PROGRESS REPORT
HAND IN HAND NETWORK
APRIL 2014 TO SEPTEMBER 2014
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This report covers the activities of the Hand in Hand network. We operate in India, Afghanistan, Eastern Africa and Southern Africa, with support and fundraising operations in Sweden, the UK and the US.

We’re always working to improve our reports. Questions? Suggestions? Please contact darndt@hihinternational.org.

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Cover photos, clockwise from top-left:
Florida Mukarugema | Shop owner | Rwanda
Najiba | Baker | Afghanistan
Benedetta Kalondu | Basket weaver | Kenya
Philomena Nduku | Poultry business owner | Kenya
Savitah Kanchipuram | Paper plate manufacturer | India

Tailoring student | Gatsibo district, Rwanda
Damaris Musyoka | Mat manufacturer | Muumando, Kenya
Spaghetti making | Nahar Shahe district, Afghanistan
Self-Help Group Treasurer Peter Maina (right) with Hand in Hand trainer David Thuku | Gatundu, Kenya
EXECUTIVE SUMMARY

Throughout the Hand in Hand network, the period between April and September 2014 has been bound by a single theme: innovation. In the UK and Sweden, we launched long-awaited new websites and made significant strides in securing new funding. And in towns and villages throughout our operating countries, Hand in Hand field staff piloted diverse new programs, all designed to expand and deepen our work fighting poverty with jobs.

PREPARING FOR TAKEOFF: PILOT PROGRAMS ACROSS THE NETWORK

Our team in Afghanistan is piloting the One District One Product program in Bamyan, our newest operating province, at the request of the Afghan government. The concept originated 30 years ago when high-unemployment communities in Japan banded together to produce single products that could compete on a national, even international scale. The Japanese produced mushrooms and mandarins. Our participants, 160 micro-entrepreneurs in two districts in Parwan and Herat provinces, are producing fruits, vegetables and dairy.

Five-thousand miles away, Hand in Hand Southern Africa is helping 500 young school leavers in the South African province of KwaZulu-Natal succeed as entrepreneurs – our first time exclusively targeting youth in the country. The initiative is a natural and important step in South Africa, where more than half the population is younger than 30. Launched in July, it has already resulted in 286 jobs.

A similar pilot in Eastern Africa, still in its infancy, is teaching students to think about entrepreneurialism the same way they think about maths and English. So far, 40 students at Wango Primary School in Nairobi have started to learn skills that will help them start their own businesses when they’re older. If the pilot is successful, Hand in Hand Eastern Africa hopes to expand it into a full-scale program over the months and years to come.
OUR RESULTS

The Hand in Hand network has supported 1.8 million jobs to date.

Cumulative businesses

| 1.257,136 | 1.267,136 |
| MAR 2014 | SEP 2014 |
| 96,944 | 8.4% |
| 8.9% |

Cumulative jobs

| 101,279 | 148,800 |
| MAR 2014 | SEP 2014 |
| 8.9% |

Cumulative members

| 103,639 | 124,560 |
| MAR 2014 | SEP 2014 |
| 10.7% |

ACHIEVEMENT TOWARDS STRATEGIC PLAN

1,812,729

SEP 2014

TARGET

2,755,000

SEP 2014

ACHIEVED

1,949,536

MAR 2016

OVERALL TARGET

07% BELOW TARGET (SEP 2014)

66% OF OVERALL TARGET (MAR 2016)

We’ve achieved 93% of the network-wide target for September 2014 set out in our Strategic Plan, published in summer 2013.

In order to meet the plan’s overall target, we’ll need to create 942,338 jobs by March 2016.

CONTACT HAND IN HAND INTERNATIONAL CEO JOSEFINE LINDÅNGE FOR DETAILS
TRENDS BY COUNTRY

Cumulative businesses

India: 956,000
Eastern Africa: 24,600
Southern Africa: 73,000
Afghanistan: 90,000

Cumulative jobs

India: 1,305,000
Eastern Africa: 44,200
Southern Africa: 74,300
Afghanistan: 4,800

Contact Hand in Hand International CEO Josefine Lindänge for details.
OPERATIONS ACROSS THE NETWORK: INDIA
In a country where social custom and government regulation both create barriers to women’s self-employment, Hand in Hand has helped create 1,573,281 jobs for female micro-entrepreneurs.

**MEET SAVITAH**

Low prices, high margins, zero waste. For paper plate manufacturer Savitah the key to success has been straightforward – but it hasn’t been easy.

Savitah enquired as far as 1,350 miles away to source cheap raw materials, knowing they could make or break her business. Today she consistently undercut her competitors while maintaining a healthy 27 percent profit margin, boosted by the sale of offcuts to paper merchants. Her monthly net income, once zero, is now 21,500 rupees (US $350).

Eager to share her success, 31-year-old Savitah has recruited five members into her group, and was recently elected its leader. “The best thing about the support of the group has been that it made me stand on my own two feet, and now I am able to inspire others to do the same,” she said.
In the past six months, almost 60,000 disadvantaged women joined a Hand in Hand Self-Help Group. At the same time, loans grew 12 percent – exactly in line with the previous half-year growth rate.

### Cumulative members

- **Mar 2014:** 946,074
- **Sep 2014:** 1,006,943
- **Growth:** 6%

### Cumulative loans

- **Mar 2014:** US $223 mil
- **Sep 2014:** US $250 mil
- **Growth:** 12%

### 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 life-changing civil rights training.

<table>
<thead>
<tr>
<th>Program</th>
<th>Cumulative to Mar 2014</th>
<th>Increase 6 months to Sep 2014</th>
<th>Cumulative to Sep 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>1,220</td>
<td>22</td>
<td>1,242</td>
<td>2%</td>
</tr>
<tr>
<td>Number of children enrolled in school*</td>
<td>210,006</td>
<td>29,876</td>
<td>239,882</td>
<td>14%</td>
</tr>
<tr>
<td><strong>Environment</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Water Resource Management: hectares covered</td>
<td>8,591</td>
<td>452</td>
<td>9,043</td>
<td>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>21,100</td>
<td>3,894</td>
<td>24,994</td>
<td>18%</td>
</tr>
<tr>
<td>Toilets constructed</td>
<td>9,362</td>
<td>259</td>
<td>9,621</td>
<td>3%</td>
</tr>
<tr>
<td><strong>Citizens’ Centers</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Centers established</td>
<td>3,343</td>
<td>16</td>
<td>3,359</td>
<td>–</td>
</tr>
<tr>
<td>E-literacy trainees</td>
<td>516,481</td>
<td>47,513</td>
<td>563,994</td>
<td>9%</td>
</tr>
</tbody>
</table>
OUR REACH IN INDIA

With a population of 433 million – about the same as the US and Mexico combined – demand for programs in Hand in Hand India’s operating states has never been higher. So instead of expanding, we spent the last six months deepening our presence in existing areas, recruiting 58,869 new members. Long-term, we plan to expand into Uttarakhand. Beyond India, pilot programs in Myanmar and Cambodia are underway.

CONTACT DONOR RELATIONS OFFICER SARA LÖFBERG FOR DETAILS
OPERATIONS ACROSS THE NETWORK: AFGHANISTAN
MEET NAJIA

Najia is a canny entrepreneur in more ways than one. Armed with nothing but her wits and the skills she learned at a Hand in Hand Afghanistan Self-Help Group, the mother of four from Nahri Shahi district increased her income from zero to 40,000AFN (US $720) a month – all by selling canned goods.

Financial success has of course been rewarding, says Najia. But a newfound sense of empowerment makes the long, often gruelling hours especially worthwhile. “My life has totally changed,” she says. “I’m no longer dependent on my husband’s income and I can easily purchase clothes and school materials and take my children to the doctor. I’m even saving for emergencies – and to expand my enterprise.”
We put loans on hold while mobilizing a new cohort of almost 8,000 members. As training progresses and members start to launch their own businesses, we’ll return to disbursing loans in 2015.

**OUR REACH IN AFGHANISTAN**

This April, Hand in Hand Afghanistan expanded into Jowzjan, a province of about 500,000 bordering Turkmenistan in the country’s north. We’re still seeking funds to complete the expansion.

We also established a temporary presence in Bamyan with funds from the government’s Afghanistan Rural Enterprise Development Programme (AREDP), which invited us into the province to boost its work creating jobs. From June to December 2014, Hand in Hand Afghanistan is training the staff and owners of 48 small- to medium-sized enterprises in business skills, bookkeeping and more.
OPERATIONS ACROSS THE NETWORK: EASTERN AFRICA
New business growth slowed as a result of Rwanda’s dry season, when agriculture is put on hold. Excluding Rwanda, Hand in Hand Eastern Africa experienced 48% growth in cumulative businesses.

Hand in Hand business growth versus the regional average

*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.

MEET FLORIDA

“We used to eat just once a day, in the evening. We didn’t have our own home but stayed with others. I couldn’t even afford a bunch of bananas,” says Florida Mukarugema.

How things have changed. Today, bananas are Florida’s bestselling item, the staple around which the young mother built her growing business, a shop that also sells rice, flour and more. Recently, with help from Hand in Hand partner CARE Rwanda, she borrowed 108,000 Rwandan francs (US $158) to build a water facility and sell clean water.

Florida’s annual income is now 1,200,000 RWF (US $1,760), almost 10 times what she made previously and three times the gross national income per capita.

“I am feeling happy. I am no longer crying,” she says.
Loans jumped after Hand in Hand Eastern Africa’s Enterprise Incubation Fund moved past the pilot phase.
OPERATIONS ACROSS THE NETWORK: SOUTHERN AFRICA
MEET THE OTSHEPENG POULTRY ENTERPRISE

Three years ago, the three men and six women that make up the Otshepeng Poultry Enterprise from Manamakhotheng, South Africa, were barely making ends meet. Today, they’ve got more than 87,850 South African Rand (US $8,000) in group savings, weekly salaries of 600 South African Rand (US $55), and plans to buy a third chicken house to keep up with demand.

The co-operative started in 2008 but it wasn’t until 2011, after joining Hand in Hand’s Enterprise Development Program, that the group began turning a profit. “(Hand in Hand Southern Africa Enterprise Development Facilitator) Nkaloseng has assisted us a lot in managing our business,” says 49-year-old Kedibone Moemi, the group’s chairperson. “We would not be where we are without him.”

The group recently won US $2,000 from its local municipality for good recordkeeping. Naturally, says Kedibone, the money’s gone straight into the business.
Hand in Hand Self-Help Groups now represent almost 49 percent of NGO-led savings group membership in the region.

**OUR REACH IN SOUTHERN AFRICA**

Rather than expand, Hand in Hand Southern Africa spent the last six months deepening its presence in existing operating areas. An attempted coup in Lesotho in August caused considerable anxiety but no disruption to our work in the country.
FUNDING

In the six months from April to September, our offices in the UK, Sweden and the US raised US $4.6 million – on par with the same period last year. The total includes the first US $396,000 raised to support our Kenyan Village Program, launched on April 1 to support entire communities at once. The offices transferred US $4.3 million to the Hand in Hand network’s operating organizations.

Hand in Hand Southern Africa has been highly successful at mobilizing funds. In early-2014, the team secured US $1.1 million in funding from UN Women. This in addition to earlier grants from the South African government’s Jobs Fund and the National Lotteries Board of South Africa worth US $3.3 million.

GEOGRAPHICAL DISTRIBUTION OF FUNDS

- **Southern Africa**
  - US $445,203

- **Afghanistan**
  - US $565,187

- **Eastern Africa**
  - US $1,192,633

- **India**
  - US $2,142,720

KEEPING COSTS LOW

Hand in Hand is committed to keeping our overheads low. Our UK and Sweden fundraising and administration costs to expenditure (FACE) ratio over the last six months was below 10 percent. The UK’s ten biggest development NGOs, by way of comparison, have an average FACE ratio of 20 percent.

HIGHLIGHTS

The **Swedish International Development Cooperation Agency** (Sida) and Hand in Hand Eastern Africa are teaming up – again – with a landmark two-year, US $1.5 million partnership in Kenya. Announced in October, the grant will result in some 14,000 jobs – 20 percent of our target in the country over the next three years. The program builds on our partnership with the Kenyan government’s agricultural program, which aims to “transform Kenya’s agricultural sector into an innovative, commercially oriented, competitive and modern industry.”

In May, the **Johnson and Johnson Corporate Citizenship Trust** contributed US $100,000 to Hand in Hand’s project in Samangan province, Afghanistan, joint-funded by the European Union. The grant, our third from the Trust since 2011, will help create 450 jobs and benefit 3,000 family members – 5 percent of our 30-month target in the province.

In October, Hand in Hand Sweden welcomed 200 guests to Stockholm’s **Fotografiska**, the country’s biggest photography gallery, for an exhibition featuring Hand in Hand India shot by award-winning photojournalist Magnus Wenmann. The event raised more than US $830,000 – Hand in Hand’s single-day record for private donations. Plans to host similar events are already in the early stages. (See page 21 for photos from the exhibition.)

Finally, our Kenya Village Program continues to gain steam after launching on April 1. The program invites donors – be they individuals, groups or companies – to support entire communities at once, creating 400 jobs and lifting some 2,000 family members out of poverty with a single donation. In only six months, nine villages have been sponsored by donors including Swedish firms **Founders Alliance** and **Invest AB**, netting a total of US $396,000. Our Village Upliftment Program in India, established in 2008, received funding for 15 villages worth US $660,000 in the same period, thanks to the efforts of Hand in Hand Sweden.

“I am very pleased the Lions Club has joined Hand in Hand’s quest to eradicate poverty in the world,” said Ulf Bengtsson, former District Governor of **Lions Sweden** and the driving force behind one such sponsorship. “If our joint-project in Karikili, India, proves successful, I am convinced the Lions Club’s future involvement will be significant.”
LESSONS LEARNED

HERE’S WHAT WE’VE LEARNED OVER THE LAST SIX MONTHS, AND WHAT WE’RE DOING TO IMPROVE

REFINING OUR PROGRAMS IN INDIA

Our investment in independent evaluation continues to pay off. Last month, a review of Hand in Hand India’s vocational training program published by microcredit ratings agency M-CRIL produced some useful findings. Chief among them: “the optimum age for training... was 35, despite the fact that participants aged 20-35 acquire skills faster.”

The reason? By 35, parents have enough time away from children to pursue their own businesses. Other interesting findings included the diminishing returns of providing training in more than one vocation. In fact, said the study, “78.4% of those who obtained training on one vocation started a new enterprise, while 60% of those who had obtained training on two vocations started a new enterprise.”

As a result, we’ll be targeting clients in their mid-30s wherever possible. We’ll also shift more resources to first-time trainees, who the data show are more likely to start their own businesses.

TRAINING IN RWANDA

More than 48,500 of the most marginalized people in Rwanda have joined our program with CARE International. The partnership has given our trainers access to thousands of pre-existing Village Savings and Loan Associations established by CARE, though we’ll also be mobilizing our own groups in the coming months.

Progress on training, however, has been slower than anticipated. So far, only 12,000 members have started learning financial and business skills, a consequence of regulations designed to promote employment that ban NGOs from training Rwandans during business hours. Given Hand in Hand’s focus on job creation those restrictions are in the process of being lifted. And to make up for lost time, an additional 95 field trainers have been added to our team.

CONTACT PROGRAM MANAGER AGNES SVENSSON FOR DETAILS
LOOKING AHEAD

FUNDING IN AFGHANISTAN: MIND THE GAP

Hand in Hand Afghanistan’s presence in Samangan is growing by the day. Eight months after launching in the province with US $1.2 million in funds from the European Union, we’ve mobilized 5,614 members, 73 percent of them women. By the time the 30-month project is done, we’ll have helped create some 8,100 sustainable jobs, benefiting an estimated 56,700 Afghanis.

Countrywide, a US $1,133,919 funding gap for 2014 and 2015 remains to reach our targets by the end of next year. Plugging this gap is one of Hand in Hand International’s top fundraising priorities over the next six months. Contact Program Manager Agnes Svensson for details.

MAGNUS WENNMAN VISITS HAND IN HAND INDIA

In May and July, award-winning Swedish photojournalist Magnus Wennman toured our operations in India. To buy a limited-edition print from his visit, email sofie.borgudd@handinhand.nu. All proceeds go to Hand in Hand India.