PROGRESS REPORT
HAND IN HAND NETWORK
OCTOBER 2013 TO MARCH 2014
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This report covers the activities of the Hand in Hand network, spanning four operations in India, Afghanistan, Eastern Africa and Southern Africa, and two fundraising and support operations in Sweden and the UK.

We strive to continuously improve our reports. Please contact Dorothea Arndt at darndt@hihinternational.org if you have any questions or suggestions.

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SCALING UP: MEET OUR NEW PARTNERS

Last year Hand in Hand pledged to “scale up job creation rapidly and effectively by co-operating with partners”. This year we got to work doing it. In the six months since our last report, we’ve established new funding partnerships with Kiva and the European Union, announced ambitious new programs with UN Women and CARE Rwanda and built on existing partnerships with the Swedish Postcode Lottery and the Johnson & Johnson Corporate Citizenship Trust. Turn to page 19 for more.

STAYING ON TARGET: MONITORING AND EVALUATION (M&E)

Our donors rightly demand to see results, backed by hard evidence. Measuring outcomes – jobs created or sustained, businesses launched – is relatively straightforward. Measuring impact – the effect those jobs and businesses have on people’s lives – is more difficult. That’s why we engaged specialist consultant ITAD in December 2013 to help develop a framework for consistent, independently verified evidence measuring both outcomes and impact.

Meantime, we’re pleased to share the results of two independent reviews conducted late last year for Hand in Hand Eastern Africa. “Success is almost guaranteed” to women who complete our Young Mothers Program in Kenya, according to UK-based livelihoods and analysis consultancy Brinjal. Later, evaluation experts Cascade Consulting reviewed our work in Kenya and found that 92 percent of new businesses resulted in increased incomes. To find out more about our monitoring and evaluation, including what we’re doing to implement recommendations from both reports, turn to page 20.

WE WANT YOU: ATTRACTING DONORS WITH OUR NEW U.S. OFFICE

Hand in Hand is crossing the pond. Based in Boston, with board members from across North America and beyond, new fundraising office Friends of Hand in Hand International allows US-based donors to give tax-deductible donations to Hand in Hand for the very first time.

The non-profit organization has a particularly strong founding board, with members including John McArthur, former Dean of Harvard Business School and former Director of Chase Manhattan; Chris Jochnick, Harvard Law School lecturer and Director of Oxfam America’s Private Sector Development; Bruce Grant, founder of consultancy firm Applied Value LLC and Chair of Hand in Hand International; and Sven Sandström, former Managing Director of the World Bank and former CEO of Hand in Hand International. The office is already attracting donations.
The Hand in Hand network has supported 1.7 million jobs to date.

We have achieved 99% of the network-wide target for March 2014 set out in our Strategic Plan, published in summer 2013.

In order to meet the plan’s overall target, we’ll need to reach more than one million jobs by March 2016.
TRENDS BY COUNTRY

Our African operations more than doubled the number of businesses supported since March 2012, while India continued to represent the bulk of the network’s results.
OPERATIONS ACROSS THE NETWORK: INDIA
In a country where custom prevents women from working and businesses are hemmed in by regulation, Hand in Hand India has helped female micro-entrepreneurs create 1.5 million jobs.

Meet Jayanthi

Stop by the Citizens’ Center in Venkatachalapuram, Tamil Nadu and you’ll catch Jayanthi at her multitasking best, handing over snacks to one customer, processing a photocopier request for another and checking a sewing order for yet a third. What she enjoys most, though, is helping spread e-literacy throughout her community thanks to the training she received from Hand in Hand. Jayanthi offers her neighbors a range of previously unavailable services including scanning, internet access and electronic billing, earning INR 7,000 (US $118) a month – so much that her husband, a former rickshaw driver, recently quit his job to come work for her.
In the past six months, more than 63,000 disadvantaged Indian women joined a Hand in Hand Self-Help Group.

**EXPANSION IN MADhya PRADeSH**

Last year, the Asian Development Bank (ADB) gave Hand in Hand India US $935,000 as part of a government-led initiative to electrify rural households in Madhya Pradesh – a state in central India that, on its own, would rank as the ninth poorest country in the world. Our role is to train communities on how best to benefit from the resulting business opportunities.

In the last six months, we’ve doubled our operating districts in the state to 28 from 14. By the time we’re done, we’ll have helped some 20,000 women entrepreneurs make their businesses more profitable by scaling up production using electric machines and more. In keeping with our ethos of self-reliance, some 500 women from local communities are being taught to work as business trainers for their fellow Self-Help Group members.
Hand in Hand India’s loans grew 12 percent in the past six months. The previous six-month growth rate was 8 percent.

**OTHER PROGRAMS**

Uniquely within our network, Hand in Hand India operates four complementary programs to help boost the job creation model. The programs help members access better healthcare, improved education, a cleaner environment and specially tailored civil rights training.

<table>
<thead>
<tr>
<th>PROGRAM</th>
<th>Cumulative to September 2013</th>
<th>Increase 6 months to March 2014</th>
<th>Cumulative to March 2014</th>
<th>% Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EDUCATION</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Panchayats (local administrations) reached</td>
<td>1,200</td>
<td>20</td>
<td>1,220</td>
<td>2%</td>
</tr>
<tr>
<td>Number of children enrolled in school*</td>
<td>209,564</td>
<td>442</td>
<td>210,006</td>
<td>0.2%</td>
</tr>
<tr>
<td><strong>ENVIRONMENT</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Solid Waste Management: households reached</td>
<td>370,506</td>
<td>14,983</td>
<td>385,489</td>
<td>4%</td>
</tr>
<tr>
<td>Water Resource Management: hectares covered</td>
<td>6,955</td>
<td>1,636</td>
<td>8,591</td>
<td>23.5%</td>
</tr>
<tr>
<td><strong>HEALTH</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Anemic women reached</td>
<td>15,401</td>
<td>5,699</td>
<td>21,100</td>
<td>37%</td>
</tr>
<tr>
<td>Toilets constructed</td>
<td>8,407</td>
<td>955</td>
<td>9,362</td>
<td>11.4%</td>
</tr>
<tr>
<td><strong>CITIZENS’ CENTERS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Centers established</td>
<td>3,204</td>
<td>139</td>
<td>3,343</td>
<td>4.3%</td>
</tr>
<tr>
<td>E-literacy trainees</td>
<td>444,594</td>
<td>71,887</td>
<td>516,481</td>
<td>16.2%</td>
</tr>
</tbody>
</table>

*Low intake due to scheduling of school year.
OPERATIONS ACROSS THE NETWORK: AFGHANISTAN

Zabor | Honey producer | Marmul district
Asifa | Grocer | Nahar Shahe district
Nafisa | Food canner | Nahar Shahe district
Raziq | Poultry farmer | Kaldar district
MEET HABIBA

Until recently, Habiba wove carpets on wages for local shops. Then she joined a Hand in Hand Self-Help Group. “I didn’t know about saving before, so I wasn’t able to start my own business,” says the 30-year-old mother of four.

Armed with newfound skills and savvy, Habiba devised a plan. First, she researched which designs were most popular in local marketplaces. Next, she made sure to advertise her carpets’ competitive qualities: traditional craftsmanship and natural materials. Finally, she sought out traders to export her carpets to neighboring Uzbekistan. The result: an increase in monthly income to 16,600 AFN (US $300) from 2,500 AFN (US $45).

“I’m saving more money to purchase another two carpet weaving frames,” says Habiba. “I want to create jobs for other women in my village.”
This February, thanks to a US $1.2 million grant from the Delegation of the European Union to Afghanistan, Hand in Hand expanded into Samangan Province. The new operating area was chosen both for its relative safety and for its proximity to our main operating province, Balkh. We’re still fundraising for expansion into two more nearby provinces: Jowzjan and Sar-e-Pol. Like Samangan, both lack similar programs but benefit from relative security and support from local authorities.
OPERATIONS ACROSS THE NETWORK: EASTERN AFRICA
We saw a step change in business and job growth in Eastern Africa, thanks in large part to our expansion into Rwanda.

### Cumulative businesses

<table>
<thead>
<tr>
<th></th>
<th>Sep 2013</th>
<th>Mar 2014</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>33,447</td>
<td>52,772</td>
<td></td>
<td>60%</td>
</tr>
</tbody>
</table>

**40,130**

Number of new businesses supported by HiH in the six months to March 2014

**5,995**

National six-month average of new formal businesses*

### Cumulative jobs

<table>
<thead>
<tr>
<th></th>
<th>Sep 2013</th>
<th>Mar 2014</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>42,363</td>
<td>86,593</td>
<td></td>
<td>105%</td>
</tr>
</tbody>
</table>

### Cumulative members

<table>
<thead>
<tr>
<th></th>
<th>Sep 2013</th>
<th>Mar 2014</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>47,234</td>
<td>94,956</td>
<td></td>
<td>103%</td>
</tr>
</tbody>
</table>

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**MEET MAIDA**

The first thing you notice at Maida Mushimiyimana’s home in Agatare, Rwanda is what’s not there. Besides a table, two benches, a large battery and a few charging cellphones, the room is empty.

The second thing you notice, moments after the 43-year-old begins describing her Village Savings and Loan group, is how beautifully she speaks: “When 30 heads meet together you have 30 ideas to improve your life.”

Maida’s idea was to borrow 50,000 Rwanda francs (US $72) from the group to buy a battery, then charge customers 100 RWF (US $0.14) to charge their phones. It worked so well she soon bought a second battery, followed by a solar panel. Today Maida earns 70,000 RWF (US $100) a month. “I am able to pay the 20,000 RWF (US $28) a term that it costs to send my daughter to a good school.”

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*This figure captures the average half-yearly number of private companies with limited liability registered between 2004 and 2008 in Kenya and Rwanda. Source: World Bank, doingbusiness.org.*
REGIONAL EXPANSION

Earlier this year we teamed up with CARE International to fight poverty in Rwanda. The three-year, US $3.2 million partnership blends the best of both organizations, pairing CARE’s experience mobilizing savings groups with Hand in Hand’s expertise training rural populations to start their own businesses. The project aims to help 100,000 members.

As of March more than 12,500 members had begun receiving training, two-thirds of them women. This rate of progress would not have been possible without access to hundreds of pre-existing Village Savings and Loan Associations established by CARE.

Cumulative loans

<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Rwanda</td>
<td>US $340,000</td>
</tr>
<tr>
<td>cumulative</td>
<td>US $499,948</td>
</tr>
</tbody>
</table>

CONTACT PROGRAM MANAGER AGNES SVENSSON FOR DETAILS
Naomi Masilo | Shop owner | Gauteng province, South Africa

Nombuso Ngubo | Brick manufacturer | KwaZulu-Natal province, South Africa

Brick manufacturer | North West Province, South Africa

OPERATIONS ACROSS THE NETWORK: SOUTHERN AFRICA
MEET PAULINE

Pauline Ndlovu is a widowed mother of six from Bulilimamangwe District, Zimbabwe. The 56-year-old joined a Hand in Hand Southern Africa Self-Help Group in 2010 after her children were sent home from school for unpaid fees.

Today, Pauline and five fellow group members own a business selling chickens for US $6 each. With a constantly replenishing stock of about 500 chickens, plus growing profits from the recent purchase of a US $3,300 grinding mill, the group earns US $3,000 a month.

“We wanted to eradicate poverty in our Self-Help Group,” says Pauline. “Now we have more than enough to pay for school fees. We can also cater for other needs at home.”

Hand in Hand Southern Africa is reporting strong increases in jobs and businesses.

Hand in Hand business growth versus the regional average

*This figure captures the half-yearly average of private, formal sector companies registered from 2004-2012 in Lesotho and South Africa. Data for Zimbabwe and Swaziland are not available. Source: World Bank, doingbusiness.org.
Hand in Hand Self-Help Groups now represent almost 40 percent of NGO-led savings group membership in the region.

**Cumulative members**

<table>
<thead>
<tr>
<th>Sep 2013</th>
<th>Mar 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>15,163</td>
<td>104,934</td>
</tr>
</tbody>
</table>

17% GROWTH

Hand in Hand Self-Help Group members versus the regional total

*Source: SEEP, a global network of 120 NGOs dedicated to reducing poverty through financial inclusion. Data include South African, Lesotho, Zimbabwe and Swaziland.

**OUR REACH IN SOUTHERN AFRICA**

IN OPERATION  | PLANNED

CONTACT HAND IN HAND INTERNATIONAL CEO JOSEFINE LINDÅNGE FOR DETAILS
FUNDING

In the six months between October and March, our offices in the UK and Sweden raised US $4.9 million – a 7 percent increase over the previous six-month period. The total includes the first US $50,000 of investment in Hand in Hand Eastern Africa’s Enterprise Incubation Fund, established in late-2013 to provide microfinance to Self-Help Group members.

The offices transferred US $4.1 million to the Hand in Hand network’s operating organizations.

HIGHLIGHTS

This February we secured a game-changing US $1.2 million grant from the Delegation of the European Union to Afghanistan. The partnership marks a number of important milestones for Hand in Hand: our first time working with the EU, our first time expanding into Samangan Province and our first time targeting 70 percent female participation in Afghanistan – a hugely ambitious number in the conservative, male-dominated country. By the time the 30-month project is over, Hand in Hand Afghanistan will have helped create some 8,100 sustainable jobs, benefiting an estimated 56,700 family members.

Meanwhile, a clutch of grants secured across the network are poised to further boost our green credentials in India. In December, Hand in Hand India landed a US $1.5 million grant from the National Bank for Agriculture and Rural Development (NABARD) to help fund its largest water retention program to date. The program, designed to help local Self-Help Groups restore natural water reservoirs, will allow villagers to grow crops all year round. It will also free women from having to fetch water, enabling them to train as entrepreneurs instead.

In January, Hand in Hand Sweden raised US $140,000 from human rights NGO Forum Syd to fund a village waste management system in 20 communities in the southern state of Tamil Nadu. A month later Hand in Hand Sweden raised US $1.3 million from the Swedish Postcode Lottery for a special project planned and implemented in conjunction with Swedish NGO Håll Sverige Rent. The 30-month project will help 15 local authorities, also in Tamil Nadu, train some 27,000 volunteers in recycling techniques, resulting in an estimated 42 percent reduction in waste.

Also in February, Hand in Hand Southern Africa announced a major job creation program funded by UN Women as part of an international public-private initiative. The program aims to mobilize some 25,000 women around our job creation model by the end of 2015.

Finally, a very individual funding model originally developed in India is now being adapted in Kenya. Launched on April 1, our Kenyan Village Program invites sponsors – be they individuals, groups or companies – to exclusively support an entire community, creating 400 jobs and lifting some 2,000 family members out of poverty. More than 180 villages have been supported this way in India. Already, five donors have signed up for the program in Kenya.
OVERCOMING OBSTACLES IN AFGHANISTAN

Last June, the Swedish Institute for Public Administration made a number of recommendations in an evaluation of Hand in Hand Afghanistan’s Sustainable Livelihood Program, funded by the Swedish International Development Cooperation Agency (Sida). Afghanistan is sparsely populated and difficult to traverse, said the review. Cultural norms undermine women’s economic empowerment, and security risks are real.

Each concern is being addressed in our program in Samangan Province, underway now. To cut the time, risks and cost of travel, we’ve established two new district offices in Dara-i-Suf Bala and Dara-i-Sug Payan, both located in Samangan. To reach more women, we’ve refined our recruitment strategy to focus less on men (though, as usual, we’re targeting men first in order to build their trust, then moving on to their wives and daughters). And to ensure our staff’s safety, we’ve chosen a region known for its relative stability.

IMPROVING M&E AND PUBLIC SECTOR PARTNERSHIPS IN KENYA

Our Kenyan “programme team is dedicated and deserves credit for their substantial achievements,” according to a report from evaluation experts Cascade Consulting. What’s more, we’re making “an undisputed contribution in accessing appropriate financial services to poor rural people.” Published in December, the independent report also made a number of recommendations for our operations in the country. Improving analytics and monitoring and continuing to work closely with the Kenyan Ministry of Agriculture were chief among them.

Hand in Hand Eastern Africa listened. In the five months since the report’s publication, CEO Pauline Ngari has already rolled out a new monitoring information system across all 16 branches in the region. As a result, we’re able to identify and replicate success – or identify and stamp out failure – more quickly than ever before.

Efforts to partner with the Ministry’s Agricultural Sector Development Support Programme (ASDSP) are also well underway. Launched in 2011, the ASDSP aims to “transform Kenya’s agricultural sector into an innovative, commercially oriented, competitive and modern industry”. Hand in Hand Eastern Africa has been reserved a pivotal role in group mobilization and business training – two of our strong suits. At the same time, we’ll be raising our farming members’ awareness of the market opportunities created by the ASDSP around priority crops in each county.
LOOKING AHEAD

Attracting new partners is only a first step. By building trust and achieving set targets, long-lasting funding relationships can often be established.

Case in point: the Johnson and Johnson Corporate Citizenship Trust, which in February signed on to fund our Water Entrepreneurs pilot program in Kenya after backing our work in Afghanistan since 2011. The one-year, US $44,880 project will test whether social enterprise can help provide a solution to water scarcity in the country. As an added bonus, 30 rural women will find work in the process.

That same month we inked a deal with crowdsourcing pioneers Kiva, making Hand in Hand Eastern Africa a Basic Partner of one of the industry’s most influential players. Starting this quarter, Kiva will provide Hand in Hand Eastern Africa’s Enterprise Incubation Fund in Kenya with up to US $100,000. The partnership is seen as the first step to becoming a full-fledged Kiva Field Partner, and will help create as many as 800 jobs – lifting up to 4,500 people out of poverty. Our entrepreneurs will appear on the Kiva website soon.