



Mid-term Review Report

“Supporting rural entrepreneurship and promoting women’s socio-economic empowerment in Dara-e-Suf Bala and Dara-e-Suf Payan districts of Samangan Province”

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Acronyms:

AICB	Afghan Innovative Consulting Bureau
AREDP	Afghanistan Rural Enterprise Development Program
CIG	Common Interest Group
EIF	Enterprise Incubation Fund
EU	European Union
HIH AF	Hand In Hand Afghanistan
HIH I	Hand In Hand International
ME	Microenterprise
MFIs	Micro-Finance Institutions
MRRD	Ministry of Rural Rehabilitation and Development
MOU	Memorandum of Understanding
MIS	Management Information System
MTR	Mid Term Review
FSD	Functional Specification Document
SHGs	Self Help Groups

Executive Summary

Afghan Innovative Consulting Bureau (AICB) was contracted to conduct the mid-term review of the Hand In Hand Afghanistan (HIH AF) project “Supporting rural entrepreneurship and promoting women’s socio-economic empowerment in Dara-e-SufBala and Dara-e-SufPayan districts of Samangan Province”. The objective of this MTR is to provide an independent assessment of the performance of the program by end of May 2015 and a comparison of results achieved against the originally planned targets in the logical framework, work plan and project document.

AICB was provided with a very specific term of reference (attached) by HIH Af on conducting the MTR and the expectations were made clear. The MTR team was designed to explore any deviations from the originally planned indicators and provide appropriate reasons causing deviations and possible effects on the program. This MTR report will provide insights on the program achievements with a comprehensive analysis and comparison with planned indicators of the project milestones by the end of May 2015. This report will also present the actual implementation plan and approaches used by the review team for an effective MTR delivered on a timely basis.

Supporting Rural Entrepreneurship and Promoting Women’s Socio-Economic Empowerment is a project executed by HIH Af and funded by the Delegation of the European Union to Islamic Republic of Afghanistan with co-funding from HIH International. The project implementation started in February 2014 in Dara-e-Sup Payan and Dara-e-Sup Bala districts of Samangan Province. The objectives of the project are to strengthen the socio-economic status of 5400 poor women and men by creating microenterprises and creating jobs. The project duration is two and half years and will complete in August 2016.

The overall approach of HIH Af towards achieving the project targets connected to their strategic vision is very comprehensive and effective for such kind of projects. The project is progressing very well towards achieving the planned targets despite certain challenges in the field. The project has achieved most of the target set for the mid-term stage, while some of the activities are still in the process of being completed and need extra attention. The overall status of the project is very positive and the project team is continuously making efforts to effectively complete all the project activities on timely basis.

So far the project has 347 active Self Help Groups (SHGs) and 5519 Members with a 73% women participation rate, compared to the originally planned 360 SHGs and 5400 members with a 70% women participation rate. This shows that the project is already enrolling more than the originally planned beneficiaries in a slightly lower than planned number of active SHGs. The project had created 360 SHGs in the early stages but lost 13 groups due to internal tribal issues of the beneficiaries. The women participation in the program is also outstanding and exceeds the originally planned target. The SHGs have a considerable amount of savings through their biweekly savings, reaching a total of 5,708,587 Afghani.

All the established/active groups have received the one-time originally planned basic training on group formation and management, entrepreneurship related topics and financial management. Since the literacy level among the target beneficiaries is very low, the one-time

trainings are not sufficient and these groups need refresher trainings every 6 to 9 months. These trainings are provided through cascade training methods where the Master Trainer trains VEFs and VEFs provide trainings to the beneficiaries. It would be more effective to provide a one-time training key group members directly from the Master Trainers. Even VEFs need refresher trainings and some exposure visits for enhancing their capacities. The VEFs are providing on-the-job practical training on certain issues such as bookkeeping, which is an effective approach.

Bookkeeping, lending and creating microenterprises are among the key factors of successful groups. However the low literacy among the beneficiaries is hindering it. Therefore, the project incorporates delivery of life skills training to the beneficiaries which is a basic literacy and numeracy course for 6 months. It is worth considering that the submitted proposal to the EU indicates 9-12 months for these trainings. This training is enabling the group members to be able to understand the program objectives properly, carry out bookkeeping and start microenterprises, thus contributing towards sustainability and effectiveness of the outcomes. The project has trained 1684 members including 904 women in its first phase. There has been a drop out of 101 participants from the total enrolled participants. The project will target the rest of the planned beneficiaries in its second round, to be started in July 2015.

The vocational training in various income generation activities is part of the enterprise development process of the project for target beneficiaries. HIH Af has developed manuals for various vocational trainings and has combined these trainings with provision of startup toolkits. The project has enrolled 3914 group members including 2564 women in various income generation skills. The vocational skills training duration varies from one week to six months and continuous on the job mentorship is provided depending on the complexity of particular skills. The project has distributed 1714 startup toolkits among those that have passed through the training. The startup toolkit distribution is a little slow compared to the number trained beneficiaries due to the HIH Af procurement processes which might affect the effectiveness of the trainings.

The ultimate goal of the project is to enable the group members to establish microenterprises (MEs) or enhance any existing ones, resulting in job creation and increasing their household income. The project is reporting creation/enhancing of 1901 microenterprise (including 1533 by women), which has created 2661 jobs including 2146 jobs for women. This progress of the project by its midterm is very good comparing to the overall project targets and the project will be able to achieve the rest of the target easily. Ensuring sustainability of the created MEs requires continuous follow up: currently the project capacity on following up all the MEs is limited due to staff capacity. However, it is very important to evaluate the status of these MEs, explore their effectiveness, identify their needs and provide further support towards their development and sustainability.

One of the major needs of MEs is access to capital, which is addressed in the project through several concepts and practical approaches including internal loans from the SHG, provision of startup toolkits, provision of Enterprise Incubation Fund EIF (a form of loan by HIH Af) and finally linking them to the local Micro Finance Institutions. The SHGs have given 1,030,850 Afghani through internal lending procedures which is only 18% of total savings and should be

increased as the MEs start their functions. However, it has been noticed that lending among women is especially low. The provision of startup toolkits are ongoing, however the EIF has not started yet by HHH Af and this needs speeding up because of the fact that there are no local MFIs in the target district.

Another major challenge is linking the MEs to the market due to various factors, the project currently struggling to explore effective ways of creating linkages between MEs and markets. The project is yet to hire market linkage officers. The VEFs' capacities are limited and they are currently not very effective in creating market linkages, while certain local products, especially handicrafts, require the exploration marketing options. The project is also working towards establishing Common Interest Groups (CIGs) and has created 16 CIGs till now. However, there has not been sufficient guidance and follow up on the activities and effectiveness of these CIGs in sharing potential linkages. The project is also struggling in linking the established MEs with local cooperatives established by the Ministry of Agriculture and Livestock. There is need for cross fertilization or exposure visits for MEs, CIGs and even VEFs to share and learn. The project has not conducted any such visits yet.

The challenges, gaps and recommendations for each component of the project are addressed and included in every section of this report.

Objectives of the MTR:

The objective of this MTR was to provide independent assessment of performance of the program as end of May 2015 and a comparison of results achieved against the originally planned targets in the logical framework, workplan and project document.

AICB has been provided with a very specific ToR (attached) conducting the MTR and the expectations are clear. The MTR team was assigned to explore any deviations from the originally planned indicators and provide appropriate reasons causing deviations and possible effects on the program. This MTR report will provide insights on the program achievements with a comprehensive analysis and comparison with the planned project milestones for May 2015.

Specific tasks:

1. The activities and indicators, their outputs compared against work plan and logical framework.
2. The quality and effectiveness of the activities in achieving the expected outcomes against (minimally) the logical framework indicators plus any other indicators deemed appropriate.
3. An analysis of the immediate causes of any deviations in activities and outputs from the logical framework targets.
4. Expanding on the previous point, an analysis of the issues affecting implementation with reference to:
 - a. The appropriateness of the HiH model to meeting locally articulated needs
 - b. HiHAF's planning and execution of the activity plan,
 - c. The assumptions set out in the logical framework,
 - d. The expected and actual behavior of other actors
 - e. Any other relevant contextual material

On the basis of this analysis, the MTR will make comments and recommendations as follows:

1. Comment on the continued appropriateness of the HiH model to meeting locally articulated needs.
2. External factors: Note any new assumptions or risks relevant to the completion of the project, considering both general political, security and environmental factors and specifically the anticipated behavior of other relevant actors.
3. Internal factors: Recommend any changes that should be made by HiHAF to its internal staffing, processes or procedures to ensure successful implementation of the project through to completion. Comment on the plausibility of the work plan through to completion and the likelihood of achieving expected Program outcomes.

Expected Deliverables

The following specific deliverables were set for the MTR in the provided TOR

1. An MTR Plan at the inception stage.
2. A presentation of draft findings to both the HIHaf team and the HIH International team for discussion and feedback.
3. A MTR Report of no more than 30 pages.
4. An Executive Summary of no more than 4 pages.
5. Presentation of the MTR Report to HIHaf/HIH International

MTR Approach:

To achieve the objectives of the MTR, the assigned team by AICB utilized comprehensive approach towards conducting an in-depth midterm review of the project based on the TOR (attached) provided by the HIHaf in the initial stages. The MTR team also has extensive experience of conducting reviews and evaluations and practically implementing similar projects with Afghanistan Rural Enterprise Development Program AREDP of Ministry of Rural Rehabilitation and Development MRRD. The MTR team provided a comprehensive inception report for HIHaf detailing the approaches and timelines for conducting a comprehensive MTR.

Initial meetings:

The MTR team members had a detailed meeting with HIHAF Country Director, Program Manager and Finance Manager, where every detail of the MTR was shared and discussed and certain decisions/ timelines were identified. The objectives of the MTR and expectation of HIHaf were discussed as well. The minutes of the initial meetings were developed and attached to the agreement signed.

Similarly ad hoc meetings were conducted in the HIH Af project team members in groups and individually, where various aspects of the program were discussed and progress were analyzed.

Desk Review:

The desk review was the first and very important step towards conducting a comprehensive MTR. The desk review carried out as soon as the contract was signed. The MTR team has thoroughly gone through the important program and other necessary documents in order to fully understood the program and reviewed the project logical framework, milestones and work plans etc. The review of the important documents provided very detail insights of the project objectives, expected results and work plans etc.

The desk review was included the following documents:

- Project Document (or proposal)
- Project logical framework and other different time and steps work plans
- Baseline survey
- Functional Specification Document FSD
- Project progress reports as of end May 2015

- Financials as of end May 2015
- Project progress data on the established groups
- Monitoring and Evaluation Reports
- Human Resource related documents and data
- Relevant policies
- Training reports and Manuals
- HIH Afghanistan 2014-2017 strategic plan
- Different financial reports
- HIH environmental policies documents
- Current program challenges, recommendations and way forward
- Building Social Business-written by Mohammad Younus

Interviews and Group Discussions:

After the desk review the MTR team visited the HIH Af office in Mazar-e-sharif, from where the project is managed. The MTR team had several meetings and in-depth interviews with the key project staff including Program Manager, Deputy Program Manager, Trainers, M&E Officers, Capacity Building Officers, Trainers, MIS Officer, Human Resource and Procurement Staff. Beside the meetings various group discussions were also conducted in the office with the key program team. The list of staff members met is given below. The overall objective of these meetings and group discussions was to explore the project implementation status, implementation approach and challenges.

The HIH Af staff members were highly cooperative and shared the required information on timely basis. In addition to the individual interviews and group discussions the MTR separately visited each key unit/department (such as M&E, Capacity Building and Literacy units etc) of the project in order to explore more in-depth information of their activities, potential, plans and challenges. An interview via Skype with HIH international staff was also conducted.

Field visiting:

After the initial interviews and group discussions in HIH Mazar office, the MTR team were divided in two missions, the first stayed in Mazar officer for further exploration of project related information from the project key staff members and the second travelled to Dara-e-Suf Payan and Dara-e-Sup Bala districts. The field mission initially had meetings, group discussions and in-depth interviews with field staff members including District Managers, Assistant District Manager, and VEFs etc. The MTR field mission and HIH Af District staff randomly selected field locations and groups for visiting based on the pre-discussed selection criteria.

The HIH Af arranged the field visits and informed the communities for MTR arrival which helped to get considerable participation of groups/community members for group discussions and interview process. Meeting with groups members were mostly in groups, however, individual interviews were also conducted with the key members of the groups. The Women MTR team member visited the women's groups while the men MTR team member visited men groups.

The field mission met several SHGs (Women and men), various microenterprises (women and men), where a more comprehensive information on the field approach and its effectiveness was practically observed.

Stakeholders:

The MTR team members also visited various stakeholders in the target districts and provincial capital of Samangan Province. The stakeholders included (MRRD manager in Dar-e-Souf Bala district and in Dar-e-Souf Payan districts, Director of PRRD in Samangan province capital and Director of Samangan Economics Department.

The stakeholder meetings were conducted in close coordination of HIH Af project team. During the stakeholder meetings the focus was to get their insights into the project implementation and necessary recommendations.

Appropriateness of HIH approach:

The HIH Af approaches towards effective implementation of the project are very comprehensive and meeting the project requirements. The approaches are based on the local realities considering local challenges and potential. The formation of the project team, project implementation processes and step-by-step approach is very effective in the field. The project has been in line with the project objectives and has been able to make remarkable change in the target communities.

The project implementation from coordination with various stakeholders to field planning, staffing, community mobilization and formation of SHGs are in line with the project overall goals. The members of formed SHGs are initially assessed and categorized based on their level of skills and interest in creating a microenterprise or expanding existing one. Once the categorization is completed the HIH plans intensive vocational trainings varies in duration based on its technical complexity from couple of weeks to 6 months. The members are enrolled in the vocational trainings and after graduation from the training they receive startup toolkits, which help them to start their own business.

Briefly the step-by-step approach of HIH Af to achieve the project ultimate goals is as follows:

Phase 1: Social Mobilization

Step 1: Community Mobilization

Step 2: SHG formation

Step 3: Basic group management trainings to SHGs

Phase 2: Business Development Trainings

Step 1: Enterprise Development Trainings (BDS)

Step 2: Identifying existing skills, potentials and interests for enterprise development

Step 3: Provision of Vocational skills training

Step 4: Formation of Micro-enterprises

Step 5: Financial Management and Islamic Banking/Lending Trainings

Step 6: Comprehensive Basic literacy and numeracy training to the group members

Phase 3: Access to Credit

Step 1: Identifying the financial needs of the MEs

Step 2: Creating Business Plans

Step 3: Provision of Startup toolkits

Step 4: Provision of EIF

Step 5: Linking the groups with MFIs

Phase 4: Linking Entrepreneurs to Market

Step 1: Formation of secondary Common Interest Groups

Step 2: Provision of marketing/market linkage training

Step 3: Creating potential market linkages

Step 4: Connecting MEs to other institutions such cooperatives or associations

The embedded life skill training (basic literacy and numeracy) has incredibly enhanced the capacity of the target beneficiaries in becoming self-reliant in respect to savings and book keeping, which is going to have good results for sustainability of the project outputs. The project seems more effective among women and the vocational trainings provided are actually transforming the SHGs members to micro-entrepreneurs.

Despite challenges in the field in target communities, security, socio-economic and overall operation environment, the project is also particularly facing challenges related to market linkages, provision of EIF loans, procurement and handing over the groups to appropriate institutions after the HIH Af withdrawal. The project is also lagging behind in provision of follow up trainings, cross fertilization visits and linking the groups with various associations and

cooperatives. The project team members are very active and have been dealing with most of the challenges very well and assisting the field staff to cope with the difficult situation, making the activities of the project more effective and sustainable. The project team is also planning the remaining activities to be completed in the upcoming months.

Outputs compare to plan targets:

Currently the program is progressing well based on its plan and has achieved almost all the planned outputs against the set indicators in the log-frame of the project. Below is a very brief comparison of key project planned outputs and current project achievements as of May 2015:

Set outputs/objectives/activities	Achievements by end of May 2015
8100 Jobs created	2661 job created (1384 Women & 330 Men)
360 SHGs formed and functional having 5400 members, 70% women.	347 Groups formed and active with regular attendance by majority of the members 254 women's and 93 men's SHGs 5519 members, 73% women. All the groups are equipped with book keeping and training with consistent increase in savings
5400 micro-enterprise created/enhanced	1901 micro enterprises created and/or enhanced 1533 women 368 men have created MEs 81 women 76 men have enhanced/expanded MEs 1714 startup toolkits are distributed
70% of group members access additional capital from HIH AF EIF	None till now, to be started ASAP after hiring the EIF officer
3780 members of SHGs to received EIF	
SHGs members supported on value addition and/or linked to markets	None till now
4300 members to receive market linkage training	
4300 member to receive value adding technical training	
4300 members to experienced improved market linkages	
Cross fertilization visits among CIGs	16 CIGs created

The above table shows that the project has now achieved the foundational outputs: community mobilization, creation of active SHGs and developing microenterprises, with

member having received all the basic trainings, skills and orientation. The project has concentrated on the additional and very important steps of enhancing the created groups and MEs in order to help them cope with their challenges to improve their sustainability. The established MEs require access to additional capital, market linkages, grouping and exposure visits, while the SHGs require follow-up trainings and increased lending to the MEs.

Gender Analyses:

The overall project aim is to empower women through intensive approaches towards improving their economic situation, therefore the project initially planned to target higher women participation i.e. 70%. The women are undermined in Afghan society due to insecurity, strict cultural values and lack of education. The women are especially in a poor situation in rural areas, where they are not allowed to participate in the community decision making processes and their access to basic needs is restricted.

The project team approaches towards involving women in the project have been highly effective. They have been able to ensure a huge percentage of women in the project i.e. 73%, which is incredible. This participation of women is very high compared to other similar projects implemented by other organizations including the Government which typically has women's participation rates of 30 - 35% (including AREDP/MRRD). The project has created 258 women's SHGs involving 4125 members. This shows that the project is in line with the project objectives of empowering women through utilizing their potentials and increasing their revenues.

The women are not only mobilized but trained and provided necessary resources to establish micro-enterprises and generate revenue. The revenue generation will ensure the empowerment of women in the communities and their participation in decision making practices of their families. It will also have greater contribution towards improving their living conditions including their health and their children's health.

The project has created 2661 jobs for women through the establishment of 1533 women owned microenterprises. The project progress shows that women have saved more than 4 ,000,000 Afghanis and have distributed more than 500,000 Afghanis in loans. It shows the higher interest of women in the project. These figures are continuously growing and showing that women are going to benefit a great deal from the project activities.

The project has been prioritizing women in every planned activity. The project has provided basic life skills training to 878 women in the first phase which is around 60% of the total participants in this training. The project also provided vocational skills training to 2564 women in various skills (i.e. 65% of total involved beneficiaries) and distributed start up kits to 1384 women (i.e. 80.7% of the recipients) by May 2015.

The project team is continuously putting efforts to enhancing the empowerment of women through ensuring their greater participation in the project. Since women have limited access to market and less or no skills, more effort needs to be given on their trainings, especially in developing income generation activities. Women also need greater support in access to market and access to finance. The project must give more attention toward women micro-enterprise development and provision of EIF free of interest to women.

Jobs Created:

The unemployment rate is very high in Afghanistan which is resulting in extreme poverty, low living quality, low education and inadequate hygiene. The studies shows that unemployment is one of the major cause of insecurity as well. Therefore, creating jobs is a necessity in the rural areas for sustainable change. In this regard the HIHAf approach toward creating the MEs ,thus resulting in the planned number of jobs, is very effective.

The project had planned to create 8100 jobs in its life span in the target districts. The logic behind creating these jobs is that the project will enroll 5400 members in 360 SHGs, every member will receive vocational training and a startup toolkit to start a micro-enterprise or expand its existing business, thus resulting one or more jobs each. The average job to be created per ME is 1.5resulting in 8100 jobs in the target communities. (Calculation $360 \times 15 = 5400$, $5400 \times 1.5 = 8100$).

The project has achieved good progress by creating 2661 jobs by the end of the midterm, 2146 jobs for women and 515for men. These job holders will also take loan from the SHGs savings and will also experience increased revenue through their startups.

The actually definition of“job” seems to be absent for the project and its implementation team. Provision of vocational skills or provision of toolkit does not ensure job creation. The project will need tools to identify the profitability and sustainability of the jobs created. The tools can be explored in *Building Social Business* by Mohammad Yunus and in AREDP/MRRD. It will also be important to know any subsequent reasons (and lessons learnt) why the job(s) have discontinued. Since the job creation is more linked with the microenterprises, therefore the profitability and sustainability of MEs has a direct impacts over number of jobs.

The current data has to be validated by the MIS, which is currently under process. The jobs could be categorized by duration, sustainability, seasonality and profitability in the MIS. The percentage of increase in the income of men and women is also not identified yet due to lack of complete data in the MIS. Once the data entry of the MIS is complete such important information can be driven.

Specific Recommendation 1: The project must define a job and status of its creation based on its profitability and duration.

Specific Recommendation 2: The MIS database should gather the data on the actual jobs created.

SHGs created:

Creating Self Help Groups is a very effective approach toward mobilizing the communities to use their own resources in a more organized way in order to improve their income level. This approach is in line with the HiHAf theory of change driven from its strategic plan.

The project had initially reached its target of creating 360 SHGs, however due to local tribal issues there was a drop out of 13 SHGs and now the project has 347 active SHGs. The project could now plan for creating new groups in order to replace those groups. However the current

active groups are already covering more than the originally targeted number of beneficiaries i.e. 5519 compared to the planned 5400.

The below table shows status of SGHs initially created in the target districts:

Items	Dara-e-sufBala		Dara-e-SufPayan		Total
	Women	Men	Women	Men	Total
SHGs formed	127	58	131	44	360
Members mobilized	2,040	881	2,085	701	5,707

The participation in required trainings, savings and other groups activities are determined through the attendance sheets.

The project has met its target of enrolling 70% of women in the project, the project has already enrolled 73% of women in the program. This shows the modality of such a program is very effective among women.

All groups have a constitution, record book keeping procedures and assigned leadership. However, the field mission did observe some minor errors and mistakes in the bookkeeping which were not maintained as expected. It was also due to lack of literacy among the group members, showing a requirement of follow up/refresher trainings.

All the target communities are mobilized by the Village Enterprise Facilitators and once the community buy-in is achieved the formation of groups are started. The group formation is completed in the initial phase of the project and the subsequent trainings are delivered based on the work plan.

Since the literacy rate among the group members is very low, they are not able to maintain their records properly themselves, therefore, mostly the groups books of record is maintained by the VEFs in the villages. The VEFs sometimes provide practical mentoring the group members on maintaining their books of records. However, this practice is against the project goals and is questionable for the sustainability of the groups. This is also consuming a lot of time of VEFs and they are unable to concentrate on other important activities for development of microenterprises in their target areas.

In the meantime the capacity of the VEFs is also not very high, therefore it is very important to gradually address this issue both by increasing VEF capacity through continuous trainings and directly delivering training to the key members or treasurers of the groups by the HIH Af master trainer. This issue can also be gradually handled by incorporating the books of record of SHGs into the curriculum of life skills trainings (basic literacy and numeracy course). Simplifying the books of records is also recommended.

Specific Recommendations 3: The book of records should be maintained by the SHGs members themselves not by the VEFs.

Specific Recommendations 4: The key members (at least the treasurers) of the groups should be directly trained in maintaining books of record directly by the master trainers

Specific Recommendation 5: The VEFs should put more efforts in training the SHGs members to maintain the book of records themselves

Savings and Internal Lending:

The SHGs have started savings right after the establishment of the groups. The member of groups meet on bi-weekly basis and each member saves 50-100Af in every meeting. The groups are showing constant increase in their savings. The savings are recorded in the books of records and individual member notebooks.

Saving formula:

Individual saving formula: $1 \times 50 \times 2 = 100/\text{month}$, $100 \times 12 = 1200$ per year

Group saving formula: $15 \times 100 = 1500/\text{month}$, $1500 \times 12 = 18000$ per year

Once a group saves a considerable amount of money they start lending the money to group members based on their own priority criteria (this practice is called internal lending). These savings and lending are based on the Islamic finance practices and are recorded in group book of records and individual member notebooks. The group members are also provided Islamic lending/finance trainings. The below table provides savings and lending summary to date by the groups:

No	Savings AFN		Total Savings	Loaned by		Total Loan AFN
	Women	Men		Women	Men	
	71%	29%	5,708,587 AFN			761,550
Total	4,047,250	1,661,337		674,650	86,900	

The loan is given by the SHG to a member when he/she wishes to establish a microenterprise or enhance an existing one. The loan is provided for 3 to 4 months; the program has no data on repayment rate of the loans provided by the groups.

Since there are no village/district based banks there is always risk involved in such savings among the villagers, there are currently insufficient risk management practices and there might be conflicts arising in the future, however the trust among the villagers to identify a trust worthy treasurer for their savings is the only risk mitigating strategy.

The total loan amount is AFN 761,550 loaned to 141 members which is AFN 5401 per lender. The current lending is only 13% of the total savings of the groups; it is both due to the time needed for sufficient savings as well as time needed for establishment of MEs. Since the MEs are newly establishing the rate of lending will also increase. The toolkits are also under distribution which will enhance the MEs and thus the lending will also follow.

The lending among women is considerably less due to their current lesser capacity in establishing enterprises due to socio-cultural restrictions as well as because of their more cautious nature. The women needs to be encouraged more to increase their lending.

The SHGs savings is very limited and cannot meet the financial requirements of its group members, therefore access to external loan source is badly needed. This was also identified during the field mission visit. The program needs to start the EIF process soon in order to enhance the ME formation and growth.

Specific Recommendation 6: The project team needs to push the SHGs to increase the lending in order to achieve highest targets.

Repayment:

Tracking the loans and repayments are very important, currently the project has limited data due to fact that the created database has a backlog of data to be entered. Once the data entry is completed there will be sufficient information on repayments. It seems that currently the repayment is nil in the groups.

The repayment rate will also show how active the groups are and that the establish MEs are actually having increase in their income to be able to repay their loans. It also builds confidence among the group members towards safe lending and return of the money. The reimbursement is actually one of the milestones towards capacity evaluation of a group for qualifying for additional EIF or graduation.

Specific Recommendation 7: The repayment data should be collected and reflected in the database

Capacity Building Training:

The capacity building training is vital for sustainability of the project outputs. The group members are provided various capacity building trainings through various approaches in order to increase their capacity and contribute toward more effective and sustainable outputs.

Initial Trainings:

The trainings to the group members are very important both for better understanding of the overall program objectives, various processes as well as long term sustainability of the project outputs. All the established/active groups have received one time originally planned basic trainings on group formation and management, entrepreneurship related topics and financial management trainings.

These trainings are provided through cascade training approach where the Master Trainer trained VEFs and VEFs provide trainings to the beneficiaries. Once the community buy-in is obtained, where the VEFs provide detailed orientation to the community members about the project importance, objectives and processes, the VEFs provide three trainings for which detailed training manuals are developed in local languages. Each training is delivered in various modules and each module divided into further sessions, such as group management training in

three sessions, microfinance training in 4 sessions, BDS training in 8 sessions. The sessions are either biweekly or as appropriate for the community.

The supervision, follow up and monitoring of these trainings is conducted by District Officers, Master Trainers and M&E Officers.

Usually the cascade training approach is not very effective in such operational environments due to low literacy of the community members. HIHAF is currently using cascade training approach where the Master Trainer trains the VEFs and the VEFs have the responsibility to train the group members.

Follow up trainings:

Effectiveness of the trainings provided through VFs needs to be evaluated and checked, since the VEFs capacity are also not very high. The literacy level among the target beneficiaries is very low, therefore onetime trainings are not sufficient and these groups needs refresher training every 6 to 9 months. It was also noticed during the field visit that most of the group members did not know the program well or have forgotten what was taught to them. There were also various problems in the bookkeeping which was also due to poor capacity of the group members.

The capacity of the group members in understanding the program, its processes and book keeping is directly linked to the effectiveness and sustainability of the project. Therefore, it is very important to give special attention towards building the capacity of the group members further. The cascade training approach can be improved through providing trainings on important topics (such as project objectives, book keeping etc) directly by the Master Trainers to at least key groups members, at least one time.

It will be more effective to provide a one-time training to the key group members directly by the Master Trainers. Even VEFs need refreshers training and some exposure visits for enhancing their capacities. The VEFs are also providing on the job practical training on certain issues such as book keeping, which is an effective approach. The book of records should also be included in the literacy training curriculum in order to make sure that the group is able to fill out the book of records themselves.

It is also important to utilize various other tools for the capacity enhancement of the group members such as exposure visits, attending local exhibitions and establishing model groups.

Specific Recommendation 8: The important topics from each training module should be directly delivered to at least the key members of the groups by Master Trainers themselves

Specific Recommendation 9: The time gap between trainings sessions is very long (two weeks) It should be reduced and training sessions of every module should be continuously delivered in couple of days.

Specific Recommendation 10: Follow up/refresher trainings in each training module needs to be considered every 6 months for the group members

Specific Recommendation 11: Despite trainings the capacity of the groups should be enhanced through exposure visit, participation in exhibitions and creating model groups

Specific Recommendation 12: The VEFs capacity to be further enhanced through various follow up trainings, exposure visits and others

Specific Recommendation 13: Stronger Supervision of the trainings provided by VEFs to the SGHs needs to be considered

Basic Literacy or life skills training:

Since the literacy rate is very low in the target districts and the basic literacy and numeracy courses are very supportive. The project team has created a very effective curriculum outlining the project related topics. The project is targeting almost all the group members to get the basic literacy and numeracy course for 6 months. The project document indicates 9-12 months for this course, however for basic literacy and numeracy 6 months seems sufficient. Due to various administrative issues the life skills courses are not linked to the Sub-Ministry of Adult Literacy.

The program has currently provided literacy/life skills training to 878 women and 675 men in the target districts for six months, two hours every day, in its first phase. The project has target of providing the course to 3000 members. The remaining targeted members will be enrolled in the second phase of the course to be started in July after Ramdhan.

The life skills training unit (master trainers) have developed a very comprehensive literacy curriculum based on the program objective by reflecting savings, business development and other related topics beside the basic numeracy. This training not only provides literacy and basic numeracy skills but also helps in changing the community perceptions toward self-sufficiency and utilizing their own resources effectively.

The course is provided through literacy trainers hired from local districts and the classes are organized separately for women and men. There were 32 literacy trainers hired in the first phase of the course. The project provides all the class need including stationery, books, heating fuel and other training materials (visual aids). The trainees are selected based on a pre-test selection process and they are evaluated throughout the training course and graduate based on the post test results.

The effectiveness of the literacy courses are evaluated not only by ad hoc visits by M&E Officers and Master Trainers but also from the post-test results. These courses should enable the group members to carry out their book keepings themselves and should not depend on the VEFs to fill out their books. Therefore, the books of records should be included in the curriculum.

The life skills course is having very productive impact on the program activities and its sustainability. The groups will be able to carry out their own book keepings once the project withdraw from the area. The project should develop success stories based on this understanding and share with Management Team.

Specific Recommendation 14: The project proposal indicates that the literacy training will be for 9 months, while the actual life skills trainings is delivered for 6 months. The justifications provided for this needs to be shared with donor(s)

Specific Recommendation 15: The books of records of SHGs needs to be included in the literacy or life skills training curriculum

Vocational Trainings and toolkits provided:

Provision of vocational training to the group members is a very important milestone towards establishing microenterprises or enhancing existing ones. There is a lack of technical skills in rural areas of Afghanistan and the delivered vocational training on various important income generation activities are very effective.

Currently the project has provided vocational training to 3963 individuals including 2564 women and 1399 men. However, the program has distributed 1714 toolkits which is less than the number of trained individuals. The project has been facing delays in purchasing the toolkits due to various procurement bureaucracies. To avoid further delays, the project is now hiring a procurement officer to speed up the procurement processes.

The members of formed SHGs are initially assessed and categorized based on their level of skills and interest in creating a microenterprise or expanding existing one. Once the categorization is completed the HIH plans intensive vocational trainings, varying in duration, based on the technical complexity of the skills, from couple of weeks to 6 months. The members are enrolled in the vocational trainings and after graduation from the training they receive startup toolkit, which helps them to start the business.

The program has permanent vocational trainers and on -call vocational trainers. The below tables shows list of vocational skills training delivered and startup toolkits distributed.

No.	Vocational Skills Trainings	Plan (Target)		Conducted training as May 2015		Graduated as May 2015		Toolkits Distributed	
		M	F	M	F	M	F	M	F
1	Poultry	1,290	3,010	723	1,517	517	1,252	211	139
2	Agriculture			64	-	13	-	64	-
3	Tailoring			34	549	21	194	34	642
4	Beekeeping			221	264	182	238	21	85
5	Wool spinning			-	234	-	153	-	277
6	Horticulture			67	-	67	-	-	-
7	Embroidery			241	-	-	-	-	241
Sub Totals				1,350	2,564	800	1,837	330	1384
Grand Totals				3,914		2,637		1,714	

The delivered vocational skills trainings seemed very effective and that has been resulting in creation of micro-enterprises. Detailed training manuals are developed by specialized vocational skills trainers. The training duration varies from one week to 6 months with theoretical, practical and mentorship approaches.

The tailoring skills training does not seem to be very effective in terms of establishing enterprise or creating jobs. However, it does meet the tailoring needs of the households. The rest of the skills trainings have better business scope both meeting local needs and marketing demands.

The startup toolkits for beekeeping seems very small whilst the toolkits for other skills seem sufficient for a microenterprise. The toolkit for agriculture only targets wheat cultivation, while there are other more profitable agriculture activities such as small scale greenhouses which however will require more expensive kits.

Specific Recommendation 16: The tailoring skills trainings should not be provided, since it does not create any job or ME in most of the cases

Specific Recommendations 17: The budget for each skills training needs to be reconsidered and increased due to the fact that cannot facilitate the micro-enterprise in all cases.

Specific recommendation 18: The vocational training and toolkit for agriculture needs to be reconsidered and new agriculture practices to be included such as small scale greenhouses, food processing etc.

Micro Enterprise Created

Creating micro-enterprises is the ultimate goal of the project which will improve the economic situation of the target communities. Basically the self-help groups serves as financing institution for the microenterprises thus resulting in creates jobs in the community.

The below table shows details of ME created so far by the project in the target districts.

Target ME	Details	Established MEs		Total
		Male	Women	
5400	New MEs established	368	1533	1901

The above table shows that the project has reached to 35% progress in meeting its target of achieving the planned number of microenterprises. This progress seems fair at the mid-term of the project, since the microenterprise development usually gets boosted when SHGs have collected sufficient money for lending, vocational trainings are provided, startup toolkits are distributed and the enterprise incubation fund is started (which has not started yet).

The figures also show that women percentage is higher 80% than the men in established MEs, which is also in line with the project overall objectives of prioritizing women. These MEs are created in various sectors including agriculture, livestock, embroidery, tailoring, horticulture and wool spinning.

The explanation of the microenterprise with the project team was such that an enterprise is established when group members receive a vocational training and gets a startup toolkit, while there are some concerns regarding establishment of certain MEs, such as tailoring for women which might not necessary turn into a microenterprise. Therefore, it is important to follow up on the MEs to explore their functionality and profitability.

The most successful MEs include bee keeping, agriculture and poultry, both meat and egg production. These MEs have good market demand as well as also contributing towards meeting the local food demands.

Follow up:

It seems that follow up on each microenterprise is challenging with the current staff members because the MEs number are very high and reaching each individual ME is not possible. The follow up on the MEs are very important in order to explore whether they are active or not and if they have any problems that needs to be addressed as well as for calculating their income status. The MEs can also be followed up through associations, CIGs or cooperatives if they are linked.

Specific Recommendation 19: The ME creation should be closely monitored in order to ensure that the ME is actually operational after receiving vocational training and start up toolkit

Specific Recommendation 20: Each ME needs a follow up to explore its profitability, sustainability and needs in order to support them with their development

Enterprise Incubation Fund EIF:

Enterprise Incubation Fund EIF is actually loan from HIH Af to the established micro-enterprises in the target districts. The project has planned provision of EIF to (70%) 3780 members of various groups. The objectives of the EIF are to meet the financial needs of the microenterprises for their growth. Since the group savings are not sufficient to meet the MEs financial demands and there are no other financial institutions in the districts, the provision of EIF is very important. The project is in process of hiring the EIF officer now, who will take lead of this activity and develop a proper approach towards lending EIF.

So far the EIF lending has not started by the project team due to various risk involved. The major risks are insecurity, no guarantee of reimbursement and lack of governance and laws etc. The communities are so conservative and are not interested in getting loans which has interest rates or administration costs, which are mostly non-Islamic lending practices. It will be very difficult for HIH AF to get back their loaned amount with any percentage of interest, unless HIH AF accept the risk and provide loan based on the Islamic lending principles.

The EIF officer needs to explore safe ways of lending EIF fund in order to avoid future problems. Some of the recommendations on making sure that the EIF fund is reimbursed are as follows:

- Lending the money to MEs through the channel of SHGs (making everyone in the group responsible)
- The SHG is both recommending and guaranteeing the lenders

- Evaluation of ME to qualify for EIF
- The SHGs and MEs to meet certain criteria to be able to get the EIF which include their good track record of bookkeeping, regular savings, regular lending and 100% reimbursement rate
- Taking guarantee from the individual lender (i.e. ME) a reliable guarantee can be ownership papers of property or a guarantee from shopkeeper in the provincial capital
- Utilizing the success from similar lending program by HIH Af and other stakeholders

Since the EIF is a form of loan from HIHAF to the target communities, the timing for lending and reimbursement is major concern. If HIH Af starts giving loans in latter stages of the project, it will face problems/delays in getting the money back before project completion. Therefore, both timely start of EIF and time extension of the project timeline for recollection of the fund will be very important.

Specific Recommendation 21: The EIF is a real need of the target communities to meet their financial needs of their MEs and therefore needs to be started as soon as possible

Specific Recommendation 22: The communities will not accept provision of any interest on the loaned amount due to their Islamic values, therefore, EIF should be provided without any interest and on Islamic financial principles. Since the local communities are very conservative, it is also going to have affect over the credibility and reputation of the organization if HIH AF start providing loans with interest.

Specific Recommendation 23: HIH AF needs to seriously considered the risk involved and recalculate the time for repayments, the current project duration where the loans yet to be started is not sufficient for reimbursements

Linkage with Micro Finance Institutions MFIs:

Linking the groups and micro-enterprises to the MFIs or local banks is also an important activity in the project. Unfortunately, there are no MFIs or banks in the target districts of the project. There are few MFIs on regional/provincial levels but they do not provide loans to rural populations and only target urban population.

The MFIs may take long time to start their operation in the districts due to current instable government and security conditions. Linking the groups to MFIs seems impractical in this operation environment. The project team had already met various local banks and MFIs at provincial and regional level for establish their operations in the target district, however, none has started activities yet. It is therefore, important to explore various effective ways of starting provision of Enterprise Incubation Fund EIF in order to meet the financial needs of the established enterprises.

Strengthening the traditional practices regarding microfinance can also be helpful and can replace the formal MFIs in current situations and their absence. The farmers usually take agriculture inputs such as seeds, fertilizers and others including services as loan from shopkeepers and other sellers while repay the loan once they have collected their harvest and their product is sold in the market. The group members especially in CIGs and Associations can share such resources and practices in order to meet the capital needs of the MEs.

Specific Recommendation 24: The already existing traditional marketing linkages should be explored and enhanced in each district

Market Linkages:

The microenterprises gradually require linkages to the major markets outside their villages. The livestock products are mostly consumed inside the district(s), however agriculture and handicrafts require outside markets. The outside market is complex due to tough competition on quantity, quality, price and varieties. Since the enterprises are getting established therefore the need of linkage to the market is becoming greater.

The project has not worked on marketing facilitation for the MEs in the target districts and is now working on exploring various ways for establishment of market linkages and is therefore currently in process of hiring market linkage officers. The market linkage officers are supposed to explore potential markets of various products in provincial and regional capitals and beyond.

Originally the VEFs were supposed to work on the market linkages as in the proposal however, VEFs capacity is limited and they have insufficient time, transportation facilities and linkages therefore the market linkage officers will be required to work on the related activities.

It would have been better for the project if the Market Linkage Officers were hired earlier so that they can explore market information of various products in the major market and be ready to quickly link the microenterprises once the MEs were created. The project targeted to support at least 4300 members with trainings, improved value added skills, potential market linkages and cross fertilizer visits. So far all of these activities are pending and needs to be started immediately.

The project has however, established 16 CIGs, which are going to be effective in terms of establishing potential marketing linkages and sharing knowledge and resources.

There are various practices which can be applied towards exploring market linkages for various products including but not limited to the following:

- Exploring traditional marketing approaches for certain products such as egg collectors in a village and using them to market the local products
- Creating a telephone directory of both producers and buyers from provincial and regional markets (every product has central markets in each provincial capital such as fresh fruits/dry fruits). Sharing these information will also help in creating market linkages
- Market will always demand high quantity, good quality therefore the CIGs and associations can play a vital role
- The handicrafts of women are more complicated for marketing, therefore it is important to explore market demand of women woven products and produce demanded products not only whatever can be produced. The cost is another major for handicrafts, there are readily available products at lower prices, therefore producing them at reasonable prices is also important. These products also are modernized by converting them to other forms like handicrafts on a tie or t-shirt. The handicrafts can also be very technical in terms of color matching, design and material used.

- Establishing local product markets or shops in district centers or provincial/regional capitals can also be very effective, however, consideration can be given to location and marketing through local media.
- Conducting local exhibitions or facilitating visits to local exhibitions is also important
- Exploring various exposure visits to markets and other successful enterprises is also important and can create better linkages
- Linking the MEs to its related cooperatives or associations (if exists in the district) can also assist in creating market linkages
- Enhancing existing market linkages between farmers, middlemen, market and suppliers. Example : the farmers usually takes loan as fertilizers and repay once they get the harvest

Specific Recommendation 25: The market linkage officers should have been hired earlier in the initial stage of the project, who can assist in the BDS trainings, collecting market demands and databases for better facilitation of the market linkages of the groups, MEs and CIGs

Specific Recommendation 26: Market linkage approaches indicated above should be considered

Common Interest Groups CIGs:

The Common Interest Groups are created from various similar microenterprises having similar production. The CIGs despite other benefits of sharing potential and knowledge can also be effective creating better market linkages. The project has not created CIGs yet, however, it is in process of creating such CIGs.

The project has currently created 16 CIGs in various parts of target districts. However, the project documents do not provide complete guidance towards establishing and supporting CIGs, however the marketing linkage officers need to provide more intensive marketing training to the CIGs in order to be effective.

There is very limited follow up on the CIGs activities from the project team which should be increased in order to ensure the effectiveness of the CIGs. The CIGs will require intensive marketing and value addition trainings for enhancing their capacities thus contributing towards MEs sustainability.

The CIGs have their own challenges including distance between MEs requiring transportation and consuming time. The CIGs is therefore more difficult for among women who have more problems in going out of their homes.

Specific Recommendation 27: The creation of CIGs is important and is a similar approach to Enterprise Groups (EGs) of AREDP/MRRD, therefore the EG model can be used to enhance the CIGs

Exit Strategy:

Exiting the communities and leaving the groups is major step towards completion of the project. A smooth exit has greater effects over the sustainability of the project outputs. It is therefore important to plan the exit very carefully through a step by step process. The exit

should not be sudden but be more gradually taken and any negative impact should be avoided over the project outputs. The FSD of HIH provides only basic guidance on the exit strategy from the communities subsequently with the project completion. However, it is important to provide more details to the project team on various steps to be carried out before just closing the project and exiting. The exit strategy could include but not limited to the followings:

- Defining step by step process and plan gradual downsizing
- Preparing the groups for the exit (providing orientation sessions)
- Groups Assessment towards graduation and issuing certifications
- Linking groups to various institutions especially MRRD/AREDP representatives

Group graduation:

The FSD (MIS) provides some basic guidance on yearly capacity evaluation of groups, however, the capacity evaluation of the groups is not yet carried out. The capacity assessment of the groups on yearly basis will provide sufficient insights on the groups' capacity and gaps in order to make steps toward necessary improvements and support in order to make the group ready for graduation from the project. This means that the group is now self-sufficient and is ready to carry on the activities without any support from HIHAF.

The group capacity evaluation needs to be defined more in details with set of criteria for the field team. The group capacity assessment could be carried out by other staff than VEFs such as the Master Trainers, M&E officers, District Managers and District Assistants through an already developed detailed evaluation toolkit. The capacity assessment of the groups will lead path towards graduation of a group.

The graduation of the groups will make the exit easier and more effective. The assessment for graduation of a group further provides evidence of sustainability. The assessment of group graduation needs to be included in the yearly project work plan.

Timeline for a group graduation:

The objectives of the project are to establishing suitable SHGs to assist its member to increase their income resulting in gradual improvement of their living condition. The project will once withdraw from the target communities upon completion of the project, while the groups should remain active in the communities. They will require certain level of readiness for such withdrawal as well need a level of capacity to continue on their own. Therefore not only developing tools for exploring group preparation for graduation but other necessary internal and external factors required for the group graduation also needs to be evaluated on periodic basis.

Sufficient training, mentoring, guidance, other support and time are among the most important factors for increasing the capacity of the groups and gradual graduation from the project. Currently the project in the target districts are planned for 30 months, where 1-3 months are used for mobilization and the rest of the time is dedicated toward capacity building, savings, enterprise development, lending and book keeping. The remaining time despite initial mobilization seems sufficient theoretically, however, the environment of Afghanistan for such program is very different. Afghanistan is a post-war, decades of post-civil unrest and currently unstable country with increasing insecurity, low stability and very low literacy rate affecting the

program effectiveness. There is also lack of institutions that could carry on the groups beyond the project completion.

Therefore, it seems necessary to consider a follow up second phase of the project with minimal operation to carry on the groups after completion of the project for couple of more years.

Specific Recommendation 28: Project needs a clear and well developed exit strategy in order to smoothly exit from the areas without affecting the sustainability of the groups and MEs. Therefore the exit strategy should be developed and all the project staff and beneficiaries need to be oriented in this regards. This exit strategy should consider the group maturity evaluation criteria, group graduation and handover issues.

Specific Recommendation 29: The project team should not wait for project completion to exit but can gradually exit the groups which are reaching their maturity level and can operate on their own based on the pre-developed maturity criteria

Specific Recommendation 30: The handover of the groups to the appropriate entity in the district needs continuous efforts and MRRD staff in the district should be involved in the project implementation in order to facilitate the handover at latter stages of the project

Coordination with stakeholders:

HIH Af currently has very good coordination with representative of Ministry of Economy (MoEC), Ministry of Labor, Social Affairs, Martyred and Disabled (MOLSAMD) and Ministry of Rural Rehabilitation and Development MRRD for the project execution. The MRRD has similar program called Afghanistan Rural Enterprise Development Program (AREDP) in various target provinces of Afghanistan. The MRRD/AREDP has limited resources and is currently unable to reach Samangan provinces.

The MRRD/AREDP is supposed to take over the groups once they are graduated from HIHAF. However, there is no formal memorandum of understanding MOU between HIH and MRRD/AREDP. There has been good coordination with MRRD/AREDP ministerial staff, provincial representative and district representatives of MRRD, whoever there is no promise on the fact that MRRD will take over the groups. It seems that currently MRRD/AREDP has no policy and/or no resources for taking over the groups from HIH AF. It will be effective to have an MOU with MRRD in this regards in order to involve them in the project implementation and beyond.

Specific Recommendation 31: The AREDP/MRRD must be involved and should take-over the groups, the issue to be raised at the MRRD senior management level.

Human Resources:

The project has hired almost all the required staff members originally planned. The staff members including EIF officers and Marketing Linkage Officers are in hiring process. It would have been better for the project that Marketing linkage officers have been hired earlier for conducting market assessments and other necessary preparations towards creating effective marketing linkages. Similarly the EIF officer should have been hired earlier so that the project could start the provision of loan by now.

The VEFs are hired locally from the target districts, who are familiar with local conditions and cultural issues and therefore are able to access the target communities easily. They have been effective in formation of SHGs, their trainings and assisting the groups in bookkeeping. The VEFs need to have some and follow up trainings and exposure visits to other districts for exchanging information and building their capacity further.

Specific Recommendation 32: The remaining planned team members such as Market Linkage Officer, EIF Officer should be hired as soon as possible

Specific Recommendation 33: The capacity of the VEFs should be further enhanced by providing further trainings to them

Monitoring and evaluation M&E and MIS:

The Senior M&E officer has recently hired which has greater impact over the overall M&E approaches and procedures. This will have good impact over the project effectiveness. However, stronger reporting and continuous follow up on the M&E findings are recommended.

HIH Af has now a developed online database for the data and reporting of the groups. This database is managed by MIS Officer, while the data is fed by the district assistants. Since the database is recently completed there is a huge backlog of the data to be entered and therefore the HIH AF is considering hiring temporary data entry officers to cover the backlog. Once the data entry is completed the database will be to develop more comprehensive and analytical reports on the groups, its members and other success indicators.

The MIS database is now online which is causing some delays due to poor internet connections in the targeted districts; therefore offline database is more preferred and easy in current situations.

Specific Recommendation 33: The feedback on the M&E findings must be tracked in the M&E reporting flow in order to ensure that M&E findings are addressed in the field

Specific Recommendation 34: The MIS database to be completed as soon as possible in order to facilitate more analyses on the project outputs. The backlog data to be entered and the data entry problems (lack of internet connection) to be resolved at the district level.

Overall Project Challenges/Assumptions and way forward:

Some of the major project challenges includes the followings:

Challenge	Way forward
Project is facing challenges towards creating market linkage	Market linkage officer to be hired and the recommendations in this report to be considered
Follow up on Microenterprises	Creation of CIGs and BDS officers will be able to support and follow up on the MEs.
Community mindset of getting free assistance /expectations	Project concept is more popular in women and the project is already giving priority to women. Stronger mobilization and community

	awareness regarding benefits of the project is necessary and an ongoing process
Lack of MFIs and banks	EIF has to start ASAP and some traditional lending practices to be followed
Delay in EIF	The EIF officer to be hired and EIF needs to start soon
Lack support of Gov't	Coordination and sharing information with the government is advised
Requirement of data (MIS) of the project outputs	MIS database to be updated and backlog of the information to be entered
Lack of telecommunication and internet connection in the districts	Using services of local internet providers and offline database option should be considered
Delays in procurement of toolkits	Procurement officer to be hired to speed up the process
Insecurity	Maintaining low profile and using other safety measures are advised
Lack of capacity of staff members (field)	The VEFs needs more consideration on building their capacities, continuous and follow up trainings, exposure visits will be important
Low literacy rate among beneficiaries	Life skills training is addressing this issue
Access to far communities due to distance and bad road conditions	District offices and sub district offices will somehow address the issue however it might have more cost.
Lack of livestock clinics	It can be a good microenterprise for the community members and they can establish such clinics with support from EIF
Problems in bookkeeping	Follow up trainings to the communities and VEFs as well direct training sessions to key members of the groups by Master trainers and including the book of records into the literacy course will be effective.
Project timeline	The project timeline require extension especially for EIF collection as well as sustainability issues

References and Documents Reviewed

- Project Document (or proposal)
- Project logical framework and other different time and steps work plans
- Baseline surveys
- Operations Manual and implementation procedures
- Project progress reports as of end May 2015
- Financials as of end May 2015
- Project progress data on the established groups
- Monitoring and Evaluation Reports
- Human Resource related documents and data
- Relevant policies
- Training report
- Expected sources of funding documents
- Budget for action plan
- HIH human Resources policies documents
- Financial policies documents
- HIH Afghanistan 2014-2017 strategic plan
- 2014 and 2015 narrative report
- Different financial reports
- Baseline Socio-Economic Survey report
- Anticorruption policies documents
- Conflict of interest documents
- HIH environmental policies documents
- Child protection policies documents
- Current program challenges, recommendations and way forward.
- Operations Manual MRRD/AREDP
- Progress Reports and Newsletter MRRD/AREDP

Meetings, Interviews, focus groups discussions and contact information

HIH Kabul office	Participants/Interviewee	Designation	Number of	Agenda	Phone number
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			meetings /Group Discussion s		
Group meetings/group discussion	Mr. Abdul Rahim Nasri Mr. Mehmood "Nadari"	Country director and finance manager	2	<ul style="list-style-type: none"> Introduction HIH, AICB introduction discussion on proposal (technical and financial) implementation planning discussion 	0780059981 0772350603

Balk office meetings

HIH Balk office	Participants	Designation	#of meetings /Group Discussion s	Agenda	Phone number
Group Discussions	Mr. Abdul Rahim "Nasri" Mr. Kamran "Hekmati"	Country director Program manager	5	<ul style="list-style-type: none"> Introduction, -review planning discussion, requesting for required documents discussions on project activities, outputs, gaps, challenges and wayforward 	0780059981 0799108196
Group discussions	Mr. Abdul Rahim Nasri Mr. Kamran Hekmati Mr. Mohamad Rafi Azimi Mr. Ahmad RukiAmiri	Country director Program manager Dpty program mgr Sr. Finance and admin	2	<ul style="list-style-type: none"> Project activities reviewing department wise introduction planning Skype 	0780059981 0799108196 0795225141 0799843843

				meeting with HIH international staff	
Group discussions	Mr. Abdul Rahim Nasri Mr. Kamran Hekmati Mr. Mohamad Rafi Azimi Mr. Ahmad RukiAmiri Mr. Najeeb "Essazada" Mr. Haseebullah "Salimi" Ms. Manizha "Baburi" Mr. Ruhullah "Hashumi" Mr. Maqsudullah			<ul style="list-style-type: none"> ▪ department wise program introduction, reviewing -staff introduction, reviewing ▪ detailed program reviewing 	
Individual meetings/departments visiting	Mr. Abdul Rahim "nasry"	Country director	2	-interview , review on program ongoing activities related to director department	0780059981
Individual meetings/departments visiting	Mr. Dr. Hekmati	Program manager	1	Interview and Program department reviewing	0799108196
Individual meetings/departments visiting	Mr. Ahmad Rafi "Azimi"	Deputy program manager	1	Interview and Deputy program department reviewing	0795225141
Individual meetings/departments visiting	MR. Ahmad Ruki "amiri"	Sr. Finance Admin manager	1	Interview and Finance department	0799843843

				reviewing	
Individual meetings/departments visiting	Mr. Najeeb "Essazada"	Literacy master trainer	1	Interview with literacy officer and department reviewing	0795338301
Individual meetings/departments visiting	Mr. Haseebullah "Salimi"	Sr. Capacity development officer	1	Interview and capacity building department reviewing	0793506554
Individual meetings/departments visiting	Ms. Manizha "Baburi"	Sr. M&E officer	1	Interview and M&E department reviewing	0787420523
Individual meetings/departments visiting	Mr. Ruhullah "Hashumi"	Sr. EIF officer	1	Interview and EIF department reviewing	0799686080
Individual meetings/departments visiting	Mr. Maqsoodullah	MIS officer	1	Interview and MIS department reviewing	0798899075

Field meetings Dar-e-Soufbala and Dar-e-SoufPayan

Types of meetings	Focus group name /Interviewee	Designation	#of meetings /Group Discussions	Agenda	Phone number	Location
Group discussion	-Mr. AB Raziq Sharif -Mr. Hayatullah "Sirat" -Mr. KhwajaAhmad ullah -Ms. Jamila Ghourbandi	-Dar-e-Soufbala district manager -M&E office -Dare-e-SoufPayandi strict manager -M&E officer	2	- Introduction -field discussion -field visit planning development -visit pre-SHG and CIGs selections	0779005812 0777101346 0771411499 -	Dar-e-SoufPayan, HH office
Individual interview	Mr. Gumagul	VEF of Dar-e-Soufbala	1	Interviewing and		Dar-e-Soufbala

				reviewing the VEF activities in		
SHG review and interviewing	Ms. Zahra	Head of Gul Roza SHG	1	Intervening and Reviewing SHG	0777955134	D-S-B Taqchakhana village
CIG review and interviewing (women)	MS. Fareba	Head of Gul-e-Sunbal CIG	1	Intervening and Reviewing CIG	0776637648 HIH phone	D-S-B, Taqchakhana village
SHG review and interviewing (women)	Ms. Zarghona	Head of Gul-e-Rehan SHG	1	Intervening and Reviewing CIG	0770806147	D-S-B, Qarqestan village
CIG review and interviewing (women)	Mr. Bakhtawar (husband name)	Head of Gul-e-Gulab CIG	1	Intervening and Reviewing CIG	0776637648 HIH phone	Taqchakhana village , D-S-B
CIG review and interviewing(women)	Ms. Marzea	Head of LALAh CIG	1	Intervening and Reviewing CIG	0777103129	Behsood village in D-S-B
SHG reviewing and interviewing (women)	Ms. Fazela	Head of Yasameen SHG	1	Intervening and Reviewing CIG	0765544902	D-S-B, Behsood village
CIG reviewing and interviewing (male)	Mr. Mohammad Musa	Head of Omaid-e-Amirdad SHG	1	Intervening and Reviewing CIG	0770917176	Dar-e-Soufbala
CIG reviewing and interviewing (male)	Mr. Din Mohammad	Head of Shaheen SHG	1	Intervening and Reviewing SHG	not available	Dar-e-Soufbala
SHG reviewing and interviewing (male)	Mr. Sayeed Sarwar	Head of Estiqlal SHG	1	Intervening and Reviewing SHG	0776776975	Dar-e-Soufbala
Dar-e-Soufpayan						
SHG reviewing and interviewing (women)	Ms. Aatifa	Head of Khorshid SHG	1	Intervening and Reviewing SHG	077455914	Dare-e-Soufpayan
SHG reviewing and	Ms. Hakeemajan	Head of Nazaneen	1	Intervening and	0770189626	Talkh village

interviewing(women)		SHG		Reviewing SHG		
CIG reviewing and interviewing(Women)	Ms. Kamila	Treasure of Arzoo SHG	1	Intervening and Reviewing CIG	0773590440	Tang-e-Yaqoob village
CIG reviewing and interviewing(male)	Mr. Haji sayed Mohammad Bakhter	Head of NoleSaghan a CIG	1	Intervening and Reviewing CIG	0774613644	Dar-e-soufPaya n
SHG reviewing and interviewing(male)	Mr. Rahmatullah	Head of Adalat SHG	1	Intervening and Reviewing SHG	0775989749	Dar-e-Soufpaya n
CIG reviewing and interviewing(male)	Mr. Sayeed Shafiullah	Head of Maywand CIG	1	Intervening and Reviewing CIG	077812703	Dar-e-SoufPaya n

Meetings with Key stakeholders in Samangan province:

Samangan Province	Participants/interviewee	Designation	#of meetings	Agenda	Phone number	Location
Meetings with MRRD representative	Mr. Hussain "Sabghat"	MRRD representative	1	<ul style="list-style-type: none"> Providing feedback, perception, recommendation and suggestion regarding Supporting Rural Entrepreneurship and Promoting Women's Socio-economic Empowerment improvement and effectiveness 		Dar-e-SoufBala
Meeting with MRRD representatives	Mr. Qudratullah		1	<ul style="list-style-type: none"> Providing feedback, perception, recommendation and suggestion regarding Supporting Rural Entrepreneurship and Promoting Women's Socio- 	0775272610	Dar-e-soufPayan

				economic Empowerment improvement and effectiveness		
Meeting with the Head of Economic in Samangan province	Mr. FareedKhuda Jo		1	<ul style="list-style-type: none"> ▪ The meeting was conducted to receive the perception, recommendation, and suggestion for improvement regarding Promoting Women's Socio-economic Empowerment improvement and effectiveness ▪ regarding monitoring and corrective action for improvement ▪ regarding coordination and collaboration ▪ regarding future assistance 	0799255527	Aibak of Samangan province
Meeting with the Head of MRRD in Aibak of Samangan province	Mr. Engineer Mohammad Asif "Dawlatshahee"	Head of MRR in Samangan province	1	<ul style="list-style-type: none"> ▪ The meeting was conducted to receive the perception, recommendation, and suggestion for improvement regarding Promoting Women's Socio-economic Empowerment improvement and effectiveness ▪ regarding monitoring and corrective action for improvement ▪ regarding coordination and 	0794830213	Aibak of Samangan province

				collaboration ▪ regarding future assistance		
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