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This report covers the activities of the Hand in Hand network. We operate in Afghanistan, Eastern Africa and India, 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:
Florist | Kanchipuram, India
Gloria | Farmer | Mpanga, Rwanda
Martha | Charcoal briquette maker | Machakos, Kenya
Women’s bakery project | Kanchipuram, India
Shirin Jan | Goat farmer | Nahar Shahe district, Afghanistan
Beatrice | Yoghurt maker | Nairobi, Kenya
Sisters of Faith group | Water entrepreneurs | Machakos, Kenya
Feroza | Tailor | Nahar Shahe district, Afghanistan
India health program | Kanchipuram, India

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EXECUTIVE SUMMARY

Accelerated growth. Across the Hand in Hand network, that’s what defined the period between April and September 2015. In India, 225,594 jobs were created – a 145 percent increase over the same period last year. In Kenya, 51,219 – a 71 percent increase. Afghanistan added 4,693 jobs, 178 percent more than during the same period last year. But the most notable gains came in Rwanda, where the 41,987 jobs added meant we exceeded our overall targets in the country by 42 percent.

The next six months promise more of the same, along with another milestone in Hand in Hand’s journey: expansion into Tanzania.

RWANDA: NOW HIRING

Hand in Hand launched in Rwanda in 2012. Working with local partner CARE Rwanda, an NGO with years of experience mobilizing Self-Help Groups in the country, the plan was to create 80,000 jobs by March 2015.

As of September, 78,780 businesses had been created. Almost 98 percent of members were engaged in one or more enterprises (versus 33 percent at the outset of the program). And most promisingly of all, 113,662 jobs had been created, a reflection of higher-than-expected hiring rates among members. Less than three years on from our launch in Rwanda, 17 percent of the family entrepreneurs supported had already hired more than six employees into their businesses.

As rural Rwanda is transitioning from a subsistence to a commercial economy, demand for food products is strong and the barriers to entry for our entrepreneurs are relatively low.

TANZANIA EXPANSION

Starting in April 2016 Hand in Hand will establish a presence in the northern Tanzanian city of Arusha, in the shadow of Mount Kilimanjaro, supported by staff from Hand in Hand Eastern Africa’s Nairobi headquarters. The city was chosen for its proximity to Kenya, and because our needs analysis shows the area will benefit most from our work. For the first year, we’ll be laying the groundwork for further expansion in the country. In the second year, we’ll begin to make a significant impact.

See page 18 for details.
OUR RESULTS

The Hand in Hand network has supported 2.4 million jobs to date. In the past six months, on average, more than 80 percent of the group members mobilized started or improved a business.

Cumulative businesses

Cumulative jobs

Cumulative members

Cumulative jobs

A CHIEVEMENT TOWARDS STRATEGIC PLAN

We’ve achieved 95 percent of the network-wide target for September 2015 set out in our Strategic Plan, published in summer 2013. New partnerships, particularly in Tanzania, will help us reach our goal in future.

In order to meet the plan’s overall target, we’ll need to create 391,422 jobs by March 2016.

CONTACT HAND IN HAND INTERNATIONAL CEO JOSEFINE LINDÅNGE FOR DETAILS
Businesses and jobs are Hand in Hand’s key metrics. Each job represents a life of hope and health. And each business represents an entire family lifted from extreme poverty.
OPERATIONS ACROSS THE NETWORK: INDIA
Only 29 percent of Indian women are in paid employment – a number that continues to fall. Against this backdrop, Hand in Hand has created 1.9 million jobs for female entrepreneurs in the country.

An unexpected jump of 130,000 jobs was recorded in March after M-CRIL, a specialist microfinance ratings agency favored by the World Bank, discovered our complementary programs in India – in education, health and the environment, for example – were generating jobs that hadn’t been captured in our figures to date. Not only does our solid waste management program stop waste from reaching landfill, for example – it also trains thousands of green entrepreneurs to make money from waste by collecting, sorting and selling waste on to recyclers.

See page 8 for a breakdown of complementary programs.

**Cumulative businesses**

<table>
<thead>
<tr>
<th>Mar 2015</th>
<th>Sep 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>83,696</td>
<td>959,064</td>
</tr>
</tbody>
</table>

**28,468**

**GROWTH**

83,696 businesses added

**Cumulative jobs**

<table>
<thead>
<tr>
<th>Mar 2015</th>
<th>Sep 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>225,594</td>
<td>1,341,069</td>
</tr>
</tbody>
</table>

**GROWTH**

83,696 jobs added

**Number of new businesses supported by HiH in the six months to Sep 2015**

**83,696**

**Hand in Hand business growth versus the national average**

*This figure captures the average half-yearly number of private companies with limited liability registered between 2004 and 2012 in India. Source: World Bank, doingbusiness.org.

**MEET KUMUDHA**

Kumudha, 65, was destined for big things. She just didn’t know it until she joined Hand in Hand.

As a widowed mother of four adult children, Kumudha’s work embroidering individual pieces of clothing on contract couldn’t always put food on the family’s table. But after learning the basics of business with her Hand in Hand Self-Help Group, she found she was a natural. “I was actually good at introducing myself and good at building a rapport,” she says.

Today, her embroidery business employs 15 women on five pieces of equipment, full-time, and all of her grandchildren are being put through school. “Without Hand in Hand I would have been very poor and I would not have been able to educate my grandchildren,” she says.
In the past six months, almost 104,000 disadvantaged women joined a Hand in Hand Self-Help Group. That’s exactly 1,000 a week.

At the same time, loans grew 11 percent – marginally lower than the growth rate over the same period last year.

**Cumulative members**

<table>
<thead>
<tr>
<th>Mar 2015</th>
<th>Sep 2015</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,060,102</td>
<td>1,150,626</td>
<td>9.6%</td>
</tr>
</tbody>
</table>

**Cumulative loans**

<table>
<thead>
<tr>
<th>Mar 2015</th>
<th>Sep 2015</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>US $283 MIL</td>
<td>US $314 MIL</td>
<td>11%</td>
</tr>
</tbody>
</table>

**Repayment Rate**

<table>
<thead>
<tr>
<th>Mar 2015</th>
<th>Sep 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>11%</td>
<td>99.66%</td>
</tr>
</tbody>
</table>

**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></th>
<th>Cumulative to Mar 2015</th>
<th>Increase 6 months to Sep 2015</th>
<th>Cumulative to Sep 2015</th>
<th>% increase</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EDUCATION</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of children enrolled in school*</td>
<td>240,153</td>
<td>17,974</td>
<td>258,127</td>
<td>3.3%</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>9,922</td>
<td>966</td>
<td>10,888</td>
<td>9.7%</td>
</tr>
<tr>
<td><strong>HEALTH</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Anemic women reached</td>
<td>26,661</td>
<td>2,019</td>
<td>26,680</td>
<td>7.6%</td>
</tr>
<tr>
<td>Toilets constructed</td>
<td>10,176</td>
<td>468</td>
<td>10,644</td>
<td>4.6%</td>
</tr>
<tr>
<td><strong>CITIZENS’ CENTERS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>E-literacy trainees</td>
<td>694,505</td>
<td>84,126</td>
<td>778,631</td>
<td>14.4%</td>
</tr>
</tbody>
</table>

*Low intake due to scheduling of school year.*
OUR REACH IN INDIA

Hand in Hand expanded into West Bengal, India’s fourth most populous state, in March. We now operate in states with a total population of 521 million, more than that of the entire European Union.
OPERATIONS ACROSS THE NETWORK: AFGHANISTAN
MEET CHANAR

Give a man a fish and he’ll eat for a day. Give him business training and access to credit and he’ll establish a profitable calf-rearing business, more than tripling his income. At least, that’s what Chanar Gul did.

As an experienced farmer, Chanar was sure his own enterprise could be viable. But lacking the business skills to strike out on his own, he was stuck earning a subsistence wage of 2,000 Afghanis (US $36) a month – far from enough to cover his growing family’s expenses. “Before (joining Hand in Hand) I was only earning enough to feed my family,” says the married father of two from Sholgara district, north Afghanistan, not far from the Uzbek border.

Eight months after joining a Self-Help Group, Chanar and eight other members borrowed a small loan and opened their own calf-rearing business with support from a vocational mentor in livestock management. “Now I can pay for school expenses and even save some money every month,” he says.
In lieu of interest-yielding loans, always a challenge in Sharia-compliant Afghanistan, Hand in Hand has focused since 2014 on providing enterprise start-up toolkits worth an average US $100 each. To qualify, members must provide persuasive business plans and make contributions towards the kits’ cost.
OPERATIONS ACROSS THE NETWORK: EASTERN AFRICA
Our operations in Eastern Africa span two countries: Kenya and Rwanda. Growth in the region continues to accelerate, thanks in large part to greater-than-expected gains in Rwanda.

**65,154**

Number of new businesses supported by HiH in the six months to Sep 2015

**5,995**

National six-month average of new formal businesses*

*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.

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**MEET CLEMENTINE**

It started with a pig. Then Clementine traded up and rented out a shop. Next, she plans to build a new house with a shelter for a cow. And after that – “I am confident that any challenge I face I can solve,” she says.

Things weren’t always this way. Before joining a Self-Help Group organized by Hand in Hand partner CARE, the mother of one relied on subsistence farming to eke out a living. Like most of her neighbours, she had no hope of moving out of her mud home, and no electricity.

Then she underwent business training and opened her shop. “The trainer gave me the training and confidence to take a loan of 35,000 Rwandan francs (US $35),” says Clementine. “I am happy. If I work hard I can get everything I want.”

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Clementine | Shop owner | Abakoranab Ushake, Rwanda
Established in 2013, our Kenyan Enterprise Incubation Fund was evaluated this year by global accountancy firm Parker Randall. The audit confirmed an astonishing result: 100 percent repayment rates, across the board, for the entire duration of the fund. More than 15,300 life-changing loans have been made so far.

Hand in Hand Eastern Africa continued to expand, establishing a presence in former Nyanza province on Kenya’s southwestern border. Plans to expand into former Coast province are still on hold due to security concerns.
KEEPING COSTS LOW

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

HIGHLIGHTS

United Kingdom

Our London office raised more than US $4 million from April to September. Corporate donors, a category of fledgling strategic importance, contributed US $291,000. International investment firm Cevian Capital was one of them. “We are proud to support Hand in Hand. As one of their Village Program sponsors, we are helping to transform life in Mai Mahiu, Kenya, by backing the creation of 300 micro-enterprises. We look forward to watching Mai Mahiu flourish, and encourage others to sponsor villages of their own,” said Lars Förberg, Managing Partner and Co-founder of Cevian Capital.

The London office also launched its Patrons Scheme, aimed at private individuals looking to make sizeable donations. By contributing to our core costs and helping keep overheads low for other donors, Patrons are at the heart of everything we do. We would like to thank Maarten Slendebroek, our founding UK Patron, for his contribution.

Sweden

Our office in Sweden raised US $2 million from April to September. Most notably, the Swedish Postcode Lottery signed on to fund a new program in Kenya. The three-year, US $1 million program aims to train 7,000 youth aged 12 to 25 in business and entrepreneurial skills, thus eliminating the incentive for young men to join extremist groups such as Al-Shabaab, which offers as much US $1,000 to new recruits.

Eastern Africa

Historically a pure implementing operation, Hand in Hand Eastern Africa secured its first major donation in August – US $98,000 from Kenyan telecoms giant Safaricom. The funds come as part of Safaricom’s corporate commitment to encouraging entrepreneurship, in this case by providing microfinance to Hand in Hand members who’ve completed their training. Crowdfunding website Kiva, a crucial partner in our Enterprise Incubation Fund, also upped our Kenyan entrepreneurs’ borrowing limit to US $400,000 from US $200,000.

CONTACT MAJOR DONOR AND CORPORATE FUNDRAISING OFFICER MARTHA HUNTLEY FOR DETAILS ABOUT THE KENYA VILLAGE PROGRAM
LESSONS LEARNED

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

AFGHANISTAN: WORKING WITH WOMEN

In August, independent consultancy Afghan Innovative Consulting Bureau (AICB), also used by USAid and the World Bank, shared a midterm review of our EU funded project in Afghanistan. The review noted a “huge percentage” of women participants, some 73 percent – a number the AICB lauded as “incredible”.

Recruiting such a high number of women presented new and unforeseen challenges, however. “Since women have limited access to markets and less or no skills... women also need greater support in access to markets and access to finances,” the review concluded.

Produced overwhelmingly by women, handicrafts were identified as an area where women in particular could benefit. “Handicrafts are more complicated for marketing, therefore it is important to explore market demand of woven products, which women can produce accordingly,” said the review.

As a result, we’re developing marketing strategies tailored specifically to each of the sectors most relevant to women: handicrafts, silkworm rearing, wool spinning, etc. We’re also working to establish Common Interest Groups and, eventually, co-operatives that will bring women (and men) together to reach higher volumes and access bigger, more distant markets.

RWANDA: CREDIT CRUNCH

Independent Belgian consultant Développement, Réhabilitation, Intégration et Sécurité (DRIS) shared its midterm review of our program in Rwanda, implemented with local partner CARE, in July. The review was generally positive, noting “the project is very likely to attain its purpose with efficacy, efficiency, in a sustainable fashion and with a positive developmental impact for group members and their households.” But it also found room for improvement.

Due largely to regulatory barriers, Hand in Hand does not provide credit to Rwandan beneficiaries, relying instead on local third-party microfinance institutions (MFIs). Almost three years into the program, however, local providers still prefer making loans that exceed most Hand in Hand entrepreneurs’ capacity. Our priority for the remainder of the project is to work with local MFIs to develop relevant products.

CONTACT PROGRAM MANAGER AGNES SVENSSON FOR DETAILS
LOOKING AHEAD

TANZANIA EXPANSION

Two-thirds of Tanzanians live in poverty, according to the United Nations Development Programme. Almost half, 44 percent, live on less than US $1.25 a day. Promisingly, annual GDP growth hovers at close to 7 percent. It’s a welcome trend, if one that belies reality for the country’s mostly rural population: the poorest 20 percent of Tanzanians own less than a tenth of the country’s wealth.

Starting a formal business in Tanzania is difficult and getting harder all the time. The country dropped seven places to 129th overall in the World Bank’s 2016 Doing Business report, which measures business regulation in 189 countries. Now more than ever, family entrepreneurs in the informal economy must pick up the slack.

That’s why Hand in Hand is launching in the country. Starting in April 2016 Hand in Hand will establish a presence in the northern city of Arusha, in the shadow of Mount Kilimanjaro, supported by staff from Hand in Hand Eastern Africa’s Nairobi headquarters. The city was chosen for its proximity to Kenya, and because our needs analysis shows the area will benefit most from our work.

For the first year, we’ll be laying the groundwork for further expansion in the country. In the second year, we’ll begin to make a significant impact.

The search for strategic partners in Tanzania, selected to help scale up our operations in a similar manner to CARE Rwanda, is underway now.