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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 talents to accelerate their development.

In the 2014, we supported 391 community initiatives, with a grant total value of \$1,090,810. 49% of this amount was raised from local sources. During the implementation of community initiatives 5,287 volunteers were registered providing 98,202 hours of voluntary work. Our annual budget in 2014 increased from \$1,607,753 in 2013 to \$2,604,493 in 2014.

2014 was an amazing year! And a busy one. In parallel to all other activities we finalized our 10-year strategy, promising that we will lead development of young social entrepreneurs who will create new economic and social value and become a role model for other youth. Mozaik's entire team participated in this two-and-a-half year process and created visionary strategy that will require a lot of efforts and learning, but will give more sense to our professional (and personal) life. In just two weeks of fundraising during January 2015 – presenting our strategy to potential partners – five of them committed over \$5,000,000 to support our impact.

Let us list some of the key areas of focus in 2014:

YouthBank remains the largest youth program in the region. Continuous municipal and ministry support, great leverage from companies, individuals and organizations, unmatched voluntary engagement make this program so unique that we have decided to make it a backbone of our new 10-year strategy.

The Social Business Fund provided support to five social businesses in the region and hosted the first Social Business Week in BiH, in cooperation with Grameen Lab (an initiative of Prof. Mohammad Yunus). Our experience and confidence in social entrepreneurship is growing and we are convinced that social entrepreneurship is one of the right answers to many issues BiH society is facing today.

Devastating floods hit our country in May, affecting every third citizen. Mozaik mobilized over \$373.476 from 161 companies, foundations and individuals to support the recovery through youth voluntary actions, agricultural recovery and clean water.

Although this process exhausted our resources and slowed the strategic planning and fundraising process, we are so proud that we could support our neighbors in need.

We proudly hosted 24th Annual General Assembly and Conference of the EFC, gathering 420 private foundations in Sarajevo. This was the biggest conference MaŠta and Mozaik organized ever and it improved MaŠta's image and capabilities significantly. It was evaluated as one of the best EFC conferences ever.

Finally, EkoMozaik had a good year – loses are decreased and the future development is optimistic. Our second social business, MaŠta Agency again increased its profit comparing to last year.

Our team grew and today gathers 26 professionals that together with our social businesses numbers over 40. The achievements in 2014 coupled with the new strategy provide a source of motivation for the years to come.

2. STRATEGIC STATEMENTS 2015-2025

2.1. VISION

BiH as competitive regional economy with advanced social welfare system.

2.2. IMPACT STATEMENT

Between 2015 and 2025 Mozaik Foundation will lead the development of a break-through generation of entrepreneurial and innovative youth - a value-driven force that creates new social and economic value, develops successful social businesses and serves as role model to other youth.

2.3. MISSION STATEMENT

Identify, develop and support value-driven and innovative social entrepreneurs.

2.4. OBJECTIVES

2.4.1. ATTRACT AND IDENTIFY RESPONSIBLE, ETHICAL AND POSITIVE YOUTH

KPI: #of youth that benefit from Mozaik online learning programs and take online tests.

10-YEAR TARGET: 100.000 youth

2.4.2. MOBILIZE AND DEVELOP COMMUNITY LEADERS

KPI: # of Mozaik-supported community projects that increase youth awareness and commitment to social impact.

10-YEAR TARGET: 5.000 youth-led projects

2.4.3. SUPPORT AND INVEST IN PROMISING IDEAS OF SOCIAL ENTREPRENEURS

KPI: # of Mozaik-supported social entrepreneurs that start social businesses.

10-YEAR TARGET: 1.000 social entrepreneurs

2.4.4. BECOME THE REGIONAL GOLD STANDARD FOR SUSTAINABILITY AND SOCIAL ENTREPRENEURSHIP

KPI: % of Mozaik's minimum viable budget coming from endowment and social businesses.

10-YEAR TARGET: 100% of the minimum viable budget

2.5. METHODOLOGIES

2.5.1. HORIZONTAL – THE EMI METHODOLOGY:

The EMI (Education, Mobilization and Impact) community driven methodology is building social capital and mobilizing local resources to address important community problems. This methodology represents the key to Mozaik’s success in community mobilization; it stands behind the impressive results of the YouthBank history. Mozaik is using and improving this methodology since 2004.

2.5.2. VERTICAL – THE TEST-INVEST METHODOLOGY®

Test-Invest is a ladder-structured and pyramid-shaped methodology that, through EMI methodology, tests youth at community level to identify the most promising value-driven leaders, innovators and entrepreneurs. This is a new methodology developed by Mozaik with trademark in the EU. It consists of analytics, competency model and curriculum.

2.6. PROGRAMS

2.6.1. YOUTHBANKS PROGRAM

The next 10 years will build on our YouthBanks Program. Mozaik will provide a safe and supportive environment to 100.000 youth, first to identify and later develop their leadership skills. We will continue advancing communities through 5.000 youth-led community projects but in addition use them as the test-ground to assess values, potential, innovation and entrepreneurial skills. YouthBanks will consist of on-line training and assessment tools, innovation tournaments and youth-led community actions.

2.6.2. M-SEED PROGRAM

Mozaik’s Social Entrepreneurship Program (M-Seed) will provide safe and supportive environment to most promising youth to further advance through our competency model and curriculum. It will work in symbiosis with YouthBanks: most promising, value-driven and innovative social entrepreneurs, whose capacities and skills were developed and proven through the 5.000 youth-led community projects, will be invited to join the M-Seed. M-Seed will consist of a (1) social business incubator, (2) accelerator and (3) alumni.

3. PROGRAMS AND ACTIVITIES

3.1. YOUTHBANKS (YB)

Mozaik is especially proud of its YB program. We started YBs in 2008 with 5 BiH municipalities and today we are active in 31 municipalities, thanks to USAID five-year support of \$1.800.000. Beside USAID, program is supported by regional grant from Balkan Trust for Democracy, 31 involved municipality, Federal Ministry of Culture and Sport and Ministry of Family, Youth, and Sport in Republika Srpska.

In the last five years, Mozaik and supported groups mobilized \$2.449.148 from governments, individuals, NGOs, and companies, as a leverage to USAID grant.

In 2014, YBs supported 327 youth projects in total value of \$613.762. Mozaik provided \$270.246 (from USAID, municipalities and ministry), and the rest (56%) was raised by youth, through local resource mobilization from 772 individuals, 302 businesses, 170 institutions and 107 NGOs, proving its great potential to promote local philanthropy.

In addition to provided grants, capacity building for youth was organized through 180 workshops and trainings, including the annual conferences for over 3.200 youth in five years.

YB portal that was developed in 2013 represents a unique and transparent way to integrate the whole grantmaking process, including monitoring and evaluation. This tailor-made portal has increased our productivity and improved data collection and evaluation.

Recent devastating floods raised additional challenges to our team when 18 of our municipalities were directly hit. In partnership with several municipalities and thanks to our Solidarity Fund, YB members participated in reconstruction of six schools, where over 100 board members have been active in recovery voluntary actions.

YB remains the flagship program of 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 on youth and social entrepreneurship. YB encompasses community development, participatory approach, great local resource mobilization, and activism, while having bottom-up impact on policies. We have discovered new potentials to further develop YB approach in order to create more possibilities for economic development as well as solidarity in local communities of BiH.

The main achievements of Mozaik through YB are:

- Increased number of supported initiatives by 12.8% (from 290 in 2013 to 327 in 2014).
- Presence in the most rural parts of municipalities – up to 5.000 inhabitants – establishing a model that operates as a community foundation – mobilize available resources to address the issues of that community.
- Improved cooperation with 31 municipalities and entity ministries, while raising financial support during 2014 and for the 2015.
- Great example of successful bottom-up advocacy – our beneficiaries negotiated support from municipal and entity level.
- Raised capacities of youth to mobilize resources to address youth and community issues.
- Mozaik continues having an active role in YB International network which gathers 20 organizations that support 172 YBs in 24 countries.
- Proven sustainability of established mechanism – municipalities allocated over \$100.000 for YB although USAID funding ends in February 2015

3.2. ALL INCLUSIVE

Through All Inclusive Mozaik provides financial and technical support to formal youth groups. The program started in July 2013 and is financially supported by the Austrian Development Cooperation, Light for the World from Austria and Medicor Foundation from Lichtenstein in the amount of \$254,000 for two years.

Through this project, Mozaik supports ten youth NGOs in 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 give support to these 10 NGOs seeing them as potential main drivers of community development in their municipalities. The capacitating has been done through different trainings and workshops but also through daily contacts via newly created portal, closed Facebook groups and e-mail as well. All these means opened space for meaningful communication and discussions, which prove to be the best learning tools.

Different stakeholders have been involved in all beneficiary municipalities in identification of two key issues (within two different grants). First 10 grants have been successfully implemented while the second grants have just been finalized and will be reported on within the next year report (when we get precise data on all volunteers and support raised locally). Diverse community actors have been working together on the implementation of the projects selected individually by each community. These actions

mobilized 953 volunteers and also raised 46% of local support in-kind/services/money. The volunteers and different support represent a guarantee for sustainability and impact.

Besides the usual EMI methodology activities, we have developed and piloted additional activities to support our test-invest methodology, as peer-educations and joint voluntary actions. During implementation of two grants, participants in actions were closely monitored to identify the best 50 young people which will be promoted as role models and who will get the opportunity to implement the joint community action in a community which was affected by last year floods in Bosnia. The 50 young persons have been identified and their promotion as role models is about to commence. They have been designing a joint action which they will implement in the spring of 2015. There, they will have to put additional efforts in order to mobilize local resources and get volunteers in a community which may not be their own.

Main achievements of Mozaik through this program:

- Mozaik recognized as a leader in programs for youth among NGOs dealing with youth
- 10 youth NGOs learned how to be more inclusive and integrate young persons with disabilities in their work
- Testing our participatory EMI methodology with the most vulnerable groups.
- Attitudes of Mozaik's staff on inclusion and social justice shaped through real contacts, trainings and activities with NGOs.
- Long-term partnerships with a flexible donor with expertise in the specific field, what additionally raises Mozaik's capacities.
- Our new approach successfully piloted, combining the EMI and Test-Invest methodology.

3.3. SIGN FOR SUSTAINABILITY

In November 2014 the regional SIGN Network consisting of Trag from Serbia, CIRA from Macedonia, fAct from Montenegro, National Foundation for Civil Society Development from Croatia, FIQ from Kosovo and Mozaik Foundation successfully finalized the first 2-year phase of EU funded "Sign for Sustainability" project. The second phase of the project will continue through 2015 and 2016.

This project aims to promote local philanthropy, local communities and a long term self-sustainability of civil society in six countries of Western Balkans. Partners organized specific set of activities aiming to create an enabling legal environment for more individual and corporate philanthropic giving; promote transparency of NGOs to

increase support and engagement of citizens in NGOs actions; and transfer of best practices for philanthropy development.

In BiH, Mozaik networked with other NGOs and businesses, brought about advocacy initiative for tax changes for individual and corporate philanthropic giving. In the meanwhile Mozaik published a Handbook on Tax Relief in the Area of Individual and Corporate Philanthropy. Additionally, standards for fundraising of NGOs were created and over 100 organizations in the region took the pledge to use them in order to raise their transparency and accountability and thus get higher support from individuals and companies.

Within the project, the Sustainability Academy was held to empower grass-root organizations to promote and develop individual and corporate philanthropy at community level. 14 organizations were given technical grants for their fundraising campaigns and, if successful, they were promised matching grants. Using standards for fundraising, 10 grantees managed to fundraise monetary donations from corporate (70) and individual donors (643) in amount of \$25.816.

Through this project, Mozaik again organized the annual Award for Philanthropy DOBRO. Out of 92 nominations the Selection Committee awarded four companies and two individuals for their philanthropic giving at gala ceremony in reconstructed Sarajevo City Hall Building. The award attracted a lot of media interest and received over 80 media coverage securing significant promotion of philanthropy among individuals and companies.

The initial phase of the project was finalized with the first regional conference on philanthropy with guests from government, business and non-profits, coming from the whole region and abroad. The key note speaker was Tony Myers from Canada. Once again the importance of transparency and partnerships among all three sectors and close work with the media to promote individual and corporate giving was highlighted.

Main achievements of Mozaik through this program:

- Increased capacities of 14 grass-root organizations for their sustainable acting.
- Promotion of existing legal framework and advocacy for more favorable legal framework for philanthropic giving.
- Transferred and promoted know-how and best practices for philanthropy, CSR and local resource mobilization.
- Development of local individual and corporate philanthropy through mobilization of local monetary resources in 10 communities in BiH in amount of \$25,782.

- Promotion of philanthropy as a community engagement focused on long-term development.
- Regional and national cross-sectorial partnerships.

3.4. THE REGIONAL SOCIAL BUSINESS FUND

Mozaik’s experience in running social businesses led us to administer the first Regional Social Business Fund (RSBF), initiative funded by the King Baudouin Foundation and Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ).

RSBF was established to tackle the issue of long-term financial sustainability of services offered by NGOs active in anti-trafficking for years. This impact-oriented Fund provides seed funding to help beneficiary NGOs sustain the level of services over the long term by helping start-up new or expand existing social businesses. The RSBF also provides technical and capacity building assistance to NGOs to develop new ventures and other income generation activities that will help ensure long-term sustainability of their services.

The project value is \$140.854 and included a Fund of \$107.000 available to be re-granted to the NGOs in Serbia, Kosovo, Albania, Montenegro and BiH. In 2014 RSBF provided financial support to three NGO-owned social business startups in Serbia, Macedonia and Kosovo, and to extend/scale two existing social enterprises in Albania.

No	TVRP Partner - NGO	Total Budget	Requested from RSBF	RSBF Approval	RSBF Contrib. as % of Total
1	Atina, Belgrade, Serbia	38,155	23,000	21,830	57%
2	Open Gate - Lastrada, Skopje, Macedonia	63,450	23,000	23,000	36%
3	Tjeter Vizion, Elbasan, Albania	53,600	22,700	17,000	32%
4	Different_Equal, Tirana, Albania	26,641	17,153	15,500	58%
5	Pvpt, Pristina, Kosovo	35,264	23,000	15,259	43%
6	Vatra, Vlore, Albania	48,528	19,610	2,000	
TOTALS		265,638	128,463	94,589	36%
AVERAGES		44,273	21,411	15,765	

Most of the businesses are expected to start generating revenue by June 2015. Mozaik's technical assistance will continue throughout the 2015 to help increase chance of business success for these social ventures.

3.5. SOCIAL BUSINESS FUND IN BiH

In September 2014 Mozaik signed the contract with the UniCredit Foundation to administer a Social Business Fund in BiH that will support three social businesses in Bosnia and Herzegovina during 2015. The value of the contract is €75.000, whereby €60.000 will be granted to associations and cooperatives to scale or start their social businesses while €15.000 will cover technical and advisory support for social businesses.

The program is launched in October and the public call was closed on November 28th, with 57 applications. After pre-selection, 16 applications were assessed by the selection committee and five were selected for in-house visit.

We expect the contracts to be signed in February 2015.

The main achievements of the Social Business Funds are:

- Raised visibility and relevance of Mozaik in the field of social entrepreneurship in the region and in the country.
- Extended over \$170,000 in seed funding to NGOs to launch new business startups or extend/scale existing social enterprises.
- Provided support to NGOs from the entire region, including Serbia, Macedonia, Albania, Kosovo, and BiH, including customized technical assistance to increase management capacity of the NGOs.
- Proved feasibility of a new model of creating social businesses as a solution to long-term financial sustainability of core services offered by NGOs.
- Motivated a wide range of successful fundraising campaigns from private, public and institutional sources to support the NGOs social businesses startups.

3.6. PRO-FUTURE

PRO-Future (Trust, Understanding, Responsibility for the Future) is the largest USAID activity on reconciliation in BiH, implemented by Catholic Relief Services, in partnership with Mozaik Foundation, Caritas Bk BiH, Forum of Tuzla Citizens, and Helsinki Citizens Assembly, Banja Luka.

The project aims for BiH citizens, encouraged by key influencers, to advocate for peace and social changes in society. Mozaik's responsibilities in this project are two important activities:

- manage the small grants fund of \$900,000 for community-based reconciliation activities, and
- use the best members of the YouthBanks and build their capacities to work on reconciliation, select and approve the best reconciliation actions of their peers.

The biggest challenge was to respond and adapt to a natural disaster that hit BiH. Floods that occurred in May affected many communities in which we implement PRO-Future project, and thanks to USAID we were able to respond to the community needs immediately, as we received additional \$320,000 for the Joint Reconciliation and Floods Response mentioned above. Thus we adopted the time-frame and 49 projects were approved to respond to the floods. 10 of these were finalized in 2014 and the rest will be reported on in 2015.

Within regular grant administration activities, we had three calls and approved 21 Youth reconciliation initiatives and 7 large grants for NGOs. The implementation of these projects is on-going and will be reported on in 2015.

The main achievements of this program are:

- We will administer \$900.000 in four years to formal and non-formal groups.
- We increased transparency of our grant-making process through the new portal.
- Strong presence in 30 BiH communities.
- Increased understanding about importance of direct reconciliation activities among Mozaik's staff.

3.7. SOLIDARITY FUND – SUPPORT TO FLOOD RECOVERY

In May 2014, Bosnia and Herzegovina was hit by the worst floods in its recorded history which brought disastrous consequences and affected lives of dozens of cities, leaving every third citizen without basic living conditions.

Although we are not a humanitarian organization, we felt an urge to react immediately and provide relief to people from the flooded areas. We have therefore set up a Solidarity Fund and collected donations from around the world. The process of collection was facilitated by the introduction of the ammado.com platform which facilitated the donations from all over the world.

Simultaneously with this natural disaster in BIH, Mozaik Foundation hosted in Sarajevo the Annual Grant Makers Assembly and Conference (AGA), from 15th to 17th of May. Grant seeking is normally not allowed at AGA and Conference, but aware of the situation in our country, members of the European Foundation Centre immediately got

organized in order to make a donation to the Solidarity Found.

With the first collected donations, in June we provided drinking water to areas that needed it the most. We purchased four water purification systems: Lifesaver-C2. Prevent Group, the largest private company in BiH, joined our initiative and provided transportation so the most vulnerable places got drinking water. The purifiers were placed in Šekovići, Domaljevac, Bijeljina and Lopare.

Thanks to numerous donations to the Solidarity Fund, in July we co-founded the restoration of four schools in Odžak, Zavidovići, Šekovići and Modriča in the amount of 38,250 EUR.

Realizing that layers of mud that flood left need to be cleaned as quickly as possible in order to avoid epidemics, we have organized Youth Voluntary Actions (YVA). On July 12th, a YVA was held in Vojskova, near Odžak, on July 19th in Modriča and on July 24th together with volunteers from Divac Foundation in Obrenovac, Serbia. Dozens of young people from Mozaik`s Youth Banks Network joined us and reconstructed courtyards and facades of schools.

In August, through the Solidarity Fund, we provided monthly scholarship for four primary school children who live in flood affected landslide area. We donated 2.300 EUR to Hastor Foundation that is giving monthly scholarship to four young students from flood affected areas.

In September we decided to help citizens of Kladanj that were left without a bridge. The bridge was destroyed by flood and it made, amongst other things, children`s journey to and from school three kilometers longer. Mozaik supported the construction of the new bridge in amount of 2,555 EUR. The total amount of the investment for the bridge was 8,830 EUR, out of which the Municipality of Kladanj provided 4,995 EUR in goods and materials, and citizens of the local community Stupar provided 1,280 EUR.

We also supported the reconstruction of two damaged water-works in village Lopare in the total amount of 8,640 EUR. The reconstruction was made in cooperation with the Municipality of Lopare that provided 2,045 EUR, whereas Mozaik Foundation covered 6,595 EUR of the total cost.

In October, we supported two schools in Žepče and provided sport equipment for schools in Željezno Polje i Globalica, with amount of 2,000 EUR for each school. Two months later, in December, together with Sparkasse bank BiH, King Baudouin Foundation, National Lottery and Glencore Company, we repaired the roof of a school

in Rudanka, near Dobož. Out of 21,986 EUR worth reparation, we have provided 11,760 EUR.

Through the Solidarity Fund we raised \$373,476. The amount included donations from 27 organizations, 7 companies and 127 individuals.

Through this unplanned activity we strengthened our organizational capabilities, tested real-time reporting that show inflows and outflows from our accounting software on our web site, and promoted values of solidarity in actions, but also we achieved three very important goals:

- provided drinking water for the people in affected areas,
- organized youth voluntary actions and
- supported economic recovery through agriculture.

The May flooding in BiH resulted not only in destroyed infrastructure. Besides houses, schools and hospitals, many jobs were lost and agricultural soil devastated. Thus, we developed the project with Light for the World to focus on economic recovery.

3.7.1. ECONOMIC RECOVERY

We have facilitated economic recovery support in the amount of 647,800 EUR, provided through a project funded by Austrian Development Cooperation (ADC), Medicor Foundation and Light for the World, and co-funded by donations of Foundation de France, Stavros Niarchos Foundation, and Glencore Company.

The aim of the project is to reach out to population in rural areas whose livelihood largely depended on small scale farming, which was now in peril due to effects of this natural disaster. Mozaik decided to partner up with LftW and start a project “Inclusive economic recovery model for flood affected families in BiH”. Duration of the project is from July 1st 2014 to October 31st 2015 in five flood affected municipalities primarily Žepče, Zavidovići, Kladanj, Šekovići and Lopare. The idea was that families would be equipped with all necessary assets, technical support and know-how for a sustainable berry production to recover their livelihoods. Project will initially target 120 flood affected families in several flood-affected rural municipalities through agricultural production of berries. After production, final buyers Natural Food LTD and Mozaik’s own EkoMozaik, committed to buy all berries produced within the project and provide secure income for affected families. Part of the revenues of the successful berry producers will be used to replicate the model in the second cycle, adding up to additional farmers each year after the project contract has ended.

Aside from berry production, on November 18th 2014 project was amended to include production and distribution of additional 450.000 seedlings to 54 families in affected areas for production. Austrian Development Agency provided additional €90.000 and the total value of the project raised to €647.800.

In Žepče, Zavidovići, Kladanj, and Šekovići we have selected the most vulnerable families based on predetermined criteria developed within the project. Although throughout the year weather was relentless and did not permit any agricultural activity Mozaik has managed, through partner companies Natural Food and EkoMozaik, to successfully start plantations of raspberries and strawberries as follows:

- Žepče municipality – 20 families,
- Zavidovići municipality – 15 families,
- Kladanj municipality – 27 families,
- Šekovići municipality – 19 families.

Plantations in total are covering the area of 16.2 hectares of raspberry and strawberry. Towards the end of the year we have included Lopare municipality and we are planning to start 9-10 hectares of strawberry plantations in this municipality. We are also looking at some other municipalities in order to continue with this activity.

We are in the final stages of making the agreement with UNDP for distribution of 450.000 vegetable seedlings that are to be distributed to 54 families within the addendum of the project. Implementation of production and distribution of seedling will happen in March-April 2015 and funds are secured from UniCredit Bank BiH and UniCredit banka Slovenia.

Final result of this activity – actually having initial yield of fruit and providing money to the families has been jeopardized by late planting due to extremely bad weather during second part of 2014 (in turn it will push full yield situation to 2016). Options are currently being explored to develop mitigation strategies which will put money in the hands of the people that are beneficiaries of this project.

4. MOZAIK'S SOCIAL BUSINESSES

4.1. EKOMOZAIK LTD

EkoMozaik is a agricultural social business owned by Mozaik that generates income and directs all of its profits through Mozaik Foundation to developmental projects in BiH.

The management decided that reorganization was required and that new investment cycle should be started. The idea was to start approximately 25 hectares of berry plantations, which would ensure a seasonal job for 120 families within EkoMozaik's cooperative system. In 2014, 62 families joined the program under EkoMozaik's banner and the first 13 hectares of berries were planted. EkoMozaik pledged to repurchase all of produced berries from the farmers. EkoMozaik will resell all produced berries abroad, and use the income to propagate the system. The remaining 12 hectares will be planted in 2015 and additional 60 families will join the cooperative network.

EkoMozaik decided to go forward with open field carrot production on six hectares of its own land. The idea was to start some sort of production to cover accumulated costs and to employ personnel that traditionally was working on seasonal jobs. 46 women worked on this production. In spite of a notably difficult year for agriculture producers in the region EkoMozaik harvested 120 tons of high quality produce. All of it was sold to supermarket chains in BiH.

EkoMozaik has made all necessary preparations to produce 1.000.000 seedlings in 2015. The plan is to start 10 hectares of our own open field vegetables production and to offer farmers who buy seedling guaranteed repurchase of final product at market prices. We have already made initial arrangements related to sales of bigger quantities of these vegetables with local supermarket chains.

Financially, 2014 was the best year since EkoMozaik's establishment. We are looking forward to a very busy 2015.

4.2. MAŠTA AGENCY FOR PROMOTION OF SOCIAL RESPONSIBILITY

In 2014, MaSta successfully organized events, public relation and visual communication campaigns. Step by step, we have built reputation for being a creative agency which treats its clients in friendly but professional manner.

Our dedication to our clients helped us both to keep existing ones and to attract new. Our client orientation stays on the international organizations and businesses. We are especially proud to our five years of collaboration with European Foundation Centre. We have worked together on visual communications for GEF Conference from 2009 and organized the GEF Conference in Sarajevo 2012. After these experiences we have been given the opportunity to organize AGA and Conference in Sarajevo 2014 which represents the most successful project of the year and the part that we are most proud of. Having in mind that this was in time of the worst floods in our country's history, we stayed focused on conference success offering hospitality to the guests, despite the fact that many of our family members were endangered. Our dedication is awarded not only with positive feedback because of conference success but also with great generosity of organizations and individuals who gave donations for people affected by floods.

The objectives for the next years will be to strengthen our team and ensure stability of MaŠta Agency. We will continue to engage volunteers and interns in our work activities and empowering them in their efforts to become confident business professionals. The Agency will continue striving for the satisfaction and happiness of all of its partners and the entire community by doing things differently.

4.3. TECHSOUP BALKANS PROGRAM

Techsoup is donation program of licensed software for non-profit organizations. In November 2014, Mozaik became a regional partner of Techsoup Global, in charge of BiH, Croatia, Serbia, Montenegro, Macedonia, Albania and Kosovo. The donation program has been launched in BiH, Croatia, Macedonia and Albania.

Mozaik processes all software donations from Techsoup's donor partners: Microsoft, Bitdefender, SAP and Symantec. Our implementing partners in the region are Slagalica from Croatia and Metamorphosis from Macedonia.

We set up an online platform in several languages (BHS, Macedonian and Albanian), where organizations can register and send their requests for software donations online. Our tool for promotion and technical support is Techsoup Balkans Facebook and Twitter page to communicate and provide better understanding and use of technology in daily work of NGOs.

In 2015, we plan to focus on promotion of the program to local and regional NGOs as well as provide technical support regarding usage of all available technology tools available through our program. The grants we received from Microsoft and Techsoup cover all costs for 9 months and we hope to have enough income to continue the program sustainably after that period.

5. MOZAIK'S DEVELOPMENT

5.1. M-FUND – ENDOWMENT BUILDING ACTIVITIES

Endowment building strategy is one of key solutions to Mozaik's long-term sustainability. In 2014, despite political and environmental turmoil in the country, Mozaik managed to collect its first \$25,000 and is ready for the first 2:1 matching grant installment from C.S. Mott Foundation. In the first part of 2014 Mozaik focused on preparing materials for its first public fundraising campaign for M-Fund.

For our donors in US we started a process of establishing friends fund at the Global Good Fund so they can receive tax deduction when donating to Mozaik. This is expected to be finalized early in 2015. Additionally we got advisory support from Bosnian diaspora in Sweden that are interested in helping us build a donor network of Bosnians and Swedish people. Mozaik also became a member of Global Givers Initiative by Bolder Giving focusing on donor's stories as a way for motivating others to give.

The future plan is to focus more on corporate giving and developing a system for major donors.

5.2. HUMAN RESOURCES

Mozaik currently gathers team of 26 professionals who are self-motivated, well-organized and use every opportunity to grow and develop. Our staff is comprised 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.

We have developed a new operational model that follows our 10-year strategy. Currently, we are structured as a hybrid matrix organization – whereby a number of team members are reporting to two or three other team members. During our growth, while our team was small, this was a great way to navigate through complexities and build capacities of team members. With the increasing number of team members and more complexity, the model will now change into Project-Team Model, with a number of centralized functions.

Finally, in 2014 we have developed a new incentive policy to motivate teams to meet all analytics, admin, learning and other requirements. New contracts with all staff will be signed in 2015.

5.3. NETWORKS

In 2014 we continued with active participation on several networks: Grantmakers East Forum, European Foundation Centre, SIGN Network and National Network for Building Peace, NGO Council.

The national Network for Active Communities is developing its capacities through Mozaik's EU funded project – CDD Network for Inclusive Community Councils, and we trained six new community advisors/trainers. Our network for active communities is stronger than ever, ready to support our new strategy and provide greater financial stability for their organizations.

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.

Finally, we are investing a lot into developing strong non-formal network of social business and business that can support our curriculum, competency model and development of our social entrepreneurs. In 2014 we established great partnership with Deloitte USA program D2I (Deloitte to International) who selects one non-profit every year and provide comprehensive capacity building and consultancy. In 2014, Mozaik was lucky to become that non-profit. 39 Deloitte consultants work with Mozaik's staff for 5 months on five areas of our strategy (curriculum, talent management, innovation, social entrepreneurship, analytics). Estimated value of their support is \$1.7 mill

6. LESSONS LEARNED

- The most important lessons that we learned is that we have to focus all of our efforts on achieving the **impact**.
- We have to integrate learning into regular activities at the job. Every team member has to learn and also to teach others – another way to use available resources more efficiently.
- We have to continue to organize joint retreats and planning sessions – the best way to share the vision and focus on impact.
- Efficiency needs to be further improved – we should look for simple end effective measures to improve our efficiency.
- Look for the right people and find the right place for people we have.
- 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.

Mozaik Foundation

1 EURO = BAM 1,95583

Financial Report for Year 2014

1 USD = BAM 1,4722

	Title	Total BAM	Total EURO	Total USD
1	Grants	1.100.580,22	562.717,73 €	747.575,21 USD
	LARGE	902.979,22	461.685,94 €	613.353,63 USD
1.1.	All Inclusive	105.919,75	54.155,91 €	71.946,58 USD
1.2.	YouthBank	444.373,33	227.204,48 €	301.843,04 USD
1.3.	ProFuture - Flood and Reconciliation	254.646,79	130.198,84 €	172.970,24 USD
1.4.	For Active Communities Network	64.172,98	32.811,12 €	43.589,85 USD
1.5.	Regional YB Program	33.866,37	17.315,60 €	23.003,92 USD
	SMALL	197.601,00	101.031,79 €	134.221,57 USD
1.6.	Sustainability Academy Matching Grants	40.663,74	20.791,04 €	27.621,07 USD
1.7.	Flood Recovery Grants	156.937,26	80.240,75 €	106.600,50 USD
2	Social Enterprise	779.319,69	398.459,83 €	529.357,21 USD
2.1.	Regional Social Business Fund	185.000,01	94.589,00 €	125.662,28 USD
2.2.	Economic Recovery Grants - Floods	530.515,60	271.248,32 €	360.355,66 USD
2.3.	EkoMozaik	63.804,08	32.622,51 €	43.339,27 USD
3	Staff (Salary and benefits)	802.739,91	410.434,40 €	545.265,53 USD
3.1.	Full Time Employees - net salary	449.325,13	229.736,29 €	305.206,58 USD
3.2.	Full Time Employees - taxes and benefits	260.928,03	133.410,38 €	177.236,81 USD
3.3.	Part time Employees - gross	88.433,75	45.215,46 €	60.069,11 USD
3.4.	Volunteers contracts	4.053,00	2.072,27 €	2.753,02 USD
4	Contracted services	662.431,55	338.695,87 €	449.960,30 USD
4.1.	Community Driven Development (Training, Facilitation Advising)	274.225,52	140.209,28 €	186.269,20 USD
4.2.	Consultants	20.575,99	10.520,34 €	13.976,36 USD
4.3.	Auditing costs	36.297,53	18.558,63 €	24.655,30 USD
4.4.	Evaluation costs	14.079,70	7.198,84 €	9.563,71 USD
4.5.	Monitoring projects	19.226,50	9.830,35 €	13.059,71 USD

4.6.	Publications	16.912,90	8.647,43 €	11.488,18 USD
4.7.	Promotion / Events and PR	141.589,52	72.393,57 €	96.175,47 USD
4.8.	Conferences	87.565,35	44.771,45 €	59.479,25 USD
4.9.	Licenses	2.693,54	1.377,19 €	1.829,60 USD
4.10.	Board meetings, Strategic meetings, Advisory group meetings	49.265,00	25.188,79 €	33.463,52 USD

5	Running Cost	468.497,64	239.539,04 €	318.229,62 USD
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5.1.	Occupancy and Utilities (Sarajevo, Banja Luka)	38.662,64	19.767,89 €	26.261,81 USD
5.2.	Office and equipment maintenance	22.640,67	11.575,99 €	15.378,80 USD
5.3.	Staff Insurance	7.154,86	3.658,22 €	4.859,98 USD
5.4.	Vehicle registration and insurance	10.786,82	5.515,21 €	7.327,01 USD
5.5.	Communications	34.196,16	17.484,22 €	23.227,93 USD
5.6.	Communications for Youth Bank board members	12.708,24	6.497,62 €	8.632,14 USD
5.7.	Office supplies	19.100,09	9.765,72 €	12.973,84 USD
5.8.	Local travel (Accommodation & Per diems) - Staff	13.645,23	6.976,70 €	9.268,60 USD
5.9.	International Travel - Staff	41.130,48	21.029,68 €	27.938,11 USD
5.10.	Vehicles (Fuel and Maintenance)	51.204,69	26.180,54 €	34.781,07 USD
5.11.	Depreciation of Equipment & Furniture value	18.059,75	9.233,80 €	12.267,19 USD
5.12.	Depreciation of agriculture machine	45.950,49	23.494,11 €	31.212,12 USD
5.13.	Depreciation of greenhouse	69.410,34	35.488,94 €	47.147,36 USD
5.14.	Depreciation of vehicle value	31.107,04	15.904,78 €	21.129,63 USD
5.15.	Depreciation of software	52.740,14	26.965,61 €	35.824,03 USD

6	Other	20.766,50	10.617,74 €	14.105,76 USD
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6.1.	Bank Fees and Interest	9.039,85	4.622,00 €	6.140,37 USD
6.2.	Unexpected cost	5.489,49	2.806,73 €	3.728,77 USD
6.3.	Membership fees	6.237,16	3.189,01 €	4.236,63 USD

FIXED COST - TOTAL		3.834.335,51	1.960.464,62	2.604.493,62
		BAM	Euro	USD

1	REVENUE			
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1.1.	Municipal and Entity Governments	387.595,69	198.174,53 €	263.276,52 USD
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1.2.	International donor support	3.301.711,35	1.688.138,21 €	2.242.705,71 USD
1.3.	Donor support - depreciation	210.395,92	107.573,73 €	142.912,59 USD
1.4.	Income (trainings)	2.922,29	1.494,14 €	1.984,98 USD
1.5.	Other revenue - (insurance, bank interest and exchange rate)	7.499,43	3.834,40 €	5.094,03 USD
TOTAL REVENUE		3.910.124,68	1.999.215,00 €	2.655.973,84 USD
DIFFERENCE		75.789,17	38.750,39 €	51.480,21 USD

Mozaik Foundation

BALANCE SHEET AS DECEMBER 31, 2014

Year 2014 (in USA \$ / 1 USD = 1.4722 BAM)

1,4722

I ASSETS	BAM	EUR	USD
Fixed Assets	1.285.818	657.428	873.399
House	267.693	136.869	181.832
Furniture and Equipment (PC, printers, furniture, video equipment and other office equipment)	115.416	59.011	78.397
Vehicles	65.302	33.389	44.357
Tractor and agriculture machines	180.676	92.378	122.725
Greenhouse	485.872	248.422	330.031
Heating system	92.385	47.236	62.753
Microsoft software	62.368	31.888	42.364
Microsoft Dynamics Navision software	16.106	8.235	10.940
Long-term investments	535.491	273.792	363.735
Investment in EkoMozaik and MaSta (Equity)	42.572	21.767	28.917
Long-term loan EkoMozak	384.509	196.596	261.180
Long-term loan Sparkasse bank	108.009	55.224	73.366
Prepaid expenditures (lease of land)	400	205	272
Current Assets	975.416	498.722	662.557
Money and money equivalents	838.094	428.511	569.280
Other current assets/ Receivables from employees	1.135	580	771
Other current assets/ Receivables from donors	48.836	24.969	33.172
Other current assets/ VAT Refund	85.812	43.875	58.288
Advice for services and suppliers	1.540	787	1.046
Total assets	2.796.725	1.429.943	1.899.691
II LIABILITIES	BAM	EUR	USD
Short-term liabilities	301.975	154.397	205.118
Liabilities for suppliers	65.376	33.426	44.407
Liabilities for travel expenses	3.224	1.648	2.190
Liabilities for employers - salaries	47.107	24.086	31.998
Liabilities for Contract for services	14.726	7.529	10.003
Liabilities for taxes, fees and benefits	53.039	27.118	36.027
Liabilities for NGO partners	118.502	60.589	80.493
Short-term liabilities/income received in 2014	906.925	463.704	616.034
Accrual income from donations for projects expenses for 2015	906.925	463.704	616.034
Long-term liabilities	1.153.117	589.579	783.261
Accrual income from donations for projects/ Fixed assets	995.522	509.002	676.214
Accrual income from donations for projects/ Endowment	49.585	25.352	33.681
Liabilities for Loans	108.009	55.224	73.366

Capital	434.708	222.263	295.278
Capital (House)	248.933	127.277	169.089
Capital (Endowment)	42.971	21.971	29.188
Retained surplus of income over expenditures/	142.805	73.015	97.001
Total liabilities	2.796.725	1.429.943	1.899.691
