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STRATEGIC PLAN

Hand in Hand International

April 2017 - March 2021

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Note

Hand in Hand International’s fiscal year runs from 1 April to 31 March.

Abbreviations

CPJ	Cost per job
CSR	Corporate social responsibility
DFID	Department for International Development
EU	European Union
FACE	Fundraising and administration costs to expenditure
FY	Financial year
HiH	Hand in Hand
IFMR	Institute for Financial Management and Research
ILO	International Labour Organisation
MFI	Microfinance institution
NGO	Non-governmental organization
RCT	Randomized control trial
R&D	Research and development
SDG	Sustainable Development Goals
SHG	Self-Help Group
SP	Strategic Plan
VSLA	Village Savings and Loan Association
UK	United Kingdom
UN	United Nations
US	United States
US \$	United States Dollars
USAID	United States Agency for International Development

1. Executive summary

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

Hand in Hand was launched in 2003 in rural India. We have now been developing and improving our job creation model for 14 years. First, we create community groups made up mostly of women who support each other, save together and learn together. Next, we train group members to develop small businesses that make the most of their individual skills and potential. As a third step entrepreneurs are provided access to microloans that, thanks to group support, are almost always paid back. Finally, we help entrepreneurs scale up their businesses by connecting them to larger markets.

Between 2017 and 2020 Hand in Hand will create more than 750,000 new jobs worldwide, taking us to cumulative total of 3.7 million. Our target is that each individual entrepreneur is able to raise their family's income by an average of 30 percent over 30 months, transforming the lives of some 10 million dependents.

It sounds obvious, but the idea of fighting poverty with jobs – an equation that most of us take for granted – has only recently taken centre stage in development. In 2015, the United Nations Sustainable Development Goals outlined 17 objectives to guide governments, non- governmental organizations (NGOs) and other actors over the following 15 years. Among them is Goal 8: “Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.” Target 8.3, which calls for “job creation, entrepreneurship...and the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services”, aligns almost exactly with Hand in Hand's mission.

Overdue though it may be, the primacy of jobs in development should come as no surprise. By equipping members with the skills and knowledge they need to make their own success, our theory of change yields some notable benefits.

- Jobs break the cycle of dependency. Our success is complete only when an entrepreneur no longer needs us.
- We work at the grassroots level, directly with the rural poor.
- An average of five family members benefit from every job we grow and create – particularly among women, who comprise over 90 percent of Hand in Hand entrepreneurs. That's more children in school, more parents with access to lifesaving medicine and more families with sturdy roofs over their heads.

Hand in Hand International, a registered UK charity based in London, was established in 2006 with a focus on raising funds to support Hand in Hand programs of poverty reduction through entrepreneurship and job creation in developing countries. Our target is to raise the funds required to create an additional 621,000 jobs by March 2021, which will lift 2.2 million people out of poverty.

2. Why jobs?

2.1 The global picture

In the fight against global poverty there are reasons to be optimistic and there are reasons to be alarmed. Some 700 million people escaped extreme poverty between 1990 and 2010, five years ahead of the ambitious schedule set by the United Nations (UN) Millennium Development Goals. That 1.3 billion still live on less than US \$1.25 a day is a testament to the scale of the problem.

And that's just the most extreme poverty. Almost half the world's population – more than 3 billion people – subsists on less than US \$2.50 a day. Raise the threshold to US \$10 a day and that number rises to 80 percent, or 5.6 billion people.

More than any dollar figure, of course, it is the consequences of poverty that matter most. Here too, the picture is stark. More than 800 million people do not have enough food to eat, and 750 million lack access to clean drinking water. Another 400 million lack basic health services. The result is some 165 million children younger than 5 with reduced rates of growth and development, and 2 million children dead each year as a result of preventable and treatable diseases such as diarrhoea and pneumonia.

The global community has to do better. The good news is, it can.

2.2 Why jobs?

Jobs are the best way out of poverty. Increasingly, global development policy is recombining around this simple truth.

In 2013, The World Bank outlined the importance of employment in a landmark report, aptly titled 'Jobs'. "Jobs are the cornerstone of economic and social development," it said. "Indeed, development happens through jobs."

A year later, then-UK International Development Secretary Justine Greening went one step further, calling economic development "absolutely and without question the only way we can ultimately defeat poverty." And in 2015, US President Barack Obama told the Global Entrepreneurship Summit in Nairobi that "entrepreneurship creates new jobs and businesses...it's the spark of prosperity."

Indeed, joblessness is among the greatest threats to human flourishing today. Only conflict, climate change and water crises pose a graver risk, according to the World Bank. And 7.5 million respondents to the UN's My World Global Survey rank 'job opportunities' third on their list of collective priorities.

They are right to worry. The global economy will need to create an additional 600 million jobs by 2025, according to the International Labor Organization (ILO), and it won't be the formal sector that provides them. The World Bank estimates more than 3 billion people work informally in agriculture, day labor and household enterprises. In Hand in Hand operating countries such as Kenya, as few as 10 percent of people work in formal employment. In India, 51 percent of people are self-employed, many informally.

Traditionally, the informal sector has been viewed with suspicion: as a source of unregulated, unstable jobs. We see it differently: as a source of potential. Only by empowering millions of would-be entrepreneurs to launch their own businesses, boost their own incomes and, ultimately, seize their own destinies does the world have a chance to beat poverty.

Ratified in 2015, the UN Sustainable Development Goals (SDGs) are the boldest declaration yet that prosperity cannot exist without jobs and entrepreneurship. For the first time ever, “job creation”, “entrepreneurship” and the “growth of micro-, small- and medium-sized enterprises” are helping steer global development efforts. With 14 years’ experience in precisely this area, Hand in Hand is uniquely positioned to lead the way.

2.3 Challenges we tackle

Jobs aren’t merely about incomes. They’re also about empowering women and youth, boosting security in conflict zones and reorganizing the global economy around sustainable models and practices. Read on to find out how.

Women’s economic empowerment

Research shows that for every dollar they earn, women in the developing world spend 90 cents on their families and communities. Men, by comparison, spend 40 cents. That’s why 90 percent of our members worldwide are women.

Our approach to women’s empowerment varies according to the cultural norms of each country. In [Afghanistan](#), we learned to establish exclusively male Self-Help Groups (SHGs) as a way to build trust and, ultimately, reach members’ wives and daughters. Consequently, our female participation rate in the country is 50 percent – significantly higher than both the national female labor participation rate of 16 percent and the target rate of 35 percent set by the Afghan government for aid programs. In India we target women exclusively.

Empowering youth

Child mortality rates are dropping throughout the developing world. Fertility rates are not. The result: people younger than 30 now make up half the world’s population. Despite impressive growth rates in many Hand in Hand countries, labor markets have failed to keep up. Worldwide, more than 73 million people between the ages of 15 and 24 are jobless.

Hand in Hand’s portfolio of youth-targeted programs is varied and growing. In Kenya our Entrepreneurship Clubs program, launched in 2015, teaches school students the basics of business. More than 500 students were enrolled in the clubs four months after the program launched. In India, our Child Labor Elimination program gets children out of work and into school. The program has been responsible for building 29 Learning Centers, enrolling 257,113 children in government schools and ridding 1,115 panchayats of child labor as of September 2015.

Security

While Hand in Hand’s principal motive is to alleviate poverty, jobs also improve security and stability in the regions where we work. This is particularly true in countries such as Afghanistan, where conflict remains a daily reality. [Studies](#) suggest persistent unemployment makes

individuals significantly more susceptible to rebel recruitment, as they perceive there to be no non-violent means of earning a living. In a [global survey](#) conducted by the World Bank in 2011, 39.5 percent of rebel group members interviewed said unemployment and idleness were the main reasons they joined.

Environment

In study after study the conclusion is clear: the developing world is on the front lines of climate change, and things are only going to get worse. In East Africa, deadly flash floods are set to increase; in India, stronger cyclones. In Afghanistan, one of the world's most vulnerable countries to the impacts of climate change, droughts and floods trade places with alarming frequency.

It's up to us to help our members adapt.

Our training emphasizes sound ecological principles – in business and at home. In many countries, we provide training modules in waste management, water efficiency and energy efficiency. We also teach environmental resilience as a risk mitigation strategy, with modules in agricultural diversification, irrigation and rainwater harvesting to reduce the impact of crop failure, drought and climatic shocks. Income diversification is another means of mitigating against climate change and, crucially, ensuring food security. A smallholder farmer, for example, has a far better chance outlasting a drought if they've also got a side business in retail.

Our most important contribution, however, is through the development of green jobs. In particular, we encourage our entrepreneurs to develop businesses around upcycling and renewable energy.

3. About us

3.1 Hand in Hand: a global network

Hand in Hand launched in 2003 in rural Tamil Nadu, India. Since then we've grown to fight poverty in 10 countries and counting, buoyed by the success of 1.9 million members as of March 2017, almost all of them women.

From the beginning, our growth has been driven by the global south, for the global south. Hand in Hand India in particular has led the way, training staff at Hand in Hand Afghanistan and Hand in Hand Eastern Africa (Kenya) on the theory and practice of Hand in Hand's job creation model. More recently, teams from Nairobi-based Hand in Hand Eastern Africa travelled to Rwanda to establish our presence there, training staff from partner organization CARE Rwanda and providing follow-up monitoring and evaluation.

Each of Hand in Hand's delivery operations are independent – registered in their own countries and directed by their own boards. Operations in the UK and Sweden, also independent, provide fundraising and support for programs and monitoring and evaluation, while the US-based Friends of Hand in Hand International fundraises on behalf of Hand in Hand International (UK). Hand in Hand does not employ western staff in operating countries, preferring instead to rely on local knowledge and expertise.

3.2 Hand in Hand International

Hand in Hand International, a registered UK charity based in London, was established in 2006 with a focus on raising funds to support Hand in Hand programs of poverty reduction through entrepreneurship and job creation in developing countries. We primarily help the Hand in Hand network scale up existing programs and expand into new countries, but we also work with strategic partners to help us realize our goal. Hand in Hand International concentrates on five subject areas that are key in terms of enabling us to reach our longer term job creation targets. These areas are also priorities for our partners:

1. Raising funds
2. Demonstrating results
3. Sharing knowledge
4. Building capacity
5. Communicating effectively

These five areas complement each other. Results and knowledge gained from program implementation and evaluation are critical for effective fundraising and the support of current and new partners. Capacity building is critical for program expansion, and effective communication is important for fundraising, attracting new partners and advocating for effective job creation policies.

Our focus, of course, is on fundraising. And in order to be better fundraisers, we are also strengthening our capacity in other areas: program evaluation, impact assessment and analysis to validate results and help us learn; disseminating results, lessons learned and other forms of knowledge; capacity building; and producing more effective communications and marketing materials. All of these areas will be further discussed in section 7.1.

3.3 Geographic coverage as of March 2017

Hand in Hand International has supported programs in 10 countries from Afghanistan to Zimbabwe. Our network currently spans three operating headquarters – in India, Kenya and Afghanistan – and three support organizations in the UK, the US and Sweden.

4. Hand in Hand International vision and mission

4.1 Vision

Where others see poverty, Hand in Hand sees entrepreneurs, full of energy and ideas. We help turn their skills and potential into jobs. They discover a way up and out of poverty.

4.2 Mission

Hand in Hand International aims to support the creation of 3.7 million jobs by the Hand in Hand network by March 2021 – transforming 13.7 million lives for the better.

4.3 Values

The work of Hand in Hand International is guided by the following values:

- We are pro-poor.

- We are inclusive, impartial and non-discriminatory.
- We work in partnership with others to achieve results.
- We respect fundamental human rights and listen to the people we work with.
- We value objectivity, integrity, professionalism and openness.
- We value transparency and accountability.
- We esteem entrepreneurship and innovation.
- We share all knowledge about the work we do.

5. Our approach

Hand in Hand's job creation model proceeds in four stages. First, we create community groups made up mostly by women who support each other, save together and learn together. Next, we train group members to develop small businesses that make the most of their skills and potential. As a third step, entrepreneurs are provided with access to microloans that, thanks to group support, are almost always paid back. Finally, we help entrepreneurs scale up their businesses by connecting them to larger markets.

5.1 Theory of change

Our job creation approach is based on a philosophy of self-help and entrepreneurship – of unlocking potential. Most of our beneficiaries are of the rural poor, defined by local criteria.

Hand in Hand breaks the barriers that prevent poor people, especially women, from seizing the opportunities that a growing economy provides. There is ample evidence that investing in women means investing in society as a whole. Women use the benefits of their work to feed, educate and care for their families and improve their communities. In order to build cohesion, we also work for the economic inclusion of men, youth and people with special needs.

We aim to empower women, to give them the self-confidence, skills and training they need to work their way out of poverty by creating sustainable, income-earning businesses. We help by providing incubation funding or help accessing to finance; advice on improving productivity and adding value to their products; and help identifying market opportunities and linking with local markets. Our support, advice and training is ongoing.

We believe the poor have skills, energy and knowledge about local markets, products and possibilities. But we also know they face several interconnected barriers that inhibit their ability to take advantage of opportunities and improve their economic situations.

Many of our members have already been economically active, usually on a subsistence and family basis. At best, however, they are under-employed, and any income is usually sporadic and uncertain, insufficient to build savings or invest. Our members seek greater resilience, food security and the ability to meet basic household needs. They want to move beyond subsistence or dependence on handouts. Women want to be empowered, to have more self-confidence and to be able to participate fully in decision-making within the family and the community. They want to be able to earn their own money and decide how it is spent. Mutual support within SHGs provides a solid support mechanism, the foundation for women venturing into what is, for many, a new world of enterprise development and credit.

LOOK AT POVERTY DIFFERENTLY

You'll see entrepreneurs, full of energy and ideas. We help turn their potential into jobs. They find a way out of poverty.

HERE'S HOW

STEP 1 MOBILISE SELF-HELP GROUPS

- Financial literacy training
- Group savings funds
- Loans between members



STEP 2 PROVIDE BUSINESS TRAINING

- Bookkeeping
- Marketing
- Customer care



BUSINESSES LAUNCHED OR IMPROVED

STEP 3 PROVIDE CREDIT OR TOOLKITS DIRECT OR THROUGH PARTNER

- Business scaled up
- Credit history built



STEP 4 LINKS TO BIGGER MARKETS

- Bigger client base
- More jobs for others in the community

RESULT

INCREASED FAMILY INCOME

- Empowered women – at home, in the community
- Educated children – in school, not work
- Happier families – better health, sturdier housing



Engendering a savings culture, along with an understanding of budgeting and money management, is essential to helping the poor make the best use of scarce resources, regulate consumption and meet demands for payment (often for school or medical bills). Moving forward, basic financial literacy and business skills are necessary for starting and growing a business, but are not sufficient without the information and resources that enable them to be put to good use.

Running and growing a microenterprise requires access to credit, whether for working capital or investment. Multiple sources of credit – both formal and informal – exist in most areas, but members need to understand what is being offered, the real costs involved and how to manage debt. Without knowledge about how to put capital to productive use, access to credit will not lead to long-term and sustainable benefits. Microfinance alone is not a solution. If their businesses are to grow, the people we work with need help to improve competitiveness, productivity, and the design and quality of their products. They have to identify consumer demand. And they need information about, and access to, larger markets.

In Afghanistan, we transfer productive assets (which we call “business start-up toolkits”) to substitute for credit in the initial stages of microenterprise, for two reasons. Firstly, microcredit in Afghanistan is restricted to established entrepreneurs who can access branches in urban areas. The microcredit industry has generally been unable to provide outreach in the remote, deprived and insecure regions where Hand in Hand is working. Secondly, the asset transfer model is more adapted to the needs of the ultra-poor who, due to their minimal asset base, find it very difficult to balance their daily needs with the repayment of loans. It has been established that the majority of members joining Hand in Hand groups in Afghanistan can be classified as ultra-poor, with incomes well below US \$1 per person per day.

We work systematically, helping members from one stage to the next while constantly measuring impact and results. Before progressing, however, our members must meet specific criteria. We monitor performance and provide continuing support, though with decreasing frequency, to members and their enterprises, typically for up to three years or until the enterprises have either proven themselves to be sustainable or clearly failed. To date, the vast majority of the enterprises have become sustainable.

There are numerous non-governmental, development and community-based organizations that address one or two of the elements that make up our theory of change. They focus, for instance, on building savings and loan groups, community mobilization, microfinance, or working with particular groups such as farmers.

What distinguishes Hand in Hand is our focussed and integrated approach, which builds on and reinforces the complementarities among elements. While recognizing that many other matters impact on poverty (education, sanitation, clean water and basic health, for example), we retain our core focus on job creation as a means of poverty reduction in order to be as effective as possible.

At the same time, we recognize that working in partnership with other organizations, including governments, can help build our collective knowledge and increase the benefits to our members, enabling us to scale up and reach more people more quickly.

5.2 The job creation model

Group savings and skills training aren't rare. Nor, for that matter, is microfinance. But where other organizations focus on one or two of these elements, Hand in Hand combines all three – then adds another by connecting entrepreneurs to larger markets. Our model is efficient and cost-effective. Network-wide, as of 2015, we nurture the creation of more than 1,000 jobs a day, seven days a week. That's more than 350,000 jobs a year.

5.2.1 Induction work / stakeholder engagement

Programs are destined to fail when local stakeholders are ignored. That's why we engage community leaders and potential members for feedback and to spread awareness before launching any new project.

5.2.2 Setting up groups

First we create Self-Help Groups, typically made up of women, who support each other, save together and learn together. Members contribute to group savings funds at every meeting.

5.2.3 Business training

Once a group is stable, with its savings fund firmly in place, we train members to grow and develop small businesses with modules in basic bookkeeping, business development, marketing and more. Illiterate and innumerate members are trained using pictures, parables and songs.

5.2.4 Access to credit

Group savings help finance most new businesses. But when members need more than they can borrow internally, we train them in debt management and provide access to microloans, typically worth about US \$100, funded by Hand in Hand or a partner. The average repayment rate across our network is above 99 percent.

5.2.5 Links to larger markets

As a final step, we help entrepreneurs compete – and thrive – by finding larger markets, sourcing cheaper supplies and improving their branding, packaging and more. Scaling up helps entrepreneurs provide for their families and benefits entire communities.

6. Implementation

Hand in Hand International works with service delivery partners to achieve our goal, both within the Hand in Hand network and through strategic partnerships. Although our implementation model adapts to the different contexts we work in, we always stay true to our theory of change: helping people living in poverty to unlock their own potential through enterprise and job creation.

6.1 On the ground

As a global implementing organization, the Hand in Hand network has the skills we need to deliver our programs and create jobs wherever we have a presence. In this context, a key priority for Hand in Hand International is to support our Hand in Hand partners to improve the

quality, scale, sustainability and impact of their operations. We do this by raising funds for expansion; strengthening systems and processes for monitoring and evaluation to generate evidence and demonstrate results; facilitating the sharing of knowledge and best practices to continuously strengthen our implementation model; building our partners' capacity to deliver high quality programs on the ground; and communicating effectively to raise awareness about what we do.

6.2 Strategic Partnerships

We recognize that by working with partners, Hand in Hand can reach scale, avoid duplication and focus on what we do best: creating jobs. Ultimately, our goal is to make sure that as many poor people as possible can access the services they need to create jobs – whether from us or a partner.

During this strategic period, we will increase our focus on strategic partnerships, which we estimate will contribute 25 percent of our annual jobs by the end of the period. Already, there are thousands of Self-Help Groups established by other institutions in our operating countries, which we will aim to reach with our enterprise training model, thereby efficiently expanding our poverty impact through partners at the same time as expanding our own direct operations.

Having recently completed our first-ever large-scale partnership – established in 2013 with CARE International and responsible for the creation of 115,000 jobs in Rwanda – we now have a wealth of experience from which to draw lessons. The partnership leveraged the combined strength of CARE's Village Savings and Loan Association (VSLA) mobilization and Hand in Hand Eastern Africa's business training to create a unique, cost-effective job creation model with opportunities for replication within VSLAs across the world. An independent final evaluation found that Hand in Hand's business training resulted in monthly business incomes increasing by an average of 75 percent when compared to members of groups that had not received our training. Drawing experience from this partnership, we will form strategic partnerships with the following objectives:

- To cost-effectively expand the Hand in Hand model into new areas and countries by training other NGOs to deliver our model, the same way we did with CARE in Rwanda. In these instances, Hand in Hand works as a research and development (R&E) institution, spreading best practices and increasing the global uptake of our model.
- To increase local uptake of Hand in Hand's approach by strengthening the local capacity of governments, likeminded NGOs and other actors to implement Hand in Hand's model and ensure our results are sustained and scaled up. This is key to our model's sustainability.
- To complement Hand in Hand's programs with the competency and skills of others, and broaden the support and services we offer to our members. This will allow Hand in Hand to focus on our niche competence while responding to our beneficiaries' diverse set of needs.

To realize these objectives, Hand in Hand International will adopt the following criteria to identify strategic partners:

- A shared commitment to job creation and results-focused implementation;

- The ability to demonstrate good practice with regard to governance and the management of resources;
- A proven willingness to freely and openly share knowledge and evidence about their work, including training and other manuals, evaluations, lessons learned, and systems documentation;
- Shared values with Hand in Hand, and a willingness to work in full partnership with all Hand in Hand members.

Starting in 2017, we'll be looking to replicate our Rwandan success as we expand into Tanzania. During the first year, we'll establish an in-country office responsible for building strategic partnerships to help the project reach scale. In the second year, our focus will shift to delivery.

7. Strategic Plan objectives and targets

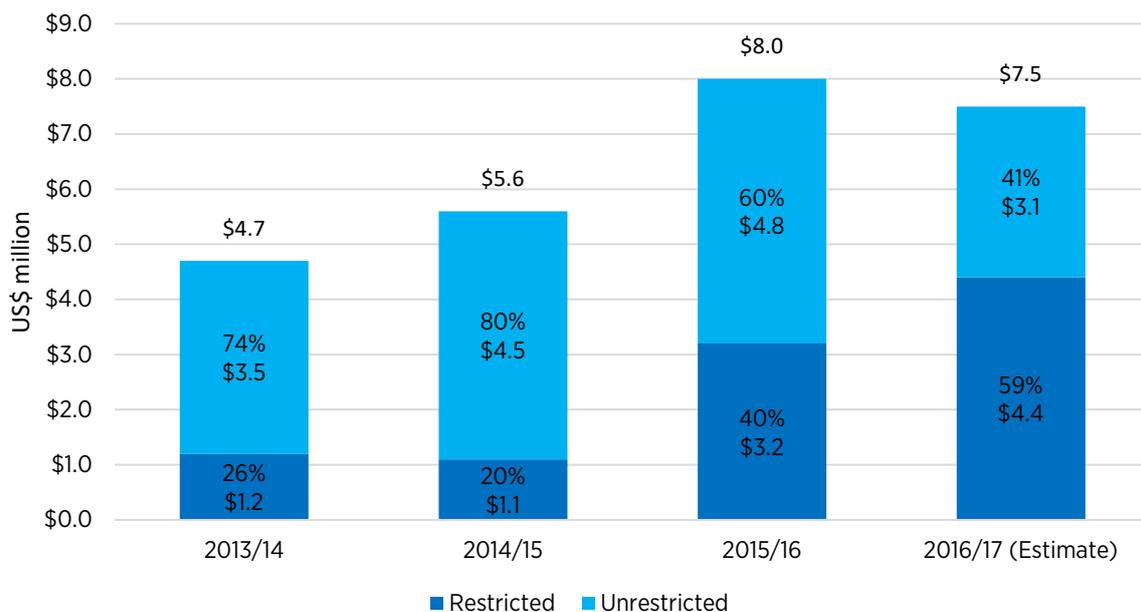
7.1 Strategic objectives 2017-2021

Network-wide, Hand in Hand's goal is to create 3.7 million jobs by March 2021. As a major support office in the network, Hand in Hand International's role is to fund the bulk of that job creation. To get there, we'll need to do four things: reach more donors, both private and public; produce evidence of the highest standard to prove our model works; build awareness around our brand among target audiences; and advocate in key fora for the role of jobs in development.

7.1.1 Reach more people

Hand in Hand International's income has averaged US \$7 million over the past three years. Funding secured by implementing partners has increased, contributing up to 9 percent of total funds.

Graph 1. Hand in Hand International income between FY 2013/14 and 2016/17



Source: Hand in Hand International audited accounts and budget

Hand in Hand International donations come from a mix of private and public donors, including philanthropists, corporations, foundations and official development assistance (ODA) from bilateral donors such as the Swedish International Development Cooperation Agency (Sida), the European Union (EU) and the Department for International Development (DFID). A broad breakdown of donations received between 2013 and 2015 shows the following pattern: 12 percent private individuals, 15 percent public ODA, 64 percent foundations and trusts and 9 percent corporate. We have not actively raised funds from the general public. We closely monitor our percentage of core, or unrestricted, funding, and have a target of raising no less than 50 percent of annual income as core funding over the next five years. Core funding allows us to respond flexibly to the opportunities for job creation that best meet our funding criteria as outlined below.

With respect to core funding raised by Hand in Hand International, the Hand in Hand network has agreed to the following criteria for allocation of such funds. At a minimum, recipients should:

- Demonstrate they're a fit with Hand in Hand's mission and values.
- Demonstrate effort and the ability to raise funds from domestic sources, where available.
- Provide quality support for international fundraising.
- Have sound strategic and implementation plans.
- Demonstrate the ability to create sustainable jobs and be committed to validating this through independent evaluation.
- Carry out financial audits, including a management letter, by independent auditors approved by Hand in Hand International.
- Provide for a Hand in Hand International ex officio seat on the board of the organization, or equivalent as may be required to comply with national laws.
- Freely share all knowledge: manuals, systems documentation, lessons learned, etc. Staff should be made available to assist other organizations when requested and study visits should be welcomed.

These criteria provide donors of core funds with the assurance that their donations will be allocated to organizations that adhere to Hand in Hand's values and methodology, and which use the funds to help achieve Hand in Hand's goals. The criteria are applied pragmatically and over time as organizational capacity is built. Initial allocations can be in the form of seed funding aimed to forge a partnership and build capacity.

Contributing towards the network's target of 3.7 million jobs by March 2021 will require a step change in funding from Hand in Hand International. We plan to achieve this by building on some of our core strengths as a fundraising team, including our multiple languages and nationalities, our proven results in institutional and major donor fundraising, and a cause that appeals strongly to corporate donors. This profile means that raising funds from the same fundraising segments in markets outside of the UK will be an easier route to growth than diversifying into other fundraising streams within the UK (such as individual giving or legacy giving).

While official development assistance can be addressed from our office in London, other forms of fundraising require a local presence. During this strategic plan period we will launch a fundraising operation into at least one other major country. The choice of market will be dictated by a range of factors:

1. The size of giving to international development causes (see Table 1)
2. Existing governance structures
3. The degree of competition and sophistication in the market
4. Existing connections to potential individual and corporate ‘fundraising champions’

Table 1. Charitable giving to international development causes (US \$ million)

	USA ¹	UK ²	Germany	Switzerland
Foundation ³	2,274	464	2,597	236
Corporate	749	130	1,298	135
Addressable “market”	3,023	594	3,895	371
Official development assistance	30,800	13,800	14,100	3,100

Source: Hand in Hand International and Applied Value estimates, based on Givingusa.org, CGP, Charity.org, Acf.org.uk, Cafonline.org, Betterplace-lab.org, Shop.stiftungen.org, lwkoeln.de, Ceps.unibas.ch, Gfs-zh.ch, Bcgindia.com.

7.1.2 Generate evidence

Rigorous evidence that proves our approach works will be critical to the success of Hand in Hand International’s fundraising efforts. Funding partners will support our efforts to scale up if we can prove that our approach works faster and more sustainably than other potential approaches to poverty reduction. That’s why monitoring and evaluation are the very core of our work.

Hand in Hand is dedicated to generating evidence – collected efficiently, responsibly and cost-effectively – that explains how and why our model delivers the outcomes and impacts we report. Only by drawing out solid and detailed evidence will we be able to strengthen our programs and best serve our beneficiaries.

At the same time, internal monitoring and external evaluations and impact studies will allow us to demonstrate that the impact of our package of group mobilization, high-quality training, credit and market linkage support is greater than the sum of its parts. In other words, we will prove through globally credible research that the combination of elements and sequence of our working model is substantially more effective in delivering poverty reduction over the five-year strategy cycle than pursuing these elements in isolation.

The resulting benefits will be threefold. First, we will attract more funding for our network operations. Second, we will attract new partnerships with livelihoods-focused NGOs convinced

¹ Potentially overestimated compared to other markets as these figures include emergency appeals and legacies

² Ibid.

³ Includes corporate foundations

of the need to move their programming in a similarly integrated direction. Third, we will build deeper partnerships with microfinance institutions (MFIs).

To establish ourselves as a leading authority in the field of enterprise development, Hand in Hand International will engage with international and multilateral cooperation partners, research institutes and think tanks to produce the following evidence.

- 2017: [Institute for Financial Management and Research \(IFMR\) review of our operations in Tamil Nadu, India](#). This major Randomized Control Trial (RCT), conducted over six years, is the first of its kind to consider the efficacy of combined microcredit and training. As such, we expect it to attract attention from across the global development community when published in 2017. The study will compare Hand in Hand members to nearby populations who've not joined our programs in a range of key metrics including savings, income and family welfare.
- 2020: **Kenya impact study, mid-term review**. Similar in size, scope and methodology to the IFMR's India report, this study will again interrogate the efficacy of combined microcredit and training – a first in Eastern Africa.
- 2018: **Country office impact review, Afghanistan**. This ex-post impact study will evaluate the sustainability of our work in Afghanistan by visiting members long after our programs are finished. It will also evaluate current programs, comparing operations across geographies and providing granular information about our beneficiaries.
- Annually: **Monitoring and evaluation synthesis**. Derived from quarterly reports from across the Hand in Hand network, these annual reviews will measure our progress towards strategic goals and facilitate the refinement of our M&E processes.
- Biennially (2018, 2020): **Hand in Hand International evaluation synthesis, network-wide**. Every two years, we'll synthesize all the third-party reviews from across our network and partners to identify major learning points and facilitate the transfer of lessons between regions and with partners and interested parties.

7.1.3 Be recognized

With the arrival of the UN SDGs in 2015, jobs and entrepreneurship are finally front and centre in international development. Hand in Hand, a long-established actor in the field, is ready to lead the discussion.

There are 19,625 international development charities registered with the UK Charity Commission. In a country so crowded with international development organizations, many of them long-established household names, it would be unrealistic and a poor investment for Hand in Hand International to aim for recognition with the UK general public. Instead, we will focus our resources on creating and maintaining awareness with the audiences most essential to scaling up our impact:

- Institutional and other established funders such as large foundations
- Corporate donors
- Major philanthropists
- Potential partner organizations (more of which in section 7.2.4)

Specifically, we will aim to:

Retain donors: In a country with almost 20,000 international development charities, even maintaining recognition among existing donors is hard work. That said, the evidence is consistent: what motivates donors to give again is regular personal feedback on the specific impact their own contribution has made, backed by independent evidence.⁴ We will therefore continue to invest in providing best-in-class, personalized, tailored information, and to invest in independent evidence, as mentioned in 7.1.2.

Measures of success:

- Positive change in perceptions of current funders (versus a 2013 baseline).
- Percentage of repeat donations.

Support donor acquisition: Most individual philanthropists carry out little research before making a decision to donate, whereas most professional donors (corporate, institutions or foundations) carry out significant research.⁵ As both audiences rate NGOs' websites as highly important in their decision-making, we will continue to invest effort in the quality of our website. Beyond personal recommendations and fundraising events, the most important information sources leading UK philanthropists to make a donation is also media coverage.

Measure of success:

- Funds raised in the follow up to events.
- Time spent on our website.
- Audience reach on publications and media channels relevant to our audiences.

Tell the global Hand in Hand story consistently: Since most of our donors are international, we will continue to work closely with our colleagues in the Hand in Hand network to define clearly and consistently what Hand in Hand does, how we do it (our model) and what we have achieved so far (evidence). Measures of success:

- Consistency of key messages.
- Tone of voice and visual identity across all network websites.

7.1.4 Drive change

Historically, Hand in Hand has focused exclusively on delivering our programs, lifting more than 8.8 million women, men and children out poverty as of September 2015. The next five years will see an increased emphasis on advocacy for the role of jobs in promoting development and gender equality.

Encouraging other NGOs to adopt our model will be vital to reaching our goal of creating 3.7 million jobs by March 2021, as outlined in section 6.2.

Much of this will be driven by our colleagues in the Hand in Hand network's implementing organizations, at both the local and national levels. However, there are also influential

⁴ Money for Good UK, New Philanthropy Capital, 2013

⁵ Money for Good, Hope Consulting, 2011

European, North American and global forums that provide a shortcut towards wider awareness and acceptance of our model.

This is where Hand in Hand International will increase its involvement, participating in global dialogues around three thematic areas: women’s economic empowerment, financial inclusion and smallholder agriculture. With approximately 7 million savings groups’ members already mobilized across five continents by NGOs represented in [SEEP Network](#), for example, there is immediate potential for sharing our learning and ‘franchising’ our model at scale by participating in such forums on savings groups and financial inclusion. Independent evidence (see section 7.1.2.) is essential to opening the door to these forums. Measure of success:

- Expert audience reached by presenting our evidence and approach in relevant sector forums and platforms.

7.2 Targets 2017-2021

The Hand in Hand network aims to create 782,000 new jobs over the four-year period, meaning we will have created a cumulative total of 3.7 million jobs by March 2021.

In the process we will mobilize 595,000 members and support our members to create and run 508,000 enterprises. Our job creation programs will improve 2.9 million lives, taking our cumulative total since inception to 13.7 million lives.

Table 2. Total Network Targets for 2017/18 – 2020/21

Operational Targets (in 000's)	Cumul.total prior to SP	2017-21 strategic period				Total SP period	Cumul. total
		17/18	18/19	19/20	20/21		
Members mobilized	1,965	158	138	142	157	595	2,560
Enterprises created	1,936	203	90	101	114	508	2,444
Jobs created	2,909	217	180	184	201	782	3,691
Lives improved	10,786	1,035	566	610	682	2,893	13,679

Source: Hand in Hand Network Member Strategic Plans

Programs funded by Hand in Hand International – either fully or jointly with Strategic Partners – will contribute a very substantial proportion of the resources required to reach the network targets for the period 2017 to March 2021:

Table 3. Contribution of Hand in Hand International Programs to Operational Targets

Operational Targets (in 000's)		2017-21 strategic period				Total SP Period
		17/18	18/19	19/20	20/21	
Hand in Hand network	Members mobilised	67	86	92	118	363
	Enterprises created	47	60	64	82	253
	Jobs created	83	111	121	157	472
	Lives improved	281	364	394	506	1,545
Strategic Partnerships	Members mobilised	12	52	70	52	186
	Enterprises created	8	37	49	37	131
	Jobs created	9	42	56	42	149
	Lives improved	41	183	244	183	651
Grand total	Members mobilised	78	138	162	170	548
	Enterprises created	55	96	113	119	383
	Jobs created	92	153	177	199	621
	Lives improved	321	548	638	689	2,196

Source: Hand in Hand International projections

These targets are derived from our fundraising projections.

Table 4. Hand in Hand International Fundraising Projections

Fundraising	2017-21 strategic period				Cumul. total
	17/18	18/19	19/20	20/21	
Major donors and corporates	4.4	5.3	6.3	8.9	24.9
Institutions and trusts	3.9	4.8	5.6	5.0	19.3
Reserve drawdown	0.3	0.6	-	-	0.9
Total fundraising income	8.6	10.7	11.9	13.9	45.1
Partnership Co-Funding	0.2	0.8	1.1	0.8	2.9
Total income	8.8	11.5	13.0	14.7	48.0
Fundraising and administration costs	0.8	1.0	1.2	1.4	4.4
Net funding for programs	8.0	10.5	11.8	13.3	43.6

Source: Hand in Hand International projections

We assume Hand in Hand International’s proportion of large donations from High-Net-Worth individuals through peer-to-peer introductions declines slowly over time. We strengthen our presence in one additional fundraising market, most likely in the US or Germany/Switzerland, which over time achieves similar “market penetration” as BRAC USA, an organization with a similar value offering. We expand our fundraising teams over time, making more applications, retaining our current donors and improving our success rate in all categories.

8. Exit strategy and sustainability

Aid dependency is widespread, pernicious and anathema to Hand in Hand’s mission. Motivated by an ethos of ‘help to self-help’ and focused on nurturing sustainable jobs that outlast our programs, our job is to place entrepreneurs on the path to prosperity, with access to the financial and market services they need to sustain and expand their businesses

8.1 Exit strategy

In order to guarantee value-for-money for our funding partners, it is vital to maintain the efficiency and effectiveness of Hand in Hand’s programs. That means making sure we do not continue to support entrepreneurs that no longer need us. Instead, they should continue to develop as entrepreneurs on their own with the knowledge and skills we’ve taught them. This enables human and material resources to be released to serve new individuals, in new locations.

Hand in Hand International has provided guidelines and promoted strategic dialogue to define our support to Self-Help Groups within a limited time period. The journey of an individual member through our program, the specific remit of Hand in Hand in delivering that journey, and how that member will continue to progress after our program concludes are being closely defined in this strategy period.

Hand in Hand Afghanistan and Hand in Hand Eastern Africa will work with Self-Help Groups for 24 to 36 months. Subsequent to that period Hand in Hand Afghanistan closes its projects and exits a geographical area, leaving district marketing associations in place to continue the co-ordination of group activities. In Eastern Africa, where branch offices are not project dependent, groups are federated into community based organizations that have the capacity to continue to make linkages to financial, business and technical service providers originally

facilitated by Hand in Hand. At that point they cease to receive active support from Hand in Hand.

Hand in Hand International will facilitate the tracking of marketing associations and community based organizations through ex post evaluations, and learning will be fed back to network staff in order to further strengthen exit strategies.

A further consideration is Hand in Hand International's exit as a partner to in-country operations. As a partner reduces its dependence on Hand in Hand International for financial support, Hand in Hand International can exit the relationship in a harmonious manner to focus on supporting partners less able to handle its own fundraising. Hand in Hand International will also exit when it can no longer provide broader value to the partner, and when that partner, having built its own capacity, would prefer total independence. Knowledge and results sharing would, of course.

8.2 Sustainability

Hand in Hand's culture is characterized by self-help, entrepreneurship and a focus on business, all of which help ensure the sustainability of its programs. The approach is premised on working with existing community structures in support of local policies and plans, as well as on keeping costs low by relying on local staff and volunteers. The clarity and replicability of Hand in Hand's approach also helps make it cost-effective and scalable.

Hand in Hand recognizes that employing local staff and volunteers is important for myriad reasons. For one, no one is better suited to understand the local culture, language and customs, along with the barriers and impediments our members face. They also provide far better value for money than western 'experts'. Building on existing structures and engaging with local communities and stakeholders reduces duplication, allows for cost savings and ensures continued structural and community support for our members long after our direct support has been withdrawn. Local ownership, self-help and empowerment help ensure sustainability.

Within this broader context, Hand in Hand places major emphasis on sustainability at two levels: the sustainability of the enterprises and jobs created, and the sustainability of our network organizations themselves.

Our definition of sustainable enterprises and jobs is in line with DFID's definition for sustainable livelihoods. "A livelihood should be viewed as sustainable if it is resilient in the face of external shocks and stresses, and if it is independent from external support, if it is able to maintain the long-term productivity of natural resources and if it does not undermine the livelihood of others".⁶ As previously stated, Hand in Hand International will facilitate ex post evaluations to evaluate Self-Help Groups and individual entrepreneurs to understand factors of continuity and discontinuity and how sustainability can be strengthened.

Institutional sustainability is a gradual process and Hand in Hand will be dependent on grant financing to sustain its operations for the foreseeable future. To mitigate the risks of a major

⁶ Kollmair, M. and Gamper, St. (2002): The Sustainable Livelihood Approach. Input Paper for the Integrated Training Course of NCCR North-South, Development Study Group, University of Zurich

decline in funding, Hand in Hand International is actively broadening its donor base and piloting new funding products and mechanisms. Similarly, Hand in Hand International encourages its partners to explore ways of generating new types of income – expanding the proportion of fee-based services for advanced entrepreneurs, and for other organizations and corporations that wish to engage our training services, for example – which, over the long term, will increase as a proportion of revenue and help our partners partially cover their costs.

Hand in Hand International will also share knowledge and recommendations on changing global definitions, trends and expectations with regards to sustainability, and support partners in diversifying their income sources

9. Risk analysis and mitigation strategies

Table 5. Hand in Hand International risk matrix

EXPLANATION OF RISK	POTENTIAL IMPACT High/Medium/Low	PROBABILITY High/Medium/Low	MITIGATION MEASURES
EXTERNAL RISKS			
Political, economic and social instability in countries where we support programs, especially in Afghanistan where the security situation is deteriorating.	Medium	Medium	Monitor closely with local partners and keep donors informed. Scale down operations periodically as required without losing implementation capacity.
With increased global recognition that jobs are the cornerstone of economic and social development cornerstone competition for resources may become stiffer.	Medium	Medium	Continue to document our work and have credible independent evidence that our model is highly effective. Form further partnerships with likeminded organizations for joint initiatives.
Despite high poverty levels, countries where we work such as Kenya and India have moved to status as middle income countries. This is naturally a very positive development, though it may lead to donors cut their funding, diminishing our resources.	Medium	Medium	Gather evidence proving there are still vast pockets of poverty that require attention in these countries, and that our programs International are effectively designed to support these people to work their way out of poverty.
Material unforeseen events affecting the countries or funding for countries where we support programs (e.g. terrorism, natural disaster, humanitarian crises).	Medium	Low	Hand in Hand International to target reserves of US \$750,000 to bridge the need to cover short-term bad debts/additional disaster financing.

INTERNAL RISKS			
Corruption, impacting the running of programs supported by Hand in Hand International as well as local and international reputation/fundraising for many years.	Medium	Low	Ensure strong financial controls and audits (internal and external). Maintain constant vigilance through board representation.
Reduced ability for Hand in Hand International to mobilize resources for the programs it wishes to support.	High	Low	Hand in Hand International to stay up to date with the most effective fundraising practices. Continuously investing in evaluations, bringing out evidence for the effectiveness of programs supported.
Hand in Hand International experiences a fall in the share of core (unrestricted) income, limiting the flexibility of the organization to answer to new opportunities or to continue to innovate.	High	Low	Increase focus on overhead recovery from project/program proposal based fundraising.
Partner organizations experience serious quality/management issues and/or mission drift.	Medium	Medium	Hand in Hand International contributes technical support and (where required) funding to assist the operation in restructuring. Strong role for Hand in Hand International on board or similar forum. As a last resort, termination of the partnership.
Decrease in peer-to-peer introductions	Medium	Medium	Strategic selection of board members; recruitment of fundraising and celebrity ambassadors; strengthening donor relations management and communications to increase retention.
Reputation shock as a result of devolved network (the actions of one operation affect the reputations of all others).	Low	Medium	HR policies with zero tolerance for corruption; operational audits by reputable international firms; training of all network leaders in crisis communications skills.

10. Monitoring and evaluation

10.1 How we measure success

Our monitoring and evaluation framework is aligned with the SDGs⁷, designed to steer and measure progress in development according to an internationally agreed set of goals to the year 2030. Our programs are closely aligned with SDG 8 on Decent Work and Economic Growth, in particular target 8.3: *Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services.* Our core monitoring of program outputs covers enterprises created and enhanced, jobs created and enhanced, credit disbursed, and net enterprise profit levels. The outcome monitoring of our programs – household income, food security and women’s empowerment – demonstrates a direct contribution to SDGs 1, 2 and 5. Network-wide, every program we fund will report against these result areas, and outputs and outcomes will be measured for all members supported by Hand in Hand for a period of approximately 30 months.

10.1.1 Household income

As part of this strategic period, Hand in Hand measures the reduction of poverty among our members using the application of poverty scorecards, the measurement of the accumulation of assets, and the triangulation of these sources with direct measurement of household income. Measuring changes in household income is necessary to assess the effects of both universal and targeted actions on different socio-economic groups,⁸ and relates to SDG 1: End Poverty in All Its Forms Everywhere, and its targets:

- Reduce poverty by at least half according to national definitions.
- By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance.

Strategic Target: We have set an ambitious target to raise household incomes by an average of 30 percent as a result of graduating from a Hand in Hand supported Self-Help Group program. In most cases this will be done by adding a new income stream, generated by a woman in the household, to existing income streams. Recently completed independent evaluations confirm this target is achievable.

10.1.2 Food security

Our objective is to eliminate moderate or severe food insecurity, with its sometimes irreversible consequences for long-term well-being, among the people we work with. For food security we use USAID’s FANTA methodology⁹ to establish the proportion of member households that are moderately or severely food insecure as they enter our program, then

⁷ <https://sustainabledevelopment.un.org>

⁸ OECD Framework for Statistics on the Distribution of Household Income, Consumption and Wealth, OECD 2013

⁹ <http://www.fantaproject.org/about>

track them towards our goal: that all households will have moved out of food insecurity by the end of any given project.

Measuring changes in food security relates to SDG 2: End Hunger, Achieve Food Security and Improved Nutrition and Support Sustainable Agriculture, and its target:

- By 2030, end hunger and ensure access by all people, in particular the poor and people in vulnerable situations, including infants, to safe, nutritious and sufficient food all year round.

Strategic Target: Our target in this area is clear: that moderate or severe food insecurity will be permanently eliminated amongst all graduated SHG members across the network. Early progress results obtained using the FANTA monitoring methodology in our DFID funded project in Afghanistan suggest this is achievable.

10.1.3 Women's empowerment

Women's empowerment is part of Hand in Hand's core mission. This is in line with findings that in order for women, their families and society to reap the full benefits of development, investments in women must also promote their empowerment, defined as a woman's ability to make and realize economic decisions. Numerous studies show that investments promoting women's economic empowerment yield higher returns in poverty reduction and broader positive effects than those that do not.¹⁰ Moreover, research has proven specifically that children benefit more when women are targeted. When women earn more, households tend to invest more in the education and health of children.

Hand in Hand adopts a range of qualitative methodologies to track progress on context-specific indicators of empowerment. These include focus group discussions with a scientifically selected sample of SHG members and the application of sample surveys based on empowerment indicators such as participation in household decision-making and participation in community level structures. Measuring changes in women's empowerment relates directly to SDG 5: Ensure Gender Equality and Empower All Women and Girls, and its target:

- Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.

Strategic Target: The indicators that have been adopted by Hand in Hand track these outcomes at the household level, where we expect that 80 percent of women will report an enhanced role in household decisions on expenditure and investment as a result of participation in our program. We will monitor and adapt our programs to minimize any potential negative effects on women from their new role as self-employed entrepreneurs, such as excessive work burden from having to combine domestic and enterprise activities.

At the community level, we expect to observe that 30 percent of women graduating from our programs will report enhanced participation in wider community affairs as a result of their increased confidence and leadership skills gained from SHG membership.

¹⁰ [Donor Committee for Enterprise Development, Measuring Women's Economic Empowerment, 2014](#)

10.2 Impact research and evidence

Hand in Hand complements our output and outcome monitoring by regularly commissioning external, independent program evaluations. The results contribute to continuous learning and the refinement of our approach, and allow us to demonstrate the importance and relevance of our work to a range of different audiences. At the strategic level, our core evaluation themes are as follows:

Output level: members mobilized, enterprises created and enhanced, jobs created and enhanced, savings accumulated, knowledge and skills developed, credit disbursed, and net enterprise income (profit) earned. These elements are the focus of quarterly and annual reviews, internal sample studies, and post-training tests to ensure direct implementation is on track. External evaluations determine the level of efficiency and value for money of the implementation model.

Outcome level: Household income change, food security and women's empowerment. These outcomes arise directly from the above outputs within the lifetime of the programs, and can be tracked by monitoring systems and independently validated in external mid- and end-term evaluations.

Impact level: With mature groups that have been involved in enterprise development programs for more than three years, we conduct studies on the extent to which outcomes have translated over time into other areas of life, such as improved capacities to respond health emergencies, better preventive health practices, and access to better quality and higher levels of education for children.

In this strategy period Hand in Hand International aims to develop partnerships with independent research institutions to determine the efficiency and effectiveness of our approach to poverty reduction and share the impacts of our model internationally. Such partners use robust, causation-proving techniques such as RCTs, in which program participants and non-participants are allocated at random. The methodology is designed to ensure there is no difference between participants (treatment) and non-participants (control), meaning that any change in their status or wellbeing can be attributed to our program. In circumstances where ethical considerations affect the use of RCT methodology, especially the lack of benefits of participation for the control group, it is possible to compare the performance of different beneficiaries *within* a project, segmented by age, gender and educational background to gain rigorous information on program impact.