

# HAND IN HAND INTERNATIONAL ANNUAL REPORT 2017-18



HAND IN HAND  
INTERNATIONAL



**Look at poverty differently and you'll see grassroots entrepreneurs, full of energy and ideas. We help turn their potential into jobs. They find a way out of poverty.**

**Hand in Hand launched in 2003 in rural Tamil Nadu, India. Since then we've mobilised 2.3 million members, almost all of them women, in 11 countries and counting. Together, with our support and their hard work and ingenuity, we aim to create 3.7 million jobs by 2021, transforming 13.7 million lives for the better.**

**Let's get to work.**

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The figures in this report are for the Hand in Hand network as a whole for the period from 1 April 2017 to 31 March 2018. Fundraising (page 8) and financial (page 17) figures cover Hand in Hand International only. Hand in Hand is a network of legally independent organisations and, as such, does not have consolidated financial accounts. Based in London, Hand in Hand International is one of three support and fundraising operations in the network.

Cover photo: Janet Chepkwony | Self-Help Group member | Bomet Country, Kenya

# A WORD FROM OUR CHAIR



BRUCE GRANT,  
CHAIRMAN

.....

**Imagine if during the recent migrant crisis some 30 million people, not 3 million, arrived on Europe's shores, hungry and desperate for work. Now imagine if Europe was one of the poorest places on Earth, lacking even the most basic services required to keep up.**

.....

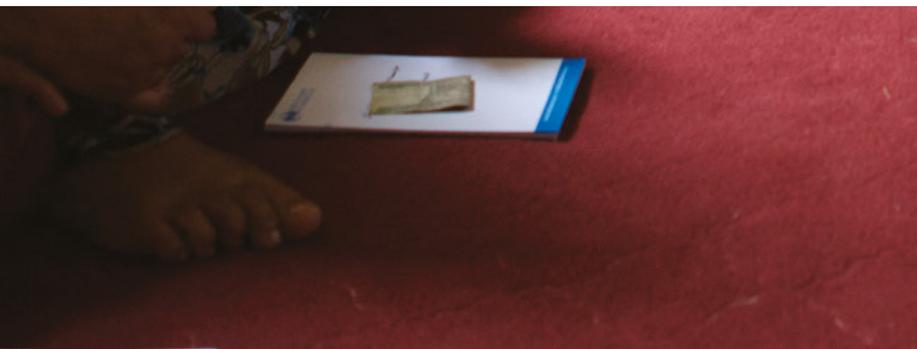
That, proportionately, is the problem facing Afghanistan, the world's largest source of refugees for more than three decades, which today faces the inverse problem: its largest 'returnee' crisis, roiling under a wave of Taliban violence and mass internal displacement.

Earlier this year, Hand in Hand partnered with Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), the German government's development agency, to help 2,000 such returnees and internally displaced persons thrive as entrepreneurs. It isn't our biggest project, but whether we're working with 2,000 unemployed migrants in Afghanistan or doing our part to tackle the huge challenge of 200 million unemployed people worldwide, Hand in Hand is committed to

quality, efficiency and compassion for our fellow sisters and brothers.

Together, we created 494,248 jobs in 2017-'18. At the same time, we helped give thousands of young people a brighter future (page 7), taught thousands of farmers the skills they need to stand up to climate change (page 7) and worked to establish India's next generation of women business leaders (page 15). Join us over the following pages where we'll meet just a few of them, working their way from subsistence to success.

**Bruce Grant**  
**Chair, Hand in Hand International**



A Hand in Hand member borrows from her Self-Help Group's savings fund | Sar-e-Asyab Village, Balkh Province, Afghanistan

# YEAR IN REVIEW

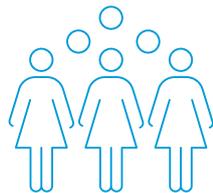
Between a resurgent Taliban in Afghanistan and drought and political unrest in Kenya, 2017-'18 was an immensely challenging year. Throughout it all, we continued to push forward on multiple fronts – even while opening up new ones.

## Women's empowerment

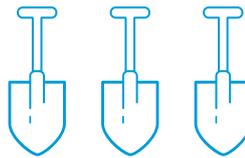
Only 16 percent of women in Afghanistan work outside the home. Even fewer, 6 percent, have been to secondary school. So when Hand in Hand launched our biggest-ever programme in the country, we were determined to put women's economic empowerment at its core.

Launched in 2015 with a budget of US \$3.2 million – including US \$2.2 million in UK aid from the British people – the Sar-e Pol Province-based programme concluded in March. Most targets were met or exceeded.

Nearly every single member – 99.4 percent – increased their household income, with 76.2 percent of members reporting boosts of 30 percent or more. Food insecurity was effectively eradicated, with the number of members reporting moderate or severe food insecurity dropping from 12 percent at the start of the programme to 0.1 percent at its end. And almost all our women members – 96 percent – reported being more active in household decision-making and more able to leave the home.



Members mobilised  
**9,759**  
Target: 9,500



Jobs created  
**13,317**  
Target: 13,300



Jobs held by women  
**74%**  
Target: 70%

## Environment

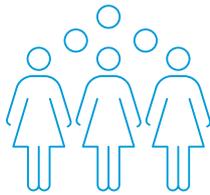
In April 2016, Hand in Hand teamed up with the IKEA Foundation to help thousands of women and young people in rural Kenya work towards a brighter, more environmentally friendly future. The four-year, US \$3.6 million project aims to help 43,200 impoverished women and young people thrive as eco-entrepreneurs – adopting farming techniques such as crop diversification that can stand up to climate change, or launching other green businesses such as beekeeping or waste recycling that don't require rain to stay running.

Two years in – as Kenya's worst drought in years continues to ravage parts of the country, rendering some 2.7 million people food insecure – the programme is more urgent than ever, and picking up pace.

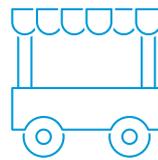
Already, 18,633 farmers have adopted two or more farming techniques to mitigate against climate change such as planting drought resistant crops and using natural pesticides and fertilisers. At the same time, a new model for training our agricultural members and helping them take products to market is taking hold.

The first step in this community-wide model occurs when a Hand in Hand agronomist introduces a group of farmers to a new, more profitable and resilient crop – bananas or passion fruit, say, where before there was maize. Using one member's plot as a so-called 'demo farm', the agronomist plants this new crop, training the group in real time on its cultivation and care. When the plants reach maturity, tissue samples are spread throughout the community and planted *en masse*, enabling the crop to reach scale. That way, when the harvest arrives, members are able to form community associations to access bigger markets and value chains.

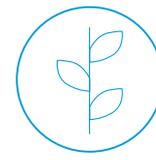
Launched last fiscal year, the model is already being mainstreamed throughout our Kenyan operation,, including a smaller programme in Kitui County funded by the Swiss Re Foundation. The three-year project aims to create 1,680 microbusiness, 30 percent of them green. Instead, two years in, 55 percent of microbusinesses are green, meaning they contain some element of climate change intervention. The unanticipated uptake is explained by Kenya's ongoing drought, say trainers.



Members mobilised  
**26,110**



Businesses launched  
**20,855**



Green businesses  
launched **14,395**

## Young people

The 'ticking time bomb' of youth unemployment in Kenya grows louder every year. Funded by the IKEA Foundation and Swedish Postcode Lottery, Hand in Hand's after-school Entrepreneurship Clubs aim to raise the status of self-employment among 12- to 17-year-olds, paving the way for a career in entrepreneurship. It's an uphill battle in Kenya, where employment with government and big companies has traditionally been seen as more desirable, but the project continues to grow at a steady pace. Two years in, almost 4,000 students have enrolled in the programme, completing income-generating group projects to help fund future clubs. The programme aims to reach 4,800 students by 2020.

Elsewhere in Kenya, we're working with an older cohort of youth: those of working age, who've learned first-hand that neither government nor the formal private sector can tackle Kenya's jobs crisis alone. Funded by Allen & Overy, the 27-month project aims to create almost 600 businesses and more than 750 jobs among 18- to 35-year-olds by December 2018, making several youth-focused adaptations to our usual job creation model such as using talent shows as a tool for mobilisation. We've also learned to include at least one older member per group to act as a mentor. Almost 350 businesses and 430 jobs have been created so far.

## Migration

For more than three decades, Afghanistan was the world's largest source of refugees. Today it faces another problem, opposite but equal: the world's largest returnee crisis, some 2 million strong and counting, fuelled by the governments of Pakistan and Iran. Add another 1.6 million Afghans chased from their homes by the Taliban since 2015 and the true scale of the country's migration crisis is laid bare.

In September 2017, Hand in Hand partnered with Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), the German government's development agency, to help 500 such returnees and internally displaced persons (IDPs) work their way towards a prosperous, sustainable future in the country's growing poultry value chain.

The four-month, US \$215,000 pilot project hypothesised that poultry farming would be ideally suited to returnees and IDPs for a number of reasons. Skills are easily learned. Incomes, compared to other sectors, are high. Businesses can be run from entrepreneurs' own households. And food security improves. Furthermore, by training host community members in the same groups as returnees and IDPs, strangers become friends and communities cohere. By the time the pilot was done, a full 500 new members – more than 80 percent of them women – had started poultry farms, establishing three associations to help take their eggs to market.

In January, the project was scaled up to reach an additional 1,500 members, building on several important lessons from the pilot. Most notably, solar-powered incubation machines were dropped for being too dependent on outside technicians – a scarce resource in rural Afghanistan.

The project is set to conclude in December 2018.

## Awards

In June, Hand in Hand was Highly Commended at the Charity Awards, the UK's longest-running and best-known event of its kind, for our project with CARE International in Rwanda. The programme, which concluded in 2016, created 115,000 jobs versus a target of 80,000 and increased members' incomes by an average of 75 percent versus a control group, finishing 22 percent under budget.

## Funding our ambitions

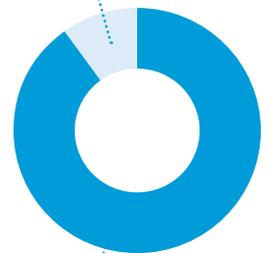
Hand in Hand raised US \$7.3 million in 2017-'18 – 10 percent less than we'd targeted, and constant against 2015-'16. The difference can be explained in part by the pound's depreciation versus the US dollar and in part by staff turnover, which hampered efforts to expand our fundraising as rapidly as planned.

We are grateful for the continued and renewed support of our Patrons, Trustees and many of our donors. We are also grateful for consecutive first and second grants from Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), the German government's development agency. Finally, we would like to thank Applied Value Group for underwriting a gala dinner in Stockholm that raised enough funds to support nine communities in Kenya with a 30-month training programme.

## Keeping costs low

Hand in Hand International is committed to keeping our overheads low. Our fundraising-to-expenditure ratio is 9.9 percent.

Fundraising costs: 9.9%



Programmes: 90.1%



## MEET FROZAN

Frozan, 18, lives in north Afghanistan, a corner of the world where teenage women get married, not work. Still, that never stopped her from dreaming. “We are a big family and my father, a farmer, was the only one earning – it was never enough. I have always wanted to do something to help, to be an independent person, but I didn’t know how.”

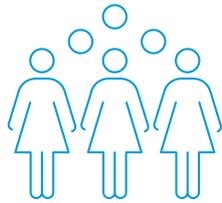
Didn’t, that is, until she met Hand in Hand. Frozan joined a Self-Help Group and quickly became a star pupil. Training led to a business plan, which led to a loan from fellow group members. Finally, she was ready: the newest, youngest and only female beekeeper in her village. Three years later, she’s also the wealthiest, with almost AFG 145,000 (US \$2,000) a year in revenue. “Now I am paying

the school expenses of my two younger sisters, helping my dad with the family’s expenses and developing the economy of my community,” she says. “My father is so proud that he tells other people about my success. That makes me proud, too.”

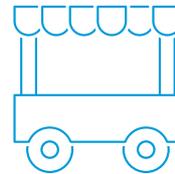
In March, Frozan caught the attention of Reuters, who published a story about her unlikely success. Before long, Al Jazeera came knocking. Then the New York Post. Then BBC Persian, Russia’s Sputnik News and a whole host of others. When the dust settled, Frozan had been featured by more than 100 media outlets worldwide, many in her native Afghanistan. She is, by a considerable margin, our most famous member yet.

# BY THE NUMBERS

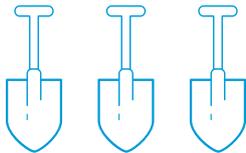
More than 200 million people in the developing world are unemployed. Another 2 billion – mostly women – are outside the workforce. In 2017-'18, Hand in Hand helped create jobs for almost 500,000 of them.



Members  
**336,057 added**  
**2,262,215 total**



Businesses  
**320,678 added**  
**2,270,256 total**



Jobs  
**494,248 added**  
**3,412,720 total**



Lives improved  
**1,804,304 added**  
**12,462,157 total**

# MILESTONES REACHED





## MEET WILTER

**B**efore joining a Hand in Hand Self-Help Group in Bomet County, Kenya, Wilter and her family of three could barely afford breakfast. “We ate leftover ugali [a traditional dish made of maize flour] every morning,” she says. “Now we get fresh eggs and tea.”

Opportunities in Bomet are overwhelmingly limited to agriculture. Sixty percent of the working population sell crops for a living, and only 5 percent hold permanent jobs – almost none of them women. “Women don’t venture into business because they don’t know they can,” says Wilter.

The 28-year-old got her start repairing torn shirts and dresses for family and friends. But it wasn’t until her Hand in Hand trainer taught her about marketing that she landed a contract making uniforms for her daughter’s primary school and things really took off.

Since then, Wilter’s tailoring business has doubled in size, and today nets a profit of 8,000 KES (US \$80) a month. With her new income, she’s focused on increasing her stock and doubling her income yet again. “My goal is to make it bigger and teach more trainees,” she says.

# EVIDENCE

**Our donors rightly demand figures backed by hard evidence. Our teams in the field need rock-solid data to do their best work. Here, then, is a round-up of Hand in Hand's research from 2017-'18.**

## Tanzania

Tanzania is Hand in Hand's newest operating country. This year, we aimed to launch the operation in earnest, recruiting local staff and mobilising our first members. Both efforts were successful, and by year-end we'd set up two branch teams and enrolled 2,027 members into our programme.

Earlier this year, global market research firm Ipsos undertook a survey of our five target districts – all located in Arusha and Kilimanjaro regions in the country's north – making a number of recommendations. Our success, it said, will hinge on two key factors: making a strong case for the benefits of savings and Self-Help Groups, and helping programme members to diversify their income streams.

Both factors are down to the local climate, say Ipsos, which swings between extremes of rainy and dry. For the 91 percent of adults who rely on agriculture for some or all of their incomes, the resulting boom-and-bust crop cycle means periods of relative abundance followed by periods of scarcity and hunger, while flooding and drought mean dangerously low incomes and a lack of food are perennial risks. Consequently, almost half of households (43 percent) regard saving as an impossibility, and "fear and mistrust" of savings-driven Self-Help Groups are common, warns the report. Teaching communities about the benefits of saving will therefore play a foundational role in our programme. So too will helping our members launch businesses outside of agriculture, enabling them to absorb climatic shocks.

**We aim to create and enhance 200,000 jobs in Tanzania within six years.**

## Benchmarking: business profits

Business profit is one of Hand in Hand's key metrics – not only a direct expression of our programmes' success, but the means by which members improve their own and others' lives. Historically, a lack of data from programmes like ours has made benchmarking that metric difficult, but thanks to two World Bank studies published this year a clearer picture is beginning to emerge.

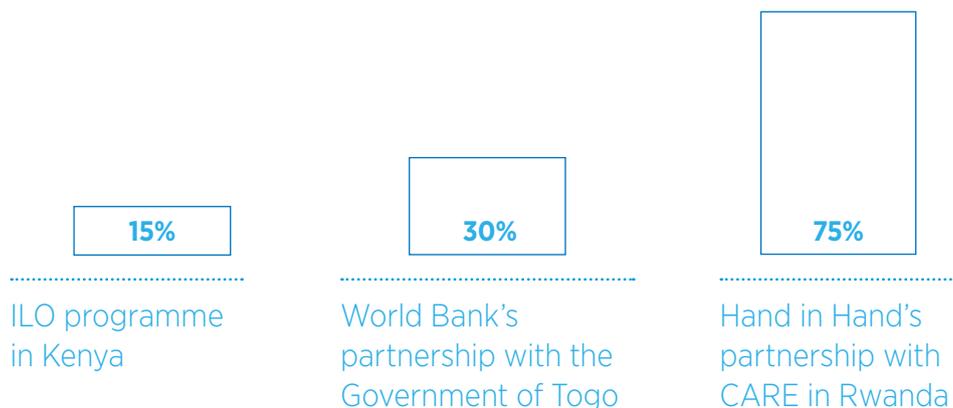
The first study, conducted in Kenya, looked at an International Labour Organization (ILO) business training programme broadly similar to ours. The second, conducted in Togo, investigated a World Bank-Government of Togo programme that was also similar, but which added an additional element of training based on psychological research, designed to teach soft skills such as initiative and persistence.

So, how does Hand in Hand stack up?

In the ILO programme in Kenya, monthly business profit was 15 percent higher for programme participants (\$86) than for non-participants (\$75). In the World Bank's partnership with the Government of Togo, monthly business profit was 30 percent higher for those that received the psychology base training (\$224) compared to those that did not (\$173).

And in Hand in Hand's partnership with CARE in Rwanda, according to an independent study – the most recent, relevant research we have – monthly business incomes were 75 percent higher for those that received the enterprise training (\$48) compared to those that did not (\$29).

That's more than double the World Bank's programme in Togo, and five times the ILO programme in Kenya.



## Return on investment

Speed, scale, efficiency – Hand in Hand’s businesslike approach to development goes into everything we do. Until now, however, that same approach hasn’t always come out in the way we report our progress to donors.

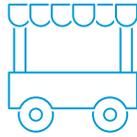
Last month, Hand in Hand undertook a major multi-country audit to improve our reporting and establish our return on investment (ROI): the amount our members earn per year for every dollar donated. Conducted on a project-by-project basis across some of our biggest completed programmes to date, the exercise, which we plan to refine during 2018-’19, turned up some promising results.

### KENYA

Project: Enterprise Development for Rural Families in Kenya, funded by Sida



**Total project expenditure**  
US \$2.3 million



**Total annual income generated by enterprises**  
US \$2.78 million



**Return on investment**  
21%

### AFGHANISTAN

Projects: Sustainable Livelihoods Programme, funded by Hand in Hand International | Supporting Rural Entrepreneurship Through Women’s Socio-economic Empowerment, funded by the European Union



**Total project expenditure**  
US \$2.14 million



**Total annual income generated by enterprises**  
US \$3.12 million



**Return on investment**  
46%

To put those figures in context, consider that the S&P 500 has generated annualised returns of 9.7 percent, including dividends, since 1965. Or, to pick a more ambitious comparison, that Berkshire Hathaway’s average annual stock price gain under Warren Buffet, the world’s most successful investor, is circa 20 percent.

With an ROI of 21 percent to 46 percent, depending on location, Hand in Hand’s grassroots entrepreneurs beat them all. Not bad for some of the poorest, least educated women on Earth.



## MEET JAGADEESWARI

Free samples for friends and neighbours. Before Hand in Hand came along, that was the extent of Jagadeeswari's marketing strategy. Fast-forward five years and the 46-year-old from Tamil Nadu, India is her state's 'First-Generation SME Entrepreneur of the Year', with an official certificate, conferred at state ceremony, to prove it.

"Joining a Self-Help Group changed my life totally," she says.

Jagadeeswari had always been confident in her product. Selling it, however, was the hard part. Lessons in marketing from her Hand in Hand trainer taught her to think more ambitiously, and within months Jagadeeswari was appearing

at food fairs across Tamil Nadu, growing her client base district-by-district. Recognising her potential, her trainer provided advanced lessons in bookkeeping and packaging.

Today, Jagadeeswari's distribution network spans hundreds of shops across India and all the way into Malaysia. She employs five neighbours – all fellow Self-Help Group members, all former housewives – as well as her husband (pictured, right). She's paying for her son's education in architecture. And she earns INR 35,000 (US \$525) a month in pure profit.

As for that award? "I'm happy for the publicity – as long as it attracts new customers," she says.

# OUR LEADERSHIP

Hand in Hand International's Board of Trustees includes experts from the worlds of finance, venture capital, industry, law, climate change and international development. Half our Trustees are women.



**Bruce Grant**

Chairman

Founder and Chairman, Applied Value LLC



**Percy Barnevik**

Co-founder and Honorary Chair  
Chairman, AstraZeneca, ABB, Sandvik,  
Investor and Skanska



**Dr John Barrett**

Trustee

Independent consultant | Deputy Director,  
Research and Evidence Division, DFID (2013-'14)



**Dr Madhvi Chanrai**

Trustee

Medical Practitioner



**Lars G Josefsson**

Trustee

Chairman and Managing Partner, BioElectric Solutions



**Dr Rita Rakus**

Trustee

Founder and CEO, Dr Rita Rakus Clinic



**Paola Ugglia**

Trustee

Legal counsel, Volvo Group (2010-2012)



**Stephanie Whittier**

Trustee

Co-head of Foundation and Endowment Services,  
Morgan Stanley

# FINANCIAL OVERVIEW

Network-wide, Hand in Hand raised more than US \$15 million in 2017-'18. These financial statements are limited to our UK operation, Hand in Hand International, for the year ending 31 March 2018. As a family of independent legal organisations, the Hand in Hand network does not prepare consolidated group accounts. Audited statements for other individual Hand in Hand organisations can be found on their respective websites, or requested at [info@hihinternational.org](mailto:info@hihinternational.org).

## Statement of financial activities (incorporating an income and expenditure account) for the year ending 31 March 2018

	Restricted US\$	Unrestricted US\$	Designated US\$	2018 Total	Restricted US\$	Unrestricted US\$	Designated US\$	2017 Total
<b>Incoming resources</b>								
Donations and grants	3,716,376	3,546,111	-	<b>7,262,487</b>	4,858,027	3,255,251	-	8,113,278
Interest	-	2,663	-	<b>2,663</b>	-	2,735	-	2,735
<b>Total Income</b>	<b>3,716,376</b>	<b>3,548,774</b>	<b>-</b>	<b>7,265,150</b>	<b>4,858,027</b>	<b>3,257,986</b>	<b>-</b>	<b>8,116,013</b>
<b>Outgoing expenditure</b>								
Fundraising costs	-	716,789	-	<b>716,789</b>	-	800,066	-	800,066
<b>Funding our network</b>								
Supporting people in Afghanistan	1,082,713	693,046	-	<b>1,775,759</b>	1,126,905	529,994	-	1,656,899
Supporting people in India	42,093	-	-	<b>42,093</b>	-	-	-	-
Supporting people in Kenya and Tanzania	2,472,033	1,892,351	701,550	<b>5,065,934</b>	2,017,080	1,035,026	316,743	3,368,849
Supporting people in Rwanda	-	-	-	-	-	229,091	-	229,091
<b>Total Expenditure</b>	<b>3,596,839</b>	<b>3,302,186</b>	<b>701,550</b>	<b>7,600,575</b>	<b>3,143,985</b>	<b>2,594,177</b>	<b>316,743</b>	<b>6,054,905</b>
Net income for the year	119,537	246,588	(701,550)	<b>(335,425)</b>	1,714,042	663,809	(316,743)	2,061,108
<b>Funds at 1 April 2017</b>	<b>1,714,042</b>	<b>1,440,756</b>	<b>2,633,599</b>	<b>5,788,397</b>	<b>-</b>	<b>776,947</b>	<b>2,950,342</b>	<b>3,727,289</b>
<b>Funds at 31 March 2018</b>	<b>1,833,579</b>	<b>1,687,344</b>	<b>1,932,049</b>	<b>5,452,972</b>	<b>1,714,042</b>	<b>1,440,756</b>	<b>2,633,599</b>	<b>5,788,397</b>

All of the above results are derived from continuing activities. There were no recognised gains or losses other than those stated above. The formal accounts were reported in £ values but are shown here in US \$ at a conversion rate of 1.4031.

## Balance sheet as at 31 March 2018

	2018 US\$	2017 US\$
<b>Fixed Assets</b>		
Tangible Assets	<b>68,039</b>	81,811
<b>Current Assets</b>		
Loans due in more than one year	<b>1,123,910</b>	1,491,341
Debtors	<b>350,616</b>	329,111
Cash at bank/in hand	<b>4,085,134</b>	3,973,369
	<b>5,559,660</b>	<b>5,793,821</b>
Creditors: Amounts due within one year	<b>174,727</b>	41,501
<b>Net current assets</b>	<b>5,384,933</b>	<b>5,752,320</b>
	<b>5,452,972</b>	5,834,131
Creditors: amounts due in more than one year	-	45,734
<b>Net assets</b>	<b>5,452,972</b>	<b>5,788,397</b>
<b>Funds</b>		
Restricted funds	<b>1,833,579</b>	1,714,042
Unrestricted funds		
Designated funds	<b>1,932,049</b>	2,633,599
General funds	<b>1,687,344</b>	1,440,756
<b>Total funds</b>	<b>5,452,972</b>	<b>5,788,397</b>

Approved by the Trustees on 19 June 2018. The formal accounts were reported in £ values but are shown here in US \$ at a conversion rate of 1.4031.

## Notes to the financial statements

We have examined the summarised financial statements for the year ended March 31 2018 set out on pages 17 and 18.

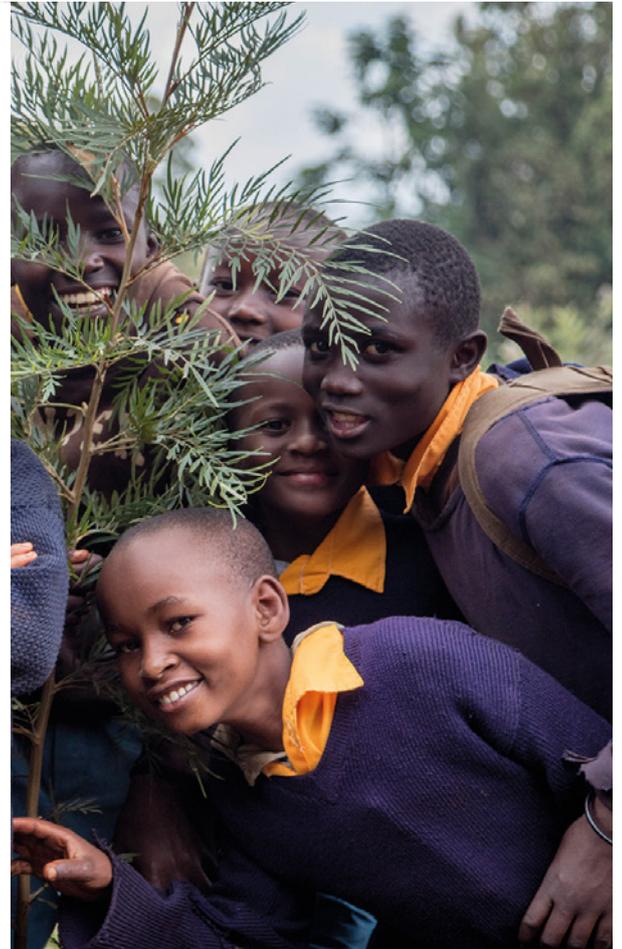
## Respective responsibilities of the Trustees and the auditor

The Trustees are responsible for preparing the summarised annual statements in accordance with applicable United Kingdom law and the recommendations of the Charities SORP. Our responsibility is to report to you our opinion on the consistency of the summarised financial statements with the full annual financial statements and the Trustees' Annual Report. We conducted our work in accordance with Practice Note 11 issued by the Auditing Practices Board.

## Opinion

In our opinion the summarised financial statements are consistent with the full annual financial statements, presented in pounds sterling, and the Trustees Annual Report of Hand in Hand International for the year ended 31 March 2018.

**Neil Finlayson, Kingston Smith**  
**Devonshire House**  
**60 Goswell Road**  
**London, EC1M 7AD**  
**June 2018**



Students in the Kithimu Entrepreneurship Club | Embu County, Kenya

# THANK YOU

.....  
**None of our work is possible without the generous support of our donors. We would like to thank the following companies and institutions for their especially significant contributions in 2017-'18.**  
.....

Applied Value Consulting  
Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)  
Google UK  
Gunvor  
IKEA Foundation  
Johnson & Johnson Corporate Citizenship Trust  
MWM Consulting  
UK Department for International Development

**We would also like to thank our Patrons and Trustees for their contributions and expertise.**

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