
Hand in Hand Group

Six-month Progress Report

October 2011 – March 2012

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Introduction

1. This report summarizes the progress made by the Hand in Hand Group during the six-month period October 2011 – March 2012. It covers the activities of all six Group organizations – HiH India, Afghanistan, Eastern Africa, Southern Africa, Sweden and International (including the HiH International team in Brussels). The focus is on implementation and results in India, Afghanistan, Eastern Africa and Southern Africa.
2. Our mission is to reduce poverty through sustainable job creation that raises family income. We do so through the social and economic empowerment of the poorest and most marginalised people, the majority of whom are women. Raising family income contributes to greater food security, better education of children, increased access to medicines and healthcare, and improved housing.
3. To date the HiH Group has mobilized just over 770,000 people into self-help groups (SHGs) and helped create about one million jobs; five million people have benefitted from these jobs. The work began in India and HiH India has delivered the majority of these results; however, HiH Afghanistan, Eastern Africa and Southern Africa are rapidly expanding their operations. In addition, HiH India helps reduce poverty through its four other “pillar” programs, which build on the SHGs: child labour elimination, environment, health and citizen centres. Well over two million people have seen their lives improved through these four programs. Hence, a total of more than seven million people have so far benefitted from the work of Hand in Hand.
4. This is our second semi-annual progress report. Continued feedback is appreciated.¹

Highlights

5. Consolidation and expansion continued over the past six months with further progress seen in all regions; some 56,000 new SHGs and 116,000 new jobs were created in this period. HiH India continues to lead the way and its approach is being adapted by the three younger organizations to suit local needs and circumstances. In total, another 5,000 self-help group members have been mobilised and trained by these three organizations during the reporting period.

India

6. HiH India continues to produce impressive results, creating another 108,800 jobs during the past six months. Access to credit expanded further; another \$27 million in microcredit was provided through various channels to help create and grow enterprises. In addition to direct job creation, HiH India also continues to expand its other four pillar programs, helping to improve lives and reduce poverty.
7. HiH India has just received the preliminary results of an independent study conducted by Micro-Credit Ratings International Limited (M-CRIL), which was tasked with validating its job numbers.

¹ A number of improvements are being considered for future reports, including annexes with case studies that would give a better sense for the reality and the impact behind the words and the numbers in the report. Other suggestions would be greatly appreciated.

Using field surveys and other means, M-CRIL estimates that HiH India had helped create a total of 1.16 million sustained jobs as of end March, 25% more than what was reported as of that date. The final report will be available in June and future six-monthly reports will reflect the validated numbers. HiH India is certainly well on track to achieve or exceed its goal of 1.3 million jobs by 2014.

8. HiH India is expanding its operations into northern India and an office has been established in Delhi to support the expansion, including fundraising. Continuing to build on its success, HiH India is also developing programmes outside India. HiH Lanka has been set up in Sri Lanka. Partners have been identified for work in Cambodia and Myanmar, and planning and fundraising are under way for those operations as well. Additionally, consideration is being given to provide some support in the Philippines and in Central America.

Eastern Africa

9. HiH Eastern Africa has just completed a successful first year of operations, which has focused on social mobilization, group formation and training. Its draft Strategic Plan outlines a period of sharpened focus on enterprise and job creation among its SHG members before further expansion into the Rift Valley region later this year. HiH Eastern Africa's partnership with the Kenya National Agriculture and Livestock Expansion Programme (NALEP) has been instrumental in the organization's rapid growth. NALEP came to an end in December 2011 and has been replaced with the Agriculture Sector Development Support Programme (ASDSP), with whom HiH Eastern Africa will continue to collaborate. HiH Eastern Africa will shortly start a microfinance program (Enterprise Incubation Fund) and is preparing for its rollout.

Afghanistan

10. HiH Afghanistan has completed a draft Strategic Plan which gives priority to strengthening the current base of operations in the Balkh province, including expansion into an additional district, Sholgara. Thereafter, it will explore possibilities of starting operations in the Nangarhar, Parwan and Herat provinces. HiH Afghanistan is currently placing major emphasis on further strengthening the organization and building its capacity to grow in line with its Strategic Plan. It is introducing a stronger Management Information System, which will support its monitoring and evaluation, as well as allow for increased loan volumes under its micro-credit program. Drawing on its loan experience to date, HiH Afghanistan is developing additional loan products that are Sharia-compliant and in line with the demand seen among its SHG members.

Southern Africa

11. HiH Southern Africa has also completed a draft Strategic Plan. Whilst its main operations continue to be in South Africa, it is also operating in Swaziland and has, in the past few months, started operations in Zimbabwe (in partnership with the Swedish Cooperative Centre). HiH Southern Africa aims to start operations in Lesotho later this year. HiH Southern Africa recently engaged a microfinance consultant to help set up an Enterprise Incubation Fund and launch its lending program. The consultant is assisting with the design of policies, products and procedures of the Fund. HiH Southern Africa has also prepared an ambitious fund raising plan for South Africa and is exploring a number of funding and partnership opportunities there.

Funding

12. The recently completed draft Strategic Plans set out the approach, results to date, targets and funding needs for each organisation. These Plans will be regularly updated and used to assess group-wide funding needs and help further focus and prioritize fundraising efforts. They indicate the need for at least \$40 million in additional funding through 2014.
13. HiH's fundraising efforts have resulted in significant growth in donations. In the case of HiH International, total donations in financial year April 2011 – March 2012 increased 30% over the previous year, to a total of \$9.6 million. Particularly welcome is an increase of more than 200% in unrestricted funding from both existing and new private and corporate donors; this can be used flexibly for capacity building and urgent priority funding needs of any partner organization. Principles and criteria for the allocation of unrestricted funds among partners have been articulated and discussed in the HiH Global Council and agreed by each implementing partner organization. Additionally, concerted efforts continue for new country- and project-specific donations with a focus on foundations, bilateral development organizations and the European Commission.
14. A HiH Group Fundraising Strategy has been prepared in order to help meet the funding gaps. It sets out the challenges, objectives and guiding principles for the Group's fundraising efforts. Of particular importance is the bigger role each member of the HiH Group will play through local fundraising efforts in each country – in India and South Africa in particular but also in Kenya and Afghanistan – which will complement and support the global efforts led by HiH Sweden and HiH International.
15. HiH Sweden and HiH International continue to strengthen their collaboration through regular meetings, a common fundraising strategy, joint country visits and agreed funding priorities. Over the past year, HiH Sweden has broadened its geographical coverage with funds now channelled to HiH Eastern Africa and HiH Southern Africa in addition to HiH India. A visit by HiH Sweden to HiH Afghanistan is being considered to explore the possibility of also funding its operations.

Microfinance

16. HiH India is well advanced in the provision of microfinance to its self-help group members, including through its sister microfinance organization Belstar. HiH Afghanistan, HiH Eastern Africa and HiH Southern Africa are at various stages of defining the appropriate credit activities to meet the needs of their respective beneficiaries, taking into account local regulations, markets and customs, including Sharia in the case of Afghanistan. In order to raise funding for such microfinance operations, HiH International is setting up a Business Incubation Fund to which investors and donors can contribute. A first investor commitment has been received.

Social Entrepreneurship Programme

17. HiH International and HiH Eastern Africa are preparing the 2nd annual Social Entrepreneurship Programme (SEP). Building on the success of the first SEP, which was hosted by HiH India last August, this year's programme, hosted by HiH Eastern Africa, will take place in Limuru, Kenya, September 24-28, 2012. Professor Kasturi Rangan of Harvard Business School will again lead the five-day course, which will include a mix of both classroom-based learning and visits to HiH Eastern Africa's and JamiiBora's field operations. Annex 1 provides an overview of the 2012 SEP.

The Global Council

18. The six CEOs of the HiH Group meet every six months as the HiH Global Council to discuss strategy, review implementation, share lessons and agree on new partnerships and new country programs. The Council met most recently in Chennai, India, at the end of January 2012, for three days of field visits, workshops and discussions. Topics included the country strategic plans, HiH's expansion into new countries and the selection of prospective partners. Additionally, the Council discussed the importance of communicating to donors clear priorities, targets and plans for implementation and evaluation. The host, HiH India, organized workshops on enterprise promotion, monitoring and evaluation and management information systems. The workshops served as a valuable opportunity for Council members to learn from HiH India's vast experience and its success in implementing the HiH approach. Additionally, this furthered the Group's efforts of developing a common framework for the collection and reporting of results data.
19. The next Global Council meeting will be held in Stockholm, Sweden, for three days at the end of May 2012. The meeting will be hosted by HiH Sweden and will include discussions with a number of donors in addition to the Council meeting itself.

Looking Ahead

20. The operations of the HiH Group are growing quickly and a number of critical building blocks are being put in place, both organizationally and financially. Donors are not only tremendously supportive with both funds and advice, but are also clear in their expectations and requirements, which help build discipline within the organizations. We have capable and committed staff throughout the Group, working tirelessly to achieve our objectives, learning from experience and constantly adapting and strengthening our methodology. Major challenges remain, however. The three younger organizations still have some way to go to establish a consistently strong track record of job creation across their programs but are highly focused on this. Sharing of experience and knowledge across the organizations helps, and they all have much to learn from HiH India in particular. Fundraising will also continue to be a major challenge, and strong track records with sustained results that are independently validated are critical to help build confidence and support among donors.
21. Over the coming months, more emphasis will be placed on synthesizing knowledge and documenting the HiH approach, including lessons learned and adaptations made in different country contexts. Such knowledge will increasingly be shared with new partners in new countries who will be encouraged to start job creation programs using the HiH approach, thereby leveraging our impact and taking us more rapidly towards the ultimate goal of poverty eradication.

Detailed Results

22. Figure 1 below shows cumulative HiH Group results since the start of operations, as of end of March 2012. Figure 2, which follows, illustrates the growth in SHG members and jobs since March 2011.²

Figure 1: HiH Group Results

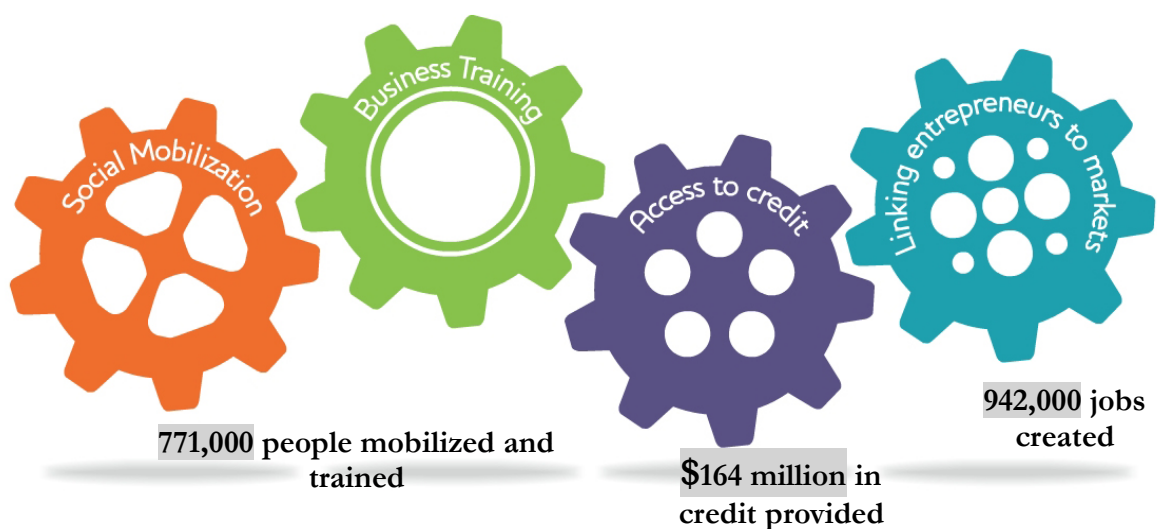
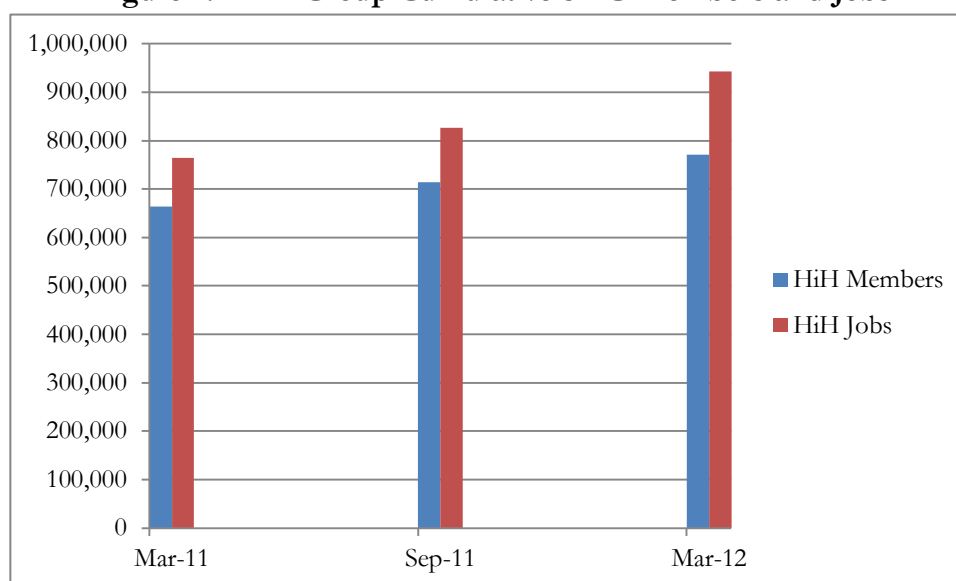


Figure 2: HiH Group Cumulative SHG Members and Jobs



² HiH India's monitoring and reporting systems are robust, having been developed, used and evaluated over several years. The three younger organizations are still in the process of firming up definitions of metrics and putting their own monitoring and reporting systems in place. Some of their numbers remain soft and may, therefore, have to be adjusted in upcoming progress reports.

23. The following table shows, in more detail, HiH Group results over the six-month period from October 2011 through March 2012, as well as Group cumulative results.

Table 1: HiH Group 6-month and Cumulative Results

	Cumulative Results Through Sept 2011	6-month Oct 2011-Mar 2012 Results	Cumulative Results Through Mar 2012	6-month growth
SHG members	714,816	56,244	771,060	8%
% Female SHG members	76%	78%	78%	3%
Enterprises Created ¹	709,867	98,665	808,532	14%
Jobs Created ¹	826,430	116,272	942,702	14%
Credit	137.3m	27.0m	164.3m	20%
Repayment Ratio	99.8%	99.8%	99.8%	0%

¹ Enterprises and Jobs Created reflect enterprises and jobs as defined by each HiH implementing organization in their monthly report.

India

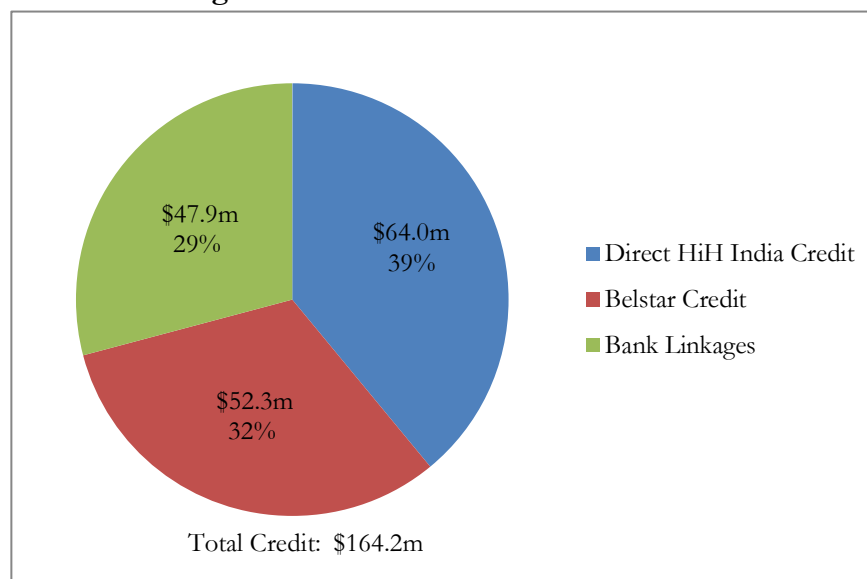
24. HiH India continues to perform at a remarkable pace, adding 51,100 SHG members and 108,800 jobs during the past six months. With members now more than 740,000 and jobs created just over 930,000, the program's scale and poverty impact are impressive. Table 2 below summarizes HiH India's performance over the reporting period.

Table 2: HiH India 6-month and Cumulative Results

	Cumulative Results Through September 2011	6-month Oct 2011-Mar 2012 Results	Cumulative Results Through March 2012	6-mo growth
SHG members	690,359	51,152	741,511	7%
% Female SHG members	100%	100%	100%	0%
Enterprises Created	708,461	92,478	800,939	13%
Jobs Created	822,237	108,802	931,039	13%
Credit	\$137.3m	\$27.0m	\$164.2m	20%
Repayment Ratio	99.8%	99.8%	99.8%	0%

25. HiH India continues to be a microcredit leader. As shown below in Figure 3, the organization has over the years, provided a total of \$164 million of credit through the three channels it has at its disposal.

Figure 3: HiH India - Credit Channels



26. HiH India also continues its effective work under its other four pillars. The following key numbers exemplify the impressive scale of these programs and the progress made over the past six months:

- Child labour elimination:
 - Child labour was eliminated from an additional 46 panchayats (townships or groups of villages) during the reporting period, bringing the total number of child-friendly panchayats to 878.
 - More than 800,000 formerly working children have passed through HiH India's schools and into regular schools.
- Environment:
 - An additional 57,000 households were covered by the solid waste management program, bringing the total number of households covered to 284,000.
 - An additional 409,000 hectares were covered by the water resource management program, bringing the total to 1.6 million hectares.
- Health:
 - An additional 6,948 women were brought out of anaemia, bringing the total number to 9,345.
 - An additional 603 children were brought out of malnutrition, bringing the total number to 6,409.
 - An additional 991 toilets were constructed, bringing the total number to 6,890.
 - An additional 1,916 SHG members were trained as health workers, bringing the total number to 6,699.
- Citizen Centers:
 - An additional 124 citizen centers were established, bringing the total number to 2,907 reaching several million people. 835 panchayats now have citizen centers.
 - An additional 52,113 persons were trained in e-literacy, bringing the total number trained to 278,524.

Afghanistan

27. HiH Afghanistan is making good progress in spite of the many challenges it faces, including security. As seen in the significant growth in enterprises created, HiH Afghanistan focused during this period on assisting its current membership base in starting enterprises (please see Table 3).

Table 3: HiH Afghanistan 6-month and Cumulative Results

	Cumulative Results Through September 2011	6-month Oct 2011-Mar 2012 Results	Cumulative Results Through March 2012	6-mo growth
SHG members	10,031	470	10,501	5%
% Female SHG members	46%	45%	45%	-2%
Enterprises Created	655	635	1,290	97%
Jobs Created ¹	n/a	n/a	1,935	n/a
Credit	\$0.07m	\$0.04m	\$0.11m	66%
Repayment Ratio	n/a	n/a	n/a	n/a

¹ Only the end-March cumulative numbers of jobs is reported because HiH Afghanistan did not previously report number of jobs. During the 6-month period, it completed a survey and an estimate of jobs created. The number of jobs created is now reported on a monthly basis.

Eastern Africa

28. HiH Eastern Africa continued its strong performance, growing its SHG membership nearly 50% over the past six months. In just a year since commencing operations, the team has mobilized 12,700 members, which tracks well against its aggressive first-year target of 14,000. As indicated in Table 4 below, the results of the organization's strong mobilization efforts began to come to fruition during the reporting period as approximately 5,000 jobs were created.
29. As also reflected in Table 4, HiH Eastern Africa has not yet begun its microfinance program, with its SHGs accessing other sources of finance. The organization is currently evaluating the best approach to its microfinance activities, including developing appropriate loan products, and expects to start lending in the coming months.

Table 4: HiH Eastern Africa 6-month and Cumulative Results

	Cumulative Results Through September 2011	6-month Oct 2011-Mar 2012 Results	Cumulative Results Through March 2012	6-mo growth
SHG members	8,611	4,104	12,715	48%
% Female SHG members	75%	84%	84%	12%
Enterprises Created ¹	n/a	n/a	5,535	n/a
Jobs Created ²	0	4,964	4,964	n/a
Credit	\$0.0m	\$0.0m	\$0.0m	n/a
Repayment Ratio	n/a	n/a	n/a	n/a

¹ During the period, HiH Eastern Africa began using a strengthened monitoring system, which allowed them to capture more accurately Enterprises Created; thus the table shows only the cumulative number as of end-March. The number of enterprises created is now reported on a monthly basis. Some SHG members set up and run more than one family based enterprise.

² HiH Eastern Africa is currently reviewing its definition of a job. The current figure reported is therefore soft and may be adjusted.

Southern Africa

30. As indicated in Table 5 below, HiH Southern Africa showed solid growth during the reporting period. Of particular note is the strong growth in enterprise creation, which follows a strategic shift in the balance of effort and staff skills from social mobilization / SHG formation to enterprise development.

Table 5: HiH Southern Africa 6-month and Cumulative Results

	Cumulative Results Through September 2011	6-month Oct 2011-Mar 2012 Results	Cumulative Results Through March 2012	6-mo growth
SHG members	5,815	518	6,333	9%
% Female SHG members	84%	84%	84%	0%
Enterprises Created	527	241	768	46%
Jobs Created	4,193	571	4,764	14%
Credit	\$0.0	\$0.0	\$0.0	n/a
Repayment Ratio	n/a	n/a	n/a	n/a

31. Similar to the credit situation in Eastern Africa, HiH Southern Africa has not yet begun lending money to its members but is currently developing its micro-finance strategy and products. The organization has engaged microfinance consultants and expects to begin lending within the next few months. In the meantime, SHG members primarily use internal savings to start and grow enterprises, but they do need access to larger amounts of financing.

Looking ahead

32. As previously mentioned, all HiH organizations have now completed three-year draft Strategic Plans, which outline their approach, results targets and associated funding requirements. Table 6 below summarizes the aggregate results targets³.

Table 6: Key Annual Targets 2012-2014¹

	2012	2013	2014	Total	Cumulative Projected Results
Members	200,050	182,535	197,210	579,795	1,350,855
Enterprises Created	178,102	205,093	223,535	606,730	1,415,262
Jobs Created	234,343	274,662	299,762	808,767	1,751,468

¹ The exact period varies, but broadly reflects the January to December Calendar year. Specifically for India, the respective years represent its April to March financial year.

³ HiH India is completing and updating its strategic plan numbers for its financial year April 2014 to March 2015, which in the following tables equates to 2014. In the absence of final numbers, this report simply assumes approximately the same HiH India numbers for 2014 as for 2013 in Tables 6 and 11, which is likely to be a conservative assumption in view of HiH India's current growth rate.

Challenges

33. The implementing organizations obviously encounter a number of challenges in their work – both problems that need to be addressed and opportunities that should be grasped. This is normal and to be expected. Such challenges and how they are being addressed are, and will be, discussed in greater detail in other documents, including the Strategic Plans, but a few summary examples are given below.
34. **Entitlement:** In some communities there is a tradition of receiving government and/or donor grants with few strings attached. To break this sense of entitlement and the expectation of “hand-outs” requires patience, education and positive reinforcement through case studies and examples that demonstrate the benefits that can be gained by taking charge of one’s own life.
35. **Market linkages:** Identifying and exploiting opportunities to market the products and services of the small, often family-based, enterprises being created is challenging. Initially, the local community and village provide the market, but this is normally not sufficient to reach scale and significantly raise incomes. To serve bigger markets in nearby towns and larger stores requires quality assurance, packaging and reliability of deliveries, which are major challenges for small start-ups but also represent major opportunities.
36. **Security:** Security is a major problem in some countries and communities, particularly in Afghanistan but also in parts of Africa. The fact that all HiH organizations only hire local staff helps reduce risks to some extent, but security nevertheless remains a major concern and can limit the choice of areas to work in. At the same time, creating jobs and reducing poverty will, in the long run, help improve security.
37. **Distances:** Low density of population with long distances between villages and also between individual homes, as often is the case in Africa, makes it a challenge for self-help groups to meet regularly. It also raises the cost of transport for HiH staff.
38. **Staffing:** Achieving the right balance between social mobilization skills and business training skills among staff is a challenge. The latter skills are often not easy to find, particularly as staff must be able to work with self-help group members who often are illiterate and have little or no business background. The relatively modest salaries that can be paid by NGOs such as HiH also make it difficult to attract and keep good staff. Nevertheless, as is shown by the HiH organizations, it is possible to attract good and motivated staff that are drawn to development work and want to work with effective and well managed development organizations that clearly make a difference.
39. **Measuring outcome and impact on peoples’ lives:** The HiH Group is currently focused on measuring and reporting on the number of jobs that have been created. Over time more emphasis will be placed on the more challenging task of measuring the actual increase in family incomes and improvements in education, health and living conditions. Some outcome studies have been done by HiH India and a major 5-year such study is being undertaken for the HiH India project funded by Voxtra (Norway). This study began three years ago and is being independently done by the Institute for Financial Management and Research (IFMR, <http://www.ifmr.ac.in/>) in cooperation with the MIT Poverty Action Lab. It will be completed in September 2014 with interim results available at the end of 2012.

Finance⁴

40. Table 7 below summarizes the financial results for HiH International in its financial year ended March 31, 2012. It shows the flow of unrestricted donations (i.e., not earmarked by the donor for a particular HiH organization) and restricted donations (that are earmarked for specific organizations).

Table 7: HiH International Financial Summary for April 2011 to March 2012⁵

Financial Year 2011-12						
(\$ in 000s)	Unrestricted	Afghanistan	India	Eastern Africa	Southern Africa	HiH Int'l Total
Inflows	\$ 7,463	\$ 678	\$ 1,114	\$ 182	\$ 129	\$ 9,566
Outflows	\$ 2,161	\$ 726	\$ 1,272	\$ 642	\$ 647	\$ 5,448
Net Inflows	\$ 5,302	\$ -48	\$ -158	\$ -460	\$ -518	\$ 4,118
Brought forward from FY 2010-11	\$ 1,382	\$ 48	\$ 327	\$ 485	\$ 609	\$ 2,850
Carry forward to FY 2012-13	\$ 6,684	\$ -	\$ 169	\$ 25	\$ 91	\$ 6,968

41. The table shows a healthy level of overall inflow from donations. To note is the strong inflow of unrestricted funding, which accounted for approximately 75% of the 2011-12 total donations compared to 31% in the previous year. This represents a significant shift towards unrestricted funds, which are critical in quickly meeting funding gaps and enabling the HiH Group to build capacity and grow. Given the increase in unrestricted support, HiH Sweden and HiH International have established principles and criteria for allocating unrestricted funds, which have been adopted by all partner organizations. The balance of unrestricted funds carried forward by HiH International (and HiH Sweden; see below) is used flexibly for in-country capacity building, to help build the SEP, to start up microfinance operations, to cover long-term commitments not matched by restricted donations, and to meet short-term funding gaps in order to avoid disrupting operations.
42. During its 2011-12 financial year, HiH International disbursed \$439,000 in unrestricted funds to implementing organizations while \$1,722,000 was used for fundraising⁶, the SEP and direct in-country partner support and capacity building, including start-up costs for microfinance operations. The allocation of unrestricted funds in 2011-12 is given in Table 8 below.

Table 8: HiH International Allocation of Unrestricted Funds in 2011-12

(\$ in 000s)	Unrestricted	Afghanistan	India	Eastern Africa	Southern Africa	Total
HiH International	\$ 1,722	\$ -	\$ 40	\$ 91	\$ 308	\$ 2,161

⁴ Audited statements of financial activity are attached as annexes to the 6-monthly progress reports as they become available, depending on the financial year of each organization. Full audited financial statements are available on request.

⁵ In the long run, the net flows of restricted funds to each HiH organization are, of course, zero. However, the timing of individual payments can leave balances at year-end.

⁶ Direct fundraising costs were about \$530,000, or GBP 332,586 as shown in Annex 2a. This represents about 5.5% of total funds raised.

43. HiH Sweden's financial results in its financial year ended December 31, 2011 are summarized in Table 9. Historically, funds raised by HiH Sweden have been channelled to HiH India but, as previously indicated, the distribution of funds will in the future be increasingly diversified.

Table 9: HiH Sweden Financial Summary for January to December 2011

Financial Year 2011				
(\$ in 000s)	Unrestricted	HiH India	HiH Southern Africa	Total
Inflows	\$ 1,395	\$ 1,583	\$ 807	\$ 3,785
Outflows	\$ 1,431	\$ 1,513	\$ 115	\$ 3,059
Net Inflows	\$ -37	\$ 70	\$ 692	\$ 726
Brought forward from FY 2010	\$ 1,543	\$ -	\$ -	\$ 1,543
Carry forward to FY 2012	\$ 1,506	\$ 70	\$ 692	\$ 2,269

¹ Exchange rate of SEK 6.6 to USD 1 used, reflecting an average rate for 2011.

44. As indicated in Table 10 below, in 2011 HiH Sweden distributed a little over \$1.0 million in unrestricted funds to HiH India and \$91,000 to HiH Southern Africa.

Table 10: HiH Sweden Allocation of Unrestricted Funds

(\$ in 000s)	Unrestricted	Afghanistan	India	Eastern Africa	Southern Africa	Total
HiH Sweden	\$ 298	\$ -	\$ 1,042	\$ -	\$ 91	\$ 1,431

45. While the current HiH International and HiH Sweden financial picture is healthy, there are major near-term funding challenges. The draft Strategic Plans propose the mobilization of 580,000 SHG members and the creation of 810,000 jobs over the next three years. These plans have helped further crystallize the Group's fundraising challenge. The funding required to support this level of growth is significant -- roughly \$52 million over the three-year period. About \$12 million is currently estimated to be available over the three years in the form of country-restricted multi-year donations that have already been contractually committed by donors, plus internally generated revenues (mainly in India). The net funding gap is therefore about \$40 million, which is distributed as shown below in Table 11.

Table 11: HiH Group Three-Year Operational Funding Gap¹

(\$ in 000's)	2012	2013	2014	Total
HiH India	\$ 3,956	\$ 7,310	\$ 7,500	\$ 18,766
HiH Afghanistan	\$ 986	\$ 3,317	\$ 4,838	\$ 9,141
HiH Eastern Africa	\$ 1,034	\$ 2,013	\$ 2,808	\$ 5,855
HiH Southern Africa	\$ 716	\$ 2,493	\$ 2,700	\$ 5,909
Total	\$ 6,692	\$ 15,133	\$ 17,846	\$ 39,671

¹ The exact period varies but broadly reflects the January to December Calendar year.

Specifically, for India, the respective years represent its April to March financial year.

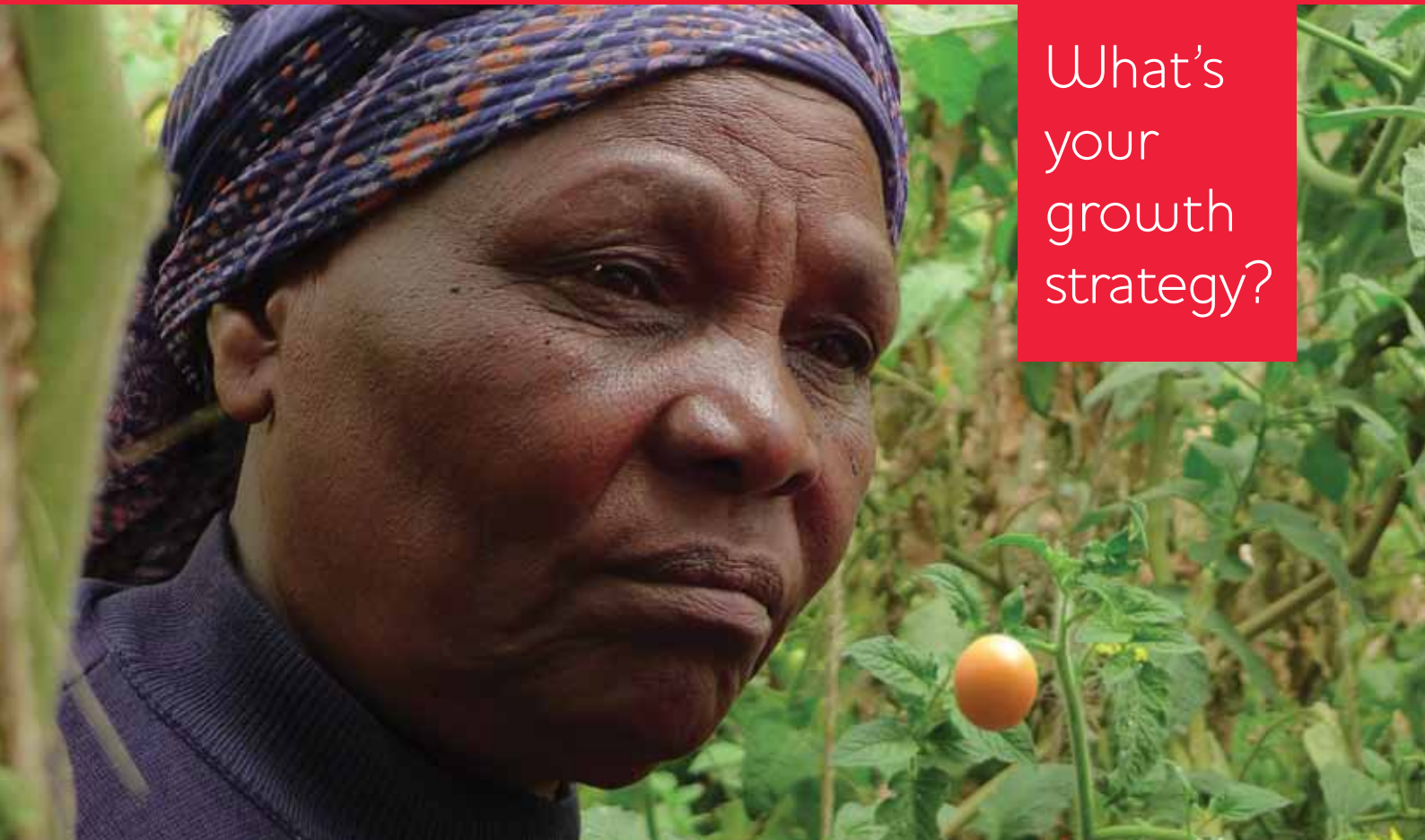
46. The funding gaps are significant and must urgently be addressed.



HAND IN HAND

Annex 1

SOCIAL ENTREPRENEURSHIP PROGRAM



What's
your
growth
strategy?

LIMURU, KENYA | 5 DAYS | DATE 24 – 28 SEPTEMBER 2012 | \$2,000
COURSE LEADER: PROFESSOR V. KASTURI RANGAN, HARVARD BUSINESS SCHOOL

Social Enterprise is changing the way we think about development. From mobile telecommunications to microfinance, entrepreneurial approaches are being used to achieve social outcomes.

The Hand in Hand Social Entrepreneurship Program provides a crash course in the principles of social enterprise. It combines world-class teaching with field visits and expert Q&As to explain how social entrepreneurship can empower people, enhance livelihoods and create jobs.

The course

Five fast-paced days combine case studies, presentations, group exercises and field visits to leading social enterprises. The curriculum explores key issues in the sector, as well as how to grow your organization and move towards sustainability.

Participants will get a comprehensive overview of the strategic, organizational and leadership issues associated with social enterprise. The program's modules will help participants understand:

- What knowledge and tools are needed for successful social entrepreneurship.
- How enterprise creation and microfinance can deliver lasting impact.
- How NGOs can build aspects of social enterprise into their operating models.
- The latest innovations and developments in the field of social entrepreneurship.
- How to create jobs at the bottom of the pyramid.

The venue

Brackenhurst Conference centre is located in 100 acres of beautiful scenery in the tea-growing region of Limuru, 30 minutes from Nairobi. It offers excellent facilities in a relaxing and inspiring atmosphere. A high quality range of international and local cuisine will be provided.



The faculty

Course leader Professor Kasturi Rangan of Harvard Business School has extensive experience in business marketing and management. He has researched, taught and published articles on non-profit management, marketing and microfinance at Harvard and is the founding co-chair of the HBS Social Enterprise Initiative. He is also co-chair of the HBS-ACCION program on Strategic Leadership for Microfinance.

Societ Associates

The course has been devised by Societ Associates, a Boston-based consultancy, in partnership with Hand in Hand. Managing Partner Sohel Karim has over 20 years of consulting experience and has worked closely with senior management in both for-profit and non-profit organizations. Sohel's background includes doctoral work at Harvard Business School with publications in leading management journals such as Harvard Business Review.

The Hand in Hand group

The Hand in Hand vision is to reduce poverty through job creation. The Social Entrepreneurship Program grew from a wish to communicate this message to a broad and influential audience. The first course took place in Tamil Nadu in 2011 in partnership with Hand in Hand India.

The Hand In Hand approach combines the provision of in-depth business and skills training with microfinance services. Today, the Hand in Hand group comprises NGOs in India, Southern Africa, Eastern Africa and Afghanistan. Hand in Hand International and Hand in Hand Sweden serve as fundraising and support offices.

Hand in Hand Eastern Africa was established in 2010 and manages a network of 12,000 micro-entrepreneurs, who are organised into Self Help Groups. Services include business training, access to microfinance and livelihoods support. Over half the groups are involved in smallholder farming.



WHY SHOULD YOU APPLY?

- **Field visits** will show how social enterprise is working in Kenya to improve livelihoods.
- **World class teaching** from a Harvard Business School professor will explain how to grow a successful social enterprise.
- **Expert Q&A sessions** with leading Kenyan social entrepreneurs will cover the latest innovations in mobile technology and microfinance.
- **Networking opportunities** will allow you to share experiences with international leaders from the NGO, microfinance, donor and investor communities.

WHO SHOULD APPLY?

- Social entrepreneurs.
- Senior executives from NGOs.
- Microfinance leaders.
- Social investors and funders.
- Bilateral and multilateral donor agency staff.
- Philanthropists.
- Social Investors.

To find out more, register your interest or book your place, visit www.hihinternational.org/sep

Alternatively, contact us at:
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HAND IN HAND
International



HAND IN HAND
Eastern Africa



Societ
ASSOCIATES

Annex 2 a

Hand in Hand International

Statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 March 2012

	Restricted £	Unrestricted £	Designated £	2012 Total £	2011 Total £
Incoming resources					
Donations and similar incoming resources in furtherance of the charity's objects	1,514,921	1,618,910	2,838,084	5,971,915	4,588,054
Interest Received	-	12,119	-	12,119	1,732
Other Income	-	-	-	-	862
Total incoming resources	1,514,921	1,631,029	2,838,084	5,984,034	4,590,648
Less: Costs of generating funds					
Fundraising costs	-	332,586	-	332,586	321,305
Net incoming resources available for charitable application	1,514,921	1,298,443	2,838,084	5,651,448	4,269,343
Charitable expenditure					
<i>Supporting people in Afghanistan</i>	454,229	223,117	-	677,346	615,144
<i>Supporting women in India</i>	795,524	25,240	-	820,764	2,873,499
<i>Supporting people in Kenya</i>	401,694	188,767	167,346	757,807	377,835
<i>Supporting people in Southern Africa</i>	404,947	209,652	192,922	807,521	867,218
<i>The Social Entrepreneurship Programme</i>	61,060	-	-	61,060	60,862
Governance Costs	-	7,290	-	7,290	3,525
Total charitable expenditure	2,117,454	654,066	360,268	3,131,788	4,798,083
Total resources expended	2,117,454	986,652	360,268	3,464,374	5,119,388
Net incoming resources and net movement in funds	(602,533)	644,377	2,477,816	2,519,660	(528,740)
Transfer between reserves	(198,838)	198,838	-	-	-
Funds at 1 April 2011	1,000,952	343,115	438,468	1,782,535	2,311,275
Funds at 31 March 2012	199,581	1,186,330	2,916,284	4,302,195	1,782,535

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above.

Resultaträkning	Not	2011	2010
Verksamhetsintäkter	2		
Medlemsavgifter		6 900	9 850
Insamlade medel		24 973 147	26 575 067
Summa verksamhetsintäkter		24 980 047	26 584 917
Verksamhetskostnader			
Ändamålskostnader	3	-18 246 364	-24 923 370
Insamlingskostnader	4	-791 902	-770 184
Administrationskostnader	4	-1 151 044	-1 240 477
Summa föreningens kostnader		-20 189 310	-26 934 031
Verksamhetsresultat		4 790 737	-349 114
Resultat från finansiella investeringar			
Övriga ränteintäkter och liknande resultatposter		114 915	10 121
Räntekostnader och liknande resultatposter		-342	-17 220
Summa resultat från finansiella investeringar		114 573	-7 099
Resultat efter finansiella poster		4 905 310	-356 213
Årets resultat		4 905 310	-356 213
Nyckeltal			
Administrationskostnader/Totala intäkter (%)		5	5
Administrationskostnader+Insamlingskostnader/ Totala intäkter (%)		8	8
Utbetalning till ändamålet/Totala intäkter (%)		73	94
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HAND IN HAND EASTERN AFRICA
 STATEMENT OF COMPREHENSIVE INCOME
 FOR THE YEAR ENDED 31 DECEMBER 2011

Annex 2 c

	Note	2011 KShs	2010 KShs
INCOME			
Grants received	5	<u>58,320,587</u>	<u>10,655,586</u>
EXPENDITURE			
Staff costs	6	2,577,558	2,149,051
Administration Expenses	7	4,448,654	998,455
Project Expenses	8	<u>42,626,726</u>	<u>2,215,468</u>
TOTAL EXPENDITURE		<u>49,652,938</u>	<u>5,362,974</u>
CHANGE IN ACCUMULATED FUND		<u>8,667,649</u>	<u>5,292,612</u>