on social and economic development of their own communities, while building socially cohesive local communities.

Progress:

In 2013 Mozaik supported 301 local initiatives. 52% of total value of supported actions was mobilized locally, encouraging individual and corporate philanthropy at the level of local communities – in total 818 individuals and 280 companies supported implemented actions.

¹ There is no globally accepted definition of "Social cohesion". We have therefore developed one based on extant definitions which best defines what we are working to achieve:

"**Social cohesion** is a state of harmonious and productive social relations where community members, irrespective of differences in social and economic status, share common values and goals, have a sense of mutual commitment and belonging to the community, a sense of solidarity, responsibility and mutual recognition, and participate in activities for the common good."

In addition, 31 municipalities and one entity ministry transferred €133,622 to our accounts to support our programs. Within supported initiatives, 3,774 volunteers were registered providing 73,028 hours of voluntary work.

OBJECTIVE 2 - PROVIDE CONTINUOUS QUALITY IMPROVEMENT TO EMI METHODOLOGY

Quality control and continuous improvement remains at the core of our EMI methodology. EMI ensures best services for beneficiary communities, while increasing potential breadth of impact. Impact evaluation strengthens Mozaik's position and opens the door for further development.

Progress

In 2013 our focus on this objective was on improving curriculum and training material in order to prepare everything for the new strategy. We managed to incorporate this in two EU funded projects, one (For Active Communities) focused on increasing and strengthening the Network of our community advisors and future trainers (Network for Active Communities) and publishing promotional and training materials and second (SIGN for Sustainability) on comparing and improving our methodology at regional and international level. In addition, we introduces comprehensive IT solutions (portal, on-line application, on-line monitoring and follow up, Dynamics NAV) that make our work more productive and cost-efficient.

OBJECTIVE 3 - CREATE STIMULATING ENVIRONMENT FOR CORPORATE SOCIAL RESPONSIBILITY

CSR could have a strong impact on mobilization of local resources and social and economic development. Through this objective, Mozaik is aiming at improving readiness of business to participate in community initiatives and contribute to development of communities and country. Simultaneously, through this objective we want to emphasize positive examples of corporate responsibility. Within the new strategy, our focus will shift from CSR to corporate philanthropy promotion.

Progress

1. Research on the citizens' and companies' attitudes towards philanthropy in BiH, first one after 2007
2. Research on tax laws affecting philanthropy in BiH, with recommendations for further advocacy actions.
3. Manual on how companies can get tax-exemption in BiH.
4. Supporting our two social businesses and positioning Mozaik as leading social enterprise in the region

OBJECTIVE 4 - STRENGTHEN MOZAIK'S POSITION AT NATIONAL AND REGIONAL LEVEL

Better visibility of Mozaik approach at national and regional level will contribute to spreading our impact on social and economic development in rural communities of BiH as well as region.

Progress

We established a new communication department that significantly increased our image at national level. Finally, we have a satisfactory web-presentation and use social networks (FaceBook, Twiter and LinkedIn) as our primary tool for communication. Internationally, in 2013 Mozaik and MaSta were offered to host EFC Annual Grantmakers Assembly and Conference in May 2014., with over 500 participants from all over the globe.

OBJECTIVE 5 – ACHIEVE SUSTAINABILITY

Mozaik's sustainability would provide a source of continuous support for social and economic development of rural communities in BiH and region. Achieving sustainability would also improve Mozaik's standing in encouraging other organizations to effectively mobilize local resources (engage in philanthropic activities) rather than depending on donor funds.

Progress

In 2013 we continued with both initiatives that directly support our financial sustainability – investment in our social business (first returns from MaSta is achieved in 2013) and endowment building strategy. Our new communication department is primarily focused on creating clear messages that bring our impact closer to citizens and companies who will support our endowment (MFond).

4. OUTCOMES 2013

Mozaik was focused on three main areas:

- Strengthening internal capacities and processes to support our new, impact-driven strategy (communication department, IT solutions, curriculum framework, national network of trainers).
- Philanthropy promotion (defining impact and strategy that is relevant to citizens and companies, research on state of philanthropy, research on tax laws related to individual and corporate philanthropy)
- Self-sustainability (social enterprise, endowment building)

5. PROGRAMS AND PROJECTS

5.1. YOUTH BANKS

Mozaik is especially proud of its Youth Bank (YB) program that was recognized by Microsoft as the leading youth program in the region. We started YBs in 2008 with five BiH municipalities. Through strategic development and program expanding today we are active in 31 municipalities, thanks to USAID five-year support of \$ 1,900,000 mill.

Numbers are impressive: over the period 2008-2013 in 31 municipalities 12.800 young and entrepreneurial volunteers engaged for 226.170 voluntary hours to implement 965 community projects in total value of €1,800,000 that affected over 518,000 direct beneficiaries.

Achievements of YB program improved and created new partnerships with governments, businesses and non-governmental organizations:

- Mozaik became member of YB International network which gathers 20 organizations that support 172 YBs in 24 countries.
- We have supported Divac Foundation in Serbia in process of establishing their YB program and initiated cross country collaboration between BiH and Serbia.
- Both entity ministries relevant to youth issues signed MoUs with Mozaik, providing financial support to our program in 2013 and 2014.
- Microsoft awarded YB with its Youth Spark award, as one of three Microsoft awards in Europe.
- Partnerships with 31 municipalities and their support for YB with financial and human resources, as well as YB as integral part of municipal strategies, is one of the cornerstones for sustainability of YB program.

In 2013, YBs supported 290 youth projects in total value of €501,488. Mozaik contributed €224,151 from USAID, municipalities and ministries, and 55% of total value was raised by youth, through local resource mobilization from 813 individuals, 270 businesses, 139 institutions and 101 NGOs, proving its great potential to promote local philanthropy.

This year we won the biggest USAID conflict reconciliation project, as a partner to CRS. One of the segments of the project is to create National YB Board, consisted of 31 the best young person from 31 municipalities, who will, using the same principals as YB, support youth reconciliation projects in amount of \$300,000.

In 2013, we had additional activities that were supported by the Balkan Trust for Democracy, aimed at promotion of the program, achievements and results at the

cantonal and entity level in order to secure financial and technical support to program's long-term sustainability. As a result, we have signed MoUs with RS Ministry of Youth and Families and Gorazde-Podrinje Canton. Third one, with the Federal Ministry of Culture, Sport and Youth is negotiated and will be signed in February 2014. The most interesting part of this process is that majority of negotiation was done by YB board members, volunteers who are, in fact, target group of the program. Their ownership and leadership, coordinated by the youngest Mozaik's manager (26), was the key factor that easily led ministries to offer further financial support to the program.

One of the biggest challenges this year was on how to create and implement tailor-made web-portal that will increase our productivity and improve data collection and evaluation. After number of sleepless nights of our program managers and IT officer, we have developed portal and data base that was described by US Deloitte data specialist as "definitely the most advanced than in any NGO and one of more advanced within business sector".

YouthBanks remains the flagship program of the Mozaik. Thanks to great success of the program and experience Mozaik is gaining while implementing it, we have decided to focus our strategy 2015-2025 around youth and entrepreneurship. YouthBanks encompasses community development, participatory approach, great local resource mobilization, and activism, while having bottom-up impact on policies (youth strategies and local government budgets). We have discovered new potentials to further develop YB approach in order to create more possibilities for economic development as well as solidarity in small local communities of BiH.

The main achievements of Mozaik through this program are:

- Increased number of supported initiatives (from 226 in 2011 to 259 in 2012 to 290 in 2013).
- National promotion of successful mechanism for community development and youth activism, recognized as effective tool to implement youth strategies.
- Improved cooperation with 31 municipalities, including financial support.
- Improved cooperation with cantonal and entity relevant ministry, including financial support
- Improved cooperation with relevant NGOs at national and regional level – Tuzla Community Foundation, CULT, SHL, Divac Foundation, YBI
- Great example of successful bottom-up advocacy – our beneficiaries negotiated support form cantonal and entity level.
- Presence in the most rural parts of municipalities – up to 5.000 inhabitants – establishing a model that operates as a community foundation

- Provide opportunity for non-formal groups to contribute to the development of their communities,
- Raised capacities of youth to mobilize resources to address youth and community issues
- Supports Mozaik strategic goal towards sustainability.

5.2. ALL INCLUSIVE

This program grew from our Social Justice and Inclusion program, following our new strategy development. Through All Inclusive we aim to provide financial and technical support to formal youth groups. The program started in July 2013 and is financially supported by the Austrian Development Agency, Medicor Foundation and Light for the World in the amount of €224,000 for two years.

Through this project, Mozaik supports youth NGOs in 10 BH municipalities, through EMI methodology, in order to create an environment in which all citizens have an opportunity to participate in the development of their communities while respecting differences and the rights of every person. We aim to support these NGOs as main drivers of community development in their municipalities.

Beside typical EMI activities, we have developed and piloted additional activities to support our test-invest methodology, as peer-educations and joint voluntary actions. Organizations will receive two grants and the best individuals will implement third community action, but in the community that is not their own and where they will have to put additional efforts in order to mobilize local resources and get volunteers.

First grants were just distributed in December 2013 and will be reported in the next years' report when data on community contribution and volunteers' engagement will be available.

During the first half of 2013, we finalized the Project Plus, where five segregating centers for children with special needs are transferred to inclusive community centers that implement income-generating activities in order to have more sustainability of their services.

Within this program, five centers for persons with disabilities established inclusive activities that gathered community members. They also established new income-generating activities that have impact on their financial sustainability. Four centers are earning income already. Through this program we supported five initiatives in total

value of €50,810. Mozaik contribution was €39,000 while 23% of total value was raised through local resource mobilization from individuals (4), businesses (6), public institutions (4) and NGOs (39).

Main achievements of Mozaik through this program:

- Mozaik recognized as important supporter of entrepreneurial ideas of CSOs
- Opened opportunity to establish five community centers and transfer know-how on establishing and running social enterprise to them
- Established income-generating activities, that employed two persons with disabilities
- Testing of our participatory EMI methodology with the most vulnerable groups.
- Attitudes of Mozaik's staff on inclusion and social justice shaped through real contacts and activities.
- Long-term partnerships with flexible donor with expertise in specific field, what additionally raises Mozaik's capacities.

5.3. FOR ACTIVE COMMUNITIES

Through this Program communities receive small grants to support activities of common interest that actively involve citizens in its planning and implementation. Communities are strengthened in their capabilities for joint decision making and participatory planning of local development, as well as the capacity for the mobilization of local resources and lobbying for the interests of rural communities in the local government. Thanks to the EMI approach, capacity building necessary for organized community development, public advocacy and mobilization of local resources is ensured. Program is focused on small rural communities, with less than 5,000 inhabitants.

In year 2013, the program was focused on institutional strengthening of community advisors (individuals and their organizations) who implement EMI in the field. The Network for Active Communities is established and won an EU project that will ensure additional capacity building of advisors and their organizations.

In order to strengthen the Network institutionally and programmatically, in year 2013 we organized five trainings and developed knowledge and skills of 20 current and potential Network members (10 organizations). We are especially satisfied with redesign of four training manuals (12.000 copies) that are very well accepted and already assessed as simple, useful and well designed learning tools. Besides, the Network produced set of promotional materials, including issuing two electronic bulletins that promote EMI methodology in development of local communities. Through strategic planning proceses facilitated by Mozaik four partner organizations fully internalized EMI methodology in their work and started with their promotion as

regional centers for local communities, while the strategic planning workshop for the Network helped us to clarify some important issues and to define strategies for future Network strengthening and positioning as a leading force in BiH for community development.

This is the last project within this program. In our new strategy, all support to formal groups will be given through All Inclusive program. However, Mozaik will continue to support and develop Network for Active Communities and use its resources to advance EMI methodology and provide technical support to the formal and non-formal groups within new strategy.

The project's main achievements:

- Built capacities of 20 individuals and 10 NGOs to become strong Network members and recognized resource centers for EMI methodology in their local communities.
- Developed/reviewed training materials for EMI methodology and developed framework for EMI and Test-Invest.
- Presence in small rural communities with innovative approach
- Implemented quality standards for EMI methodology that enable self-reflection and reflection among EMI network members, as well as better promotion of the approach

5.4. PRO-FUTURE

Since September 2013 Mozaik is part of a team of organizations working on the largest reconciliation project which will build the trust and confidence among citizens of all ethnic backgrounds in BiH funded by the USAID, the PRO-Future.

The PRO-Future will last four years and will be implemented in thirty municipalities of BiH. Each of the partner organizations will be responsible for a specific part of the project. Mozaik is recognized as the best national organization for the administration and management of grants and in this project it will have a responsibility to manage the small grants for community-based reconciliation and to build bridges among individuals across ethnic divisions. The value of small grants in project is \$700.000.

This project will make use of the best resource of Mozaik Foundation, YouthBanks Board members, and the best members, young people will be elected to the National YB Board (NYBB). They will develop criteria and will be responsible for making final decisions on reconciliation projects of informal groups. By the end of 2013 Mozaik announced a public call for the admission in the NYBB and 58 young people from 29 municipalities met the criteria.

The project is still in its initial phase and it is still early to report on achievements, but we are confident that EMI methodology and YB experience and mechanisms will build trust among people in BiH and thus contribute to the reconciliation process.

5.5. CULTURAL HERITAGE

In May 2013 Mozaik finalized the project “Sarajevo – a Cultural Crossroads” funded by the European Union with €300.000. The project impacted transformation of cultural institutions in Sarajevo into more open and flexible institutions that have developed inter-sector cooperation as well as links to the tourist sector. We were focusing our efforts on building the capacity of cultural institutions in the areas of management, leadership, project development and management, fundraising and mobilization of local resources for establishing sponsorship relations. €27,000 was granted to three working groups to improve attractiveness of cultural institutions in 2012, and all three actions were finalized in 2013.

We were proud that City of Sarajevo co-financed the project – they will contribute cca. €40.000, to support all project activity and contribute to Mozaik’s visibility and positive image at national level. In addition to City of Sarajevo, the project was supported by Federal Ministry of Tourism and Federal Ministry of Culture.

Although the project achieved planned results and we are recognized as important stakeholder in the cultural tourism, this was our last project in cultural heritage. Within new strategy, we have decided to close this program and focus all our resources on youth and entrepreneurship.

Main achievements of Mozaik through this program:

- Impact on tourist offer of Sarajevo, economic development of Sarajevo Canton.
- Improved relationships and cooperation among cultural institutions in Sarajevo.
- Established partnerships with government institutions and excellent cross-sectorial collaboration (tourism with culture; culture with education).

5.6. GRANT ADMINISTRATION

In 2013 we administered grants for the UniCredit Foundation that started in 2012. With Mozaik they developed two calls – Social Entrepreneurship (up to €20,000 per grant) and Social Inclusion (up to €10,000 per grant). Through this call, Mozaik was administrating 11 grants (5 SE and 6 SI) with the amount of €130,000. Approved projects raised additional €106,980 from own and community resources.

Another project was initiated within the grant administration activities – Regional Social Business Fund. Namely, KBF and GIZ are supporting 11 NGOs active in anti-trafficking for years, and as a fading-out activity want to offer to some of these organization to initiate or increase their social businesses. The initial project value is €100,000 and €70,000 will be re-granted to the NGOs in Serbia, Kosovo, Albania, Montenegro and BiH. The project is still in its initial phase – defining business idea and it is expected that grants will be distributed in May 2014.

The Regional Social Business Fund will support 3-7 the most promising candidate NGOs in the program and help them establish and/or scale their social businesses in order to support the sustainability of their social services and organizations.

This impact-oriented Fund's focus will be to help beneficiary NGOs sustain the level of services over the long term by helping start-up new or expand existing social enterprise. The project/fund also provides technical and capacity building assistance to NGOs to develop other income generation activities that will ensure long-term sustainability of services.

6. FOR-PROFIT UNITS

6.1. EKOMOZAIK

EkoMozaik's primary goal is to generate sustainable jobs by using competitive advantages of rural BiH. Simultaneously, EkoMozaik is a socially responsible company that generates income and directs all of its profits through Mozaik Foundation to developmental projects.

2013 was the most active year for EkoMozaik and Mozaik, as an owner, had high expectations since we entered the year with new agronomist, new sales person and new accountant who seemed to be the right persons for the job. The production and sales plan was developed and the greenhouse, as well as open fields, were packed throughout

the year – greenhouse was full throughout the year, open fields were filled with seasonable vegetables.

Throughout the spring greenhouse was busy with production of vegetable seedlings which were sold to producers across the country. We produced flowers and vegetables for the local market. In the open fields we produced tomatoes, carrots and onion, and other areas were prepared and used for planting herbs in order to better improve bee pasture. 2T of honey was sold to the largest BH supermarket, who also bought most of produced lettuce.

We believed that we had found a great agronomist with managerial experience. However, his plans achievement was lower than 20% and in September 2012 we had to let him go. In order to save the firm, we had to cut the cost down and rethink the EkoMozaik strategy. The great support for this process was GIZ Integrated Expert, expert who will be with Mozaik at least next two years to provide his expertise and make improve financial, operational and strategic planning and processes on our social businesses.

We used this period to clean and disinfect green house and other EkoMozaik land, and develop clear strategic orientations and initiated negotiation about long-term partnership with Swedish company who already have agricultural production in Srebrenica and wants to increase its operation since they have secured market in Sweden. For us, it seems as great match – our facilities and trained 160 women and their expertise in agronomy, management and sales could be a winning combination. The negotiations should be finalized in the first quarter of 2014.

6.2. MAŠTA AGENCY

Year of 2013 was the year of development for MaŠta Agency. We began this year with two employees (director and one administrative/financial officer employed as intern) and a lot of enthusiasm, motivation and strong support from Mozaik. The first step was to find best communication model that will present MaŠta to targeted costumers. They looked deeply inside their values and understood that they do their work differently than other companies in the same field.

Social business principles are in core of MaŠta's work and they have decided to spread this concept among clients and find clients with the same values. They started targeting the clients and first results showed quickly. Successful events have led them to others and MaŠta has started to build up trust and reputation in the market.

2013 business results annulated financial loses made during the first half of 2012. If we are talking in numbers, the 2013 turnover reached €100,628, with the profit before tax of €19,315. We covered loses from 2012 which were €13.267,66 and ended the year with a positive balance.

MaŠta continued engaging volunteers and interns and empowering them in their efforts to become confident business professionals. In the past year there were tree volunteers and three interns for the Agency. Two of them became employers (Finance and Design) and others found their job opportunities elsewhere.

MaŠta employed the Communications Manager and during the first month of 2014 is planning to employ the Event Manager as well. With the team of five, MaŠta plans to continue offering best services to clients in a different way. We are focusing ourselves on three basic work principles - good communication with clients, fast response and accurate information and service.

Below is the list of clients MaŠta was working for in 2013:

- **European Foundation Centre, AISBL** - Visual communication for GEF 2013
Belgrade, Serbia
- **King Baudouin Foundation** - Full organizational management of thee day Conference in Sarajevo
- **Catholic Relief Services Bosnia and Herzegovina** - 20 year Anniversary event and visual communications, Sarajevo
- **U.S. Embassy, Bosnia and Herzegovina** - Promotional Grantees Fair in Sarajevo and Mostar
- **Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)** - Full organizational management of thee day conference in Vienna.
- **TRAG Foundation** - Web site design and its development
- **WEISHAUPT Bosnia and Herzegovina** - Annual corporate event
- **Microsoft Bosnia and Herzegovina** - Promotional event
- **WILO ADRIATIC** - Annual corporate event
- **Electric Service Company HZHB** - Annual corporate event
- **Mozaik Foundation** - Several different communication materials, project events, conference and workshops
- **EkoMozaik LTD** - Promotional and visual communication materials

MOZAIK'S DEVELOPMENT

6.3. STRATEGIC MAINSTREAMS

In 2013 we focused a lot of efforts to develop our vision and impact internally and to make sure that every single team member is developing his/her capacities and clearly understands what we may and will do to bring about the real change. We analyzed our competitive advantages – entrepreneurial spirit, grant-making through EMI methodology, great national, regional and international networks, excellent human resources and good image with all stakeholders – and clearly decided to focus only on the things that matter to the impact we want to achieve.

We are still working on our new strategy and impact that is clear and compelling, what will ensure success in our endowment building that has started in 2013.

6.4. IMPROVING PROCESSES

We have decided to invest into modernization and digitalization of our office in order to decrease costs and improve processes. In 2012 we have implemented MS Navision to support basic accounting needs for Mozaik. As a result we have successfully produced final year-end financial reports faster than any year before, and with less man/hours. In 2013 we have expanded our systems capabilities to better support operations in providing up to date financial information. Furthermore we have developed automated reports in our system for all our projects. This enabled easier donor reporting, provided opportunity for better organizational transparency and better decision-making.

We have conducted advanced training for all financial department staff in utilization of MS Navision. Training included all facets of day to day bookkeeping which elevated our productivity to a new level.

In order to support all these processes, we built a server room and host most of our content locally. ZEIT Foundation supported these improvements with €5,000. With a good web site and this improvement, we are one more step closer to provide unparalleled transparency related to projects we are implementing (providing on/line, real time reporting for all of our donors, and all relevant information related to our programs to beneficiaries of our programs).

7.3 HUMAN RESOURCES

Mozaik currently gathers team of 25 professionals who are self-motivated, well-organized and use every opportunity to grow and develop. Our staff is composed of good middle-level managers, able to initiate and implement every task that is needed. We are succeeding to maintain good organizational climate and culture and the right balance between envisioning better future we want to achieve and doing everyday job as professional as possible.

While MaSta Agency succeeded in finding and hiring a good and competent staff, and its development is obvious, we are still not satisfied with EkoMozaik's personnel. After great optimism at the end of 2012, with new agronomist and sales person, who did not perform well, we are trying to find different solutions to address this issue that is the primarily reason for low EkoMozaik's achievements.

Our staff is hard-working and often works over time and during weekends, when something needs to be done. In order to raise their productivity, management required that every staff member needs to learn 10-finger typing, since we calculated that nearly 6 hours weekly could be saved, since most of us spend majority of our time typing. Half of staff already met this requirement.

7.4 NETWORKS

In 2013 we continued with active participation on several networks: GEF was organized in Belgrade and hosted by SIGN Network, we joined EFC again, since 2014 AGA will be held in Sarajevo and hosted by Mozaik and MaSta. We participated on several events organized by EFC and case study on Mozaik won the first place at EFC Lab in Milan.

The national Network for Active Communities is developing its capacities through Mozaik's EU funded project, and we are preparing five new community advisors/trainers. They improved most of existing training materials in line with Mozaik strategy and worked on their own strategic plan that will support our joint impact. We will also support establishment of four Centers for Active Communities in our four member's organizations that will apply Mozaik's methodology and increase our outreach.

The regional SIGN network is successfully implementing EU funded project SIGN for Sustainability, led by Trag, while CIRA, fAct, VIA, FIQ and Mozaik are the partners. We all made research on status of philanthropy and research on tax laws regarding philanthropy in our countries. The first Sustainability Academy in BiH is launched and

15 small NGOs received technical grants in December 2013 to implement fundraising campaigns, where every dollar they get from companies and individuals will be matched by Mozaik.

7. LESSONS LEARNED

- Importance of joint retreats and capacity building sessions. Although sometimes staff members are not happy to take 2-3 day for planning, at the end, this is the time and space to develop our internal capacities, share our vision and maintain excellent organizational culture in the team of 25. We all agree that “plans are nothing, planning is everything!”
- Impact. Impact. Impact. And in order to achieve it, we have to know where we can be the best, and stop doing all other things.
- Efficiency needs to be further improved – we should look for simple end effective measures to improve our efficiency (portal, 10-finger typing, etc.).
- Look for and use external resources that can do certain task faster and cost effective, comparing to us doing these things internally (curriculum development, design, visualization of data, developing portal and web sites...)
- We need to transfer responsibilities to our beneficiaries in order to empower them, while being able to keep fin/admin costs lower and thus be closer to sustainability.

STATEMENT OF REVENUES AND EXPENSES YEAR 2013

(in EUR)

SUPPORT AND REVENUE	
Local, Federal and National Institutions support	133,622
Donors for Projects/many	964,790
Donors for Projects/equipment	103,961
Services, fees	993
Other revenue, interest and miscellaneous income	7,532
Total Support and Revenue	1,210,898
EXPENSES	
Grants distributed in the fiscal year	405,633
Overhead (Administrative expenses)	
Staff (gross)	
Director, Executive Director, Administration, Finance	101,154
Running cost	
Office Rental, Utilities, Insurance, Office runing costs	30,057
Other	
Staff training , Travel-International, Board of Directors meetings, Vehicle (Insurance and Registration)	15,031
Total Overhead Cost	146,242
Direct Cost	
Project staff (gross)	
Program Managers, Cap. Building and Monitoring M, Project Managers, Projects assistants	225,538
Project Supporting Services	
Expenses for Facilitation and Advising in local communities, Trainings of members of local communities, Publications, Promotions, Consultants, Researches, Meetings of Advisors Groups, Communications, Office Supplies, Regional Meeting, Workshops, Vehicle (Fuel and Maintenance), Local Travel etc.	423,006
Total Direct Cost	648,544
Sundry	
Bank fees, Unexpected cost	8,396
Total Expenses	1,208,815
Changes in Net Assets	2,083

BALANCE SHEET AS DECEMBER 31, 2013

(in EUR)

	2013
I ASSETS	
Fixed Assets	717,058
House	136,869
Furniture and Equipment	20,133
Vehicle	47,826
Tractor and agriculture machines	107,040
Greenhouse	283,911
Heating system	54,190
Software	67,089
Long-term investments	216,522
Investment in EkoMozaik (Equity)	19,721
Long-term loan EkoMozaik	196,597
Prepaid expenditures (lease of land)	204
Current Assets	88,577
Money and money equivalents	38,411
Other current assets/ VAT Refund, Refund from donors	50,166
Total assets	1,022,157
II LIABILITIES	
Short-term liabilities	274,387
Liabilities for suppliers	18,386
Liabilities for employers - salaries	16,532
Liabilities for taxes, fees and benefits	42,301
Liabilities for contracts for services	3,149
Liabilities for loan	15,339
Accrual income from donations for project expenses	178,680
Long-term liabilities	583,210
Accrual income from donations for projects/ Fixed assets	567,265
Liabilities for loan	15,945
Capital	164,560
Capital	130,455
Retained surplus of income over expenditures/Net Assets	34,105
Total Liabilities	1,022,157