

ANNUAL REPORT 2020-21



HAND IN HAND
INTERNATIONAL

Hand in Hand we can help women beat the odds and succeed as entrepreneurs. The money they earn and the confidence they gain changes everything. Whole families and communities rise with them.

Since 2003, from Afghanistan to Zimbabwe, we've helped more than 3.1 million women launch microbusinesses that can stand the test of time. Some are smallholder farmers learning to stand up to climate change. Some are refugees trying to start a new life after running from conflict. Others are vulnerable young women and girls starting to dream – and plan – for the future.

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A word from our CEO



DOROTHEA ARNDT,
CEO

In times of crisis, the vulnerable suffer most.

This year, it was the physically vulnerable who rightly received the bulk of our care and attention. But let's not forget that one day in the not-too-distant future, it will be the economically vulnerable whose voices cry out loudest. Just as fighting the spread of Covid-19 has required every one of us to do our part, so too will helping the world's poorest people bounce back from the collapse of global markets and supply chains require total, concerted resolve.

Hand in Hand will be ready to tackle the challenge. At the start of the year, our brave trainers traded in their regular duties for distributing soap and PPE, working on the frontlines of the crisis in some of the world's hardest-to-reach communities. (For more on their efforts, turn to page 8.) By summer, our regular training had resumed, socially distanced and safely outdoors. Today, only six months later, I am pleased to announce we are supporting our members to create and improve micro-enterprises at pre-pandemic rates.

Of course, it's not just our trainers and members who deserve our thanks. Looking back, I find myself overwhelmed by the steadfastness and generosity of Hand in Hand's donors and partners. In this most challenging of years, a heartfelt thanks is in order.

To old friends who stuck by us or upped their support. To new friends who at a time of great personal uncertainty found room in their hearts for people living half a world away. When the world came to a standstill you stood behind us. Neither we nor our members will forget your support.

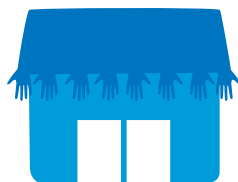
Dorothea Arndt
CEO, Hand in Hand International

By the numbers

Coronavirus halted training, shut down markets and disrupted supply chains across the Hand in Hand network. Nevertheless, we reached more than 200,000 members in 2020-'21. By year-end, they were creating and improving micro-enterprises at pre-pandemic rates.



Members
205,995 added
3,221,031 total



Businesses
224,061 added
3,154,048 total



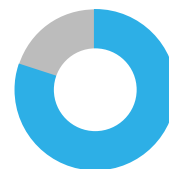
Jobs
286,855 added
4,819,622 total



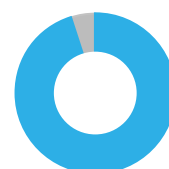
Lives improved
1,164,118 added
17,350,002 total



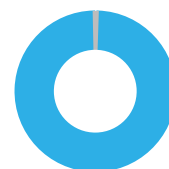
30% increase
in monthly net
enterprise income¹



80% of start-up
enterprises still
running after a year²



95% of members
have savings to
see them through
a rainy day³



99% of women
members have
more freedom and
influence at home⁴

¹ ATR Consulting, 'End-term evaluation of Reducing poverty and gender inequality...'

² Hand in Hand, 'Ex-post Evaluation Study to understand the impact of the programme nine months after completion'.

³ ATR Consulting, 'End-term evaluation of Reducing poverty and gender inequality...'

⁴ Hand in Hand, 'Rapid needs assessment in response to the Covid-19 global pandemic'

How we work

Hand in Hand works in four key stages.



First, we create Self-Help Groups where women support each, save together and learn together. Members contribute to group savings funds at every fortnightly meeting.



Once a group is stable, with its savings fund firmly in place, we train women to develop and grow small businesses with modules in basic bookkeeping, business development and more. Sessions are scheduled to put women first, taking care to avoid clashing with childcare and other domestic duties. Training is interactive and tailored to local context.

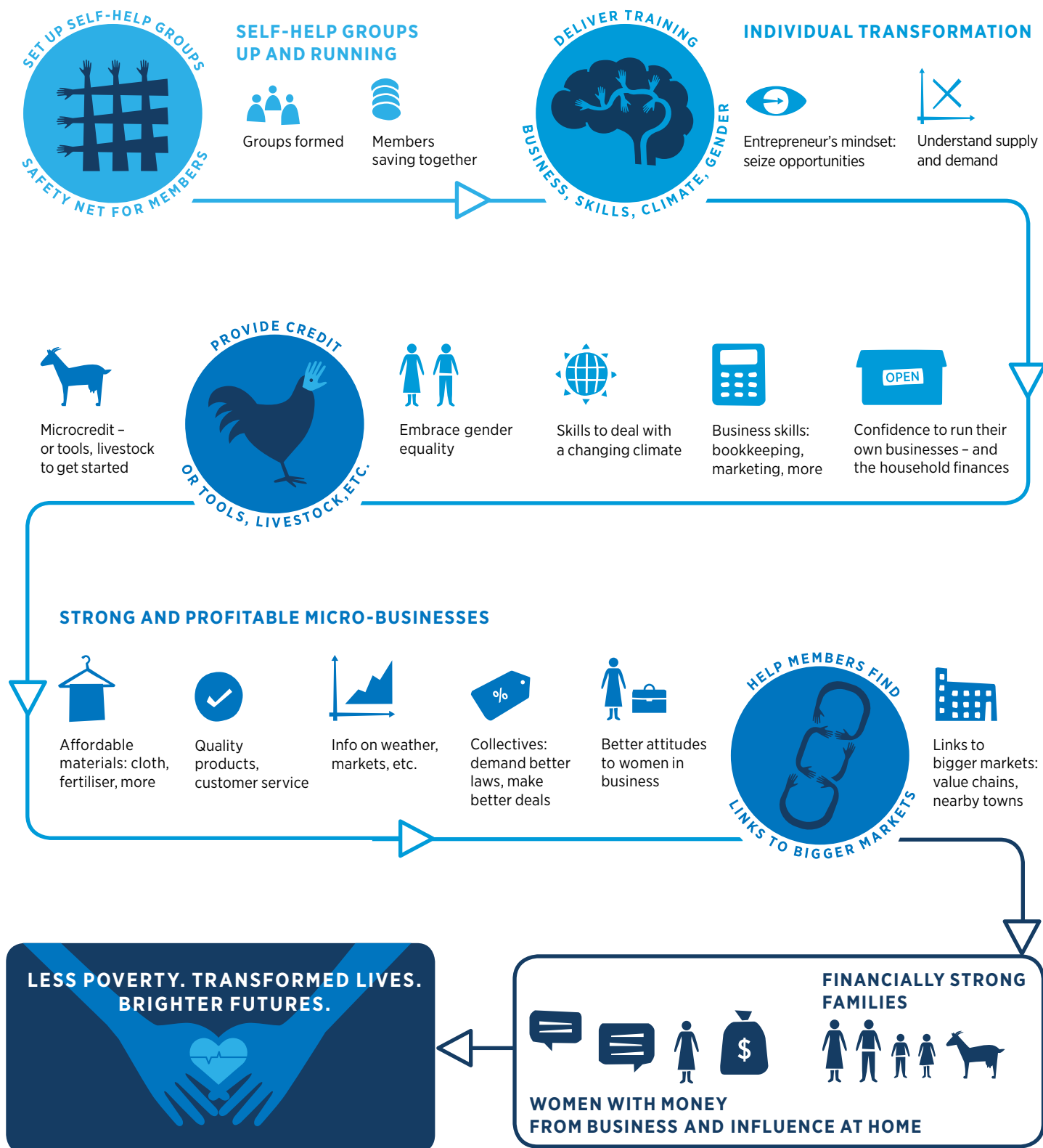


Group savings help finance most new businesses. But when members need more than they can borrow internally, we train them in debt management and provide access to microloans, typically worth US \$100 or more, funded by Hand in Hand or a partner.



As a final step, we help women compete – and thrive – by steering them towards larger markets, organising producers' groups that can access bigger value chains, and helping improve their branding, packaging and more. When a woman scales up her business, providing for her family and hiring her neighbours becomes easier.

By the time their journey is finished, the effect on our members is two-fold: families who can handle a bad harvest or unexpected medical bill; and women who have the power – and money – to make decisions for themselves and their families. That means less poverty today, and a brighter tomorrow, for everyone.



VALUES



SUPPORT
GENDER EQUALITY



ANSWER TO
MEMBERS



STAND UP TO
CLIMATE CHANGE

WORK WITH
PARTNERS



SHARE
LEARNING

Covid-19 response

In March 2020, Covid-19 swept across the planet, leaving lockdowns, overburdened health services and crippled economies in its wake. By April, and for the following three months, Hand in Hand transformed into a different organisation, moving from long-term livelihoods to emergency response for the first time in our 15-year history.



Afghanistan

Between thousands of members living in hard-to-reach areas, deep bonds with local officials, and a senior management team with decades of humanitarian experience, Hand in Hand Afghanistan was uniquely well-suited to help fight the spread of coronavirus. So when a government lockdown caused the suspension of our usual training to start 2020-'21, we were ready to adapt and keep fighting.

In April, Hand in Hand joined the official coronavirus response, working with government and other NGOs to limit the virus' spread. By the time our regular programmes resumed three months later, our trainers had distributed sanitiser, soap and virus prevention training to 65,000 poor and vulnerable Afghans, many living in crowded camps for families fleeing conflict. Hand in Hand's regular business and skills training resumed in June.



Kenya

Kenya's health system isn't equipped to cope with Covid-19. Prevention, not treatment, is the country's best hope. That was the government's thinking when, at the start of 2020-'21, it imposed sweeping lockdown measures that banned large gatherings, effectively shutting down markets countrywide. To be certain, these measures helped halt the spread of the virus. But in a country where 85 percent of food goes through informal outdoor markets, the policy came at a precipitous cost.

Recognising the myriad challenges faced by Kenyans, our teams in the country traded Self-Help Groups for SMS', motorbikes for mobile phones, reaching some 86,000 members individually to deliver key health messages (e.g. handwashing guidelines), signpost to vital health services and counter fake news. Amidst growing concerns around food security, agribusiness members were pointed towards alternative supply sources. Other members were signposted to Covid-19 relief opportunities such as soap- and mask-making – rare areas of growth in an increasingly precarious jobs market. At the same time, Hand in Hand trainers fed back to government teams, identifying communities in particular need. Repayment plans for members who'd taken loans were restructured countrywide.

Training resumed in June – outdoors, socially distanced and with smaller Self-Help Groups wearing compulsory PPE.



Tanzania

The government response in Tanzania was very different than in Kenya. Nonetheless, our response was similar: Hand in Hand staff reached out to members via phone and SMS, cascading health messages to every corner of our membership and beyond via Self-Help Group leaders. We also provided advice to help members pivot to soap and facemask production, and helped agricultural members source all the inputs they needed to keep their communities food-secure.

Overall, we reached some 13,000 Tanzanians by the time our regular training resumed.

Building back better

Coronavirus isn't just a global health crisis – it's a global economic crisis, too. That's why Hand in Hand is doing everything we can to help our members build back better, stronger and more resilient than ever before.

In Afghanistan, we redoubled our efforts to train thousands of members as poultry farmers, a vocation uniquely suited to our times. Requiring little space and operational from home, poultry farming is ideal during lockdowns. And because most chickens are imported from outside Afghanistan, poultry is one of the few value chains in the country whose worth has increased since the outbreak of the virus. For thousands of young mothers who help make up our membership, they also have another key virtue: the nutrition they provide to children when other food supply chains break down.

In Kenya and Tanzania, we partnered with the Hilti Foundation on a three-year programme to create some 17,000 enterprises and 22,000 jobs. Members will be trained to run some of the most profitable agri-businesses in the region, then recruited into its most robust value chains, helping them rebuild from coronavirus and thrive for years to come. Changes to women's decision-making power in the home will be measured, while climate-resilient practices such as rainwater harvesting will be emphasised throughout.

Finding opportunity



“When the lockdown came, people couldn't go to the market. But after I spoke to Hand in Hand I realised that I could bring the market to them,” she says.

Before coronavirus, Bathsheba was a smallholder farmer growing spinach, kale, onions, carrots and pawpaw, a cousin of papaya. Every week, she would travel to her local market in Konza village and set up a stall.

One sweltering morning in early-March, Bathsheba strapped on a facemask, packed a basket and set out selling her vegetables door-to-door. Demand, she discovered, was huge. With the help of her Hand in Hand Self-Help Group, she identified other smallholders with produce to offload, and has since become her village's biggest distributor. “I follow all the precautionary messages such as wearing a face mask while delivering my supplies,” she says.

Today, Bathsheba's monthly income has doubled, reaching 10,000 KES (US \$100) a month. Not only are her husband and three children financially secure during this incredibly uncertain time, but she's never felt prouder.

“I feel good being part of the team that is playing a role in curbing the spread of coronavirus by helping people access food as they stay at home,” she says.

Planet positive agriculture

With the right mindset, turning a profit and restoring the environment can be one and the same. This year, in a first for Hand in Hand, we teamed up with IKEA Foundation to help smallholder farmers in Kenya become leaders in planet-positive agriculture, equipped with the training and tools to lift themselves out of poverty, reverse environmental degradation and show their neighbours there's a better way to farm...

The problem

Agriculture employs 70 percent of the rural Kenyans and contributes 26 percent of the country's annual GDP. But most farmers lack the money, skills and tools they need to get the most out of their land and are forced to use practices that damage the environment, make the soil less fertile and threaten the future of their food systems.

Already, more than a third of Kenyan farmers grow crops on degraded land, costing the national economy an estimated US \$1.3 billion a year. Unless we act now, more land will be damaged and productivity will continue to fall, breaking the backbone of Kenya's economy while causing untold damage to its food systems and natural environment.

Our solution

With support from the IKEA Foundation, Hand in Hand will train 1,600 smallholder farmers in regenerative and circular practices to increase productivity and reduce poverty – all while restoring their degraded soil.

At its most basic, that means planting a diverse range of trees, perennial plants and crops to ensure vegetation stays in the ground year-round, pulling CO2 from the air and storing it as carbon in the soil. Other approaches include integrating livestock and closely managing their grazing, making the most of the natural fertiliser they provide.

It also means re-using essential resources like water and natural fertiliser, cutting down on agricultural waste and encouraging vibrant local economies, independent from global demand. Together, these techniques comprise a transformative approach to agriculture that does good for farmers and for the environment.

To help take this approach to scale, Hand in Hand will generate evidence and spread project learning to its network of 250,000 smallholder members countrywide. At the same time, it will empower its core group of 1,600 planet-friendly farmers to be grassroots advocates for regenerative and circular practices at the local and regional levels.

By the numbers



Project goal:

1,600 members
trained in planet-
positive agriculture



Project duration:

3 years



Project cost:

US \$2.5 million



Business accelerators

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Since our very first days in rural south India, Hand in Hand has prioritised a single demographic: women living in extreme poverty, often with no entrepreneurship experience at all, earning less than US \$1.90 a day.

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Last year, marking the next step in our evolution, we expanded our work to include another category of member altogether.

Hand in Hand's Accelerator programmes target established and successful micro-entrepreneurs whose businesses are poised for even bigger and better things. Some are star graduates of our regular programmes – the Hand in Hand honour roll, with a proven track record of success. Others have built burgeoning micro-enterprises outside of our programmes but could still use our help scaling up. All have at least one employee, an average monthly turnover of at least 5,000 KES (US \$45) and the potential to transform their communities through continued growth and success.

In 2020-'21, after the project launch was delayed by Covid-19, we recruited and began training the programme's first 1,600 members, with businesses ranging from salons to garbage collectors'. We also moved forward with our enhanced financial inclusion strategy, partnering with formal banks and microfinance institutions capable of lending our members greater sums than our internal Enterprise Incubation Fund can provide. In the short term, linking our members with formal sources of credit enables them to grow their businesses bigger. In the long term, it enables to grow their businesses more sustainably and acts a bridge to the formal economy.

By the numbers



1,600 members
recruited



At least 1 new employee
per business created



KES 5,000 (US \$45)
Average monthly
turnover



Meet Damiana, the fishmonger who went online

Business, by Kawangware standards, was brisk.

Damiana Musyoko's shop selling raw, dried and deep-fried fish was pulling in KES 18,000 (US \$160) in sales every month, earning her well above the average neighbourhood income of KES 214 (US \$1.90) a day. Still, she sensed it could be doing better.

Damiana joined Hand in Hand's Accelerator Programme, designed to help successful micro-entrepreneurs take their businesses to new heights, in June. A star pupil during her business training, she was soon allocated a mentor and selected for additional training in digital marketing and sales, including instruction on building her online product portfolio and setting up accounts on Facebook Marketplace and WhatsApp for Business. She also became a retailer on Jumia, Africa's answer to Amazon.

Five months later, Damiana's business was transformed. Through her online platforms, she'd secured contracts for her fish from three high-end hotel restaurants based in Nairobi – orders that quickly doubled. Today, her sales are worth KES 56,000 (US \$500) a month and her profit margin has increased to 70 percent.

“ I plan to achieve KES 202,359 (US \$1,790) a month in profit by the end of July 2022,” she says.

Evidence

Our donors rightly demand figures backed by hard evidence. Our teams on the ground need rock-solid data to do their best work. On the following pages, we'll dive into the data that helped steer our Covid-19 response, then unpack an independent study of a joint-project with CARE in Afghanistan.

Covid-19 across the Hand in Hand network

First came the coronavirus. Then, in city after city, country after country, the lockdowns.

As an organisation dedicated to women's economic empowerment, Hand in Hand wanted to know exactly how our members were being affected by the cessation of business as usual, from the savings they'd tucked away for a rainy day to the micro-enterprises they'd built from the ground up.

Here's what they told us, for example, in Kenya.

In late-May, Hand in Hand staff surveyed 758 programme members in Kenya, almost 80 percent of them women, to find out they'd been affected by the lockdown. Respondents were randomly selected from 21 branches spread out across the central and southern portions of the country.

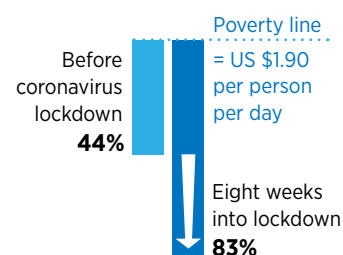
How were their businesses coping? How about their savings and debt levels? What steps were they taking to adapt? What assistance did they need, financial and otherwise?

Members identified financing to restart their businesses as their most important requirement, citing an average loan size of KES 27,200 (US \$260). Zero-collateral loans, grants and even food donations were requested with no prompting.

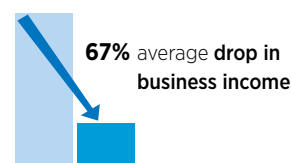
Thanks to a generous donor, Hand in Hand was able to resume our Enterprise Incubation Fund, taking a calculated risk and respond to our members' needs for loans to rebuild their businesses. Year-on-year, our micro-loans' value increased by 18.6% percent.

By the numbers Kenya, eight weeks into lockdown

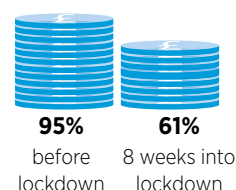
Members in Kenya living below poverty line



25% of businesses forced to close



Respondents who had some savings



14%

had a rainy-day fund that would last more than a month

Boosted confidence – and incomes – in Afghanistan

Members who completed Hand in Hand's joint-programme with CARE in Afghanistan say they have higher incomes, more confidence, increased mobility and greater decision-making skills.

The findings, reported during a series of focus groups conducted in December 2020, come as part of a wider evaluation of the project, designed to test what happens with programmes that target members' social empowerment, courtesy of CARE, are blended with programmes that target their economic empowerment, courtesy of Hand in Hand. Launched in 2018, the 22-month project concluded in November last year.

Economic empowerment

All the project's members – a greater number than expected – completed Hand in Hand's business and skills training. By the time the project concluded, 1,101 enterprises had been launched, 11 percent more than the target of 990. What's more, members had hired 117 of their neighbours as employees, bringing the total number of jobs created to 1,218.

Monthly net incomes rose to an average of AFN 2,152 (US \$28), in most cases starting from zero. It was enough to lift the average member above the national poverty line.

On mobility:

“ I did not go outside much before my participation in this project but after my participation I become a well-known person in my area. Now I'm going to the market to buy raw materials for my enterprise too.”

– Participant 6, Dehmiskin focus group

Social empowerment

The benefits of the programme weren't only economic, however. Speaking to Hand in Hand Afghanistan evaluators during a series of post-project workshops, members reported improvements in a number of key areas. Here's just some of what they had to say.

Recommendations

Evaluators – and focus group members – made a wide range of recommendations for improving future programmes. Prioritising enterprises that maximise returns while minimising labour was one of them, with members pointing to poultry farming as one example.

This recommendation is being implemented.

On decision-making and confidence:

“ I can decide on health issues in my family, on my enterprise, on buying food, buying cloths, registering children in school and more... During the two years of the project I received several trainings and they helped me to be so courageous.”

– Participant 4, Dehmiskin focus group

By the numbers



1,001
enterprises



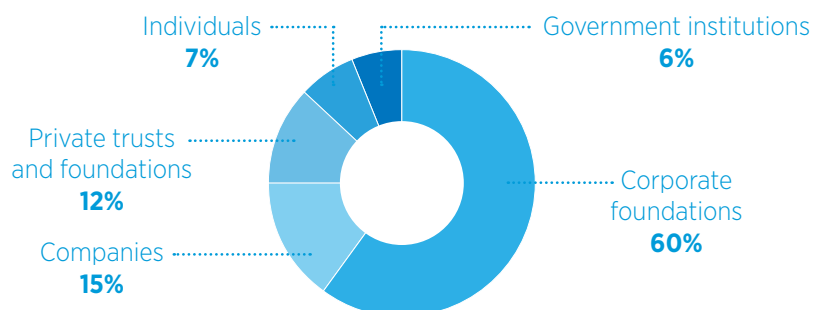
1,218
jobs



ANF 2,152 (US \$28)
Average monthly
turnover

Funding our ambitions

Hand in Hand International raised US \$9.2 million in 2020-'21 – the most we've raised in a single year.



Here's just some of what our incredible supporters did in this unique and record-breaking year:

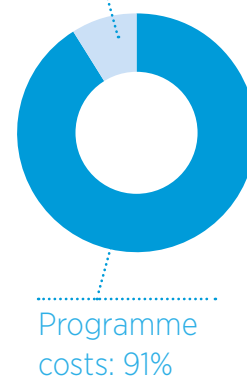
- As individuals, responded within 15 minutes – on a Sunday – to a request to fund our emergency Covid-19 response.
- As corporate donors, responded within 24 hours to pledge emergency funds.
- Removed agreed restrictions on funding, with instructions to support our existing programme members whatever it took.
- Bid in our first-ever online auction and got their friends to do the same.
- Went public with their stance to not merely maintain their charitable giving in 2020, but to increase it.

94% percent of funds raised were in currencies other than pounds sterling, in line with Hand in Hand International's efforts to diversify our income currencies.

Keeping costs low

Hand in Hand International is committed to keeping our overheads low. In 2018-'19, 91 cents of every dollar we raised was spent on programmes – considerably more than the average of 80 cents per dollar spent by the biggest development NGOs.

Fundraising administration costs: 9%





Hadija Msuya | Entrepreneur | Tanzania

Our leadership

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Hand in Hand International's Board of Trustees unites experts from the worlds of finance, industry, law, climate change and international development – all working for a common cause. More than a third of our trustees are women, outpacing the UK government's 2020 goal for FTSE 100 companies.

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Bruce Grant
Chairman



Dr John Barrett
Trustee



Dr Madhvi Chanrai
Trustee



Carsten Jorgensen
Trustee



Lars G Josefsson
Trustee



Paola Ugglà
Trustee



Stephanie Whittier
Trustee

Financial overview

Network-wide, Hand in Hand raised more than US \$16 million in 2020-'21. These financial statements are limited to Hand in Hand International, our UK operation, for the year ending 31 March 2021. As a family of legally independent organisations, the Hand in Hand network does not prepare consolidated group accounts. Audited statements for other Hand in Hand organisations are available at info@hihinternational.org.

Statement of financial activities (incorporating an income and expenditure account) for the year ending 31 March 2021

	Restricted US\$	Unrestricted US\$	Designated US\$	2021 Total	Restricted US\$	Unrestricted US\$	Designated US\$	2020 Total
Incoming from:								
Donations and grants	7,444,385	1,791,798	-	9,236,182	4,669,522	1,364,368	61,963	6,095,853
Interest	-	5,285	-	5,285	-	11,141	-	11,141
Total income	7,444,385	1,797,082	-	9,241,467	4,669,522	1,375,509	61,963	6,106,994
Outgoing expenditure								
Fundraising costs	-	689,772	-	689,772	-	598,762	-	598,762
Charitable expenditure								
Supporting people in Afghanistan	1,356,712	165,799	-	1,522,511	1,260,899	250,581	-	1,511,480
Supporting people in India	150,880	-	-	150,880	146,598	-	-	146,598
Supporting people in Kenya	3,347,205	967,165	-	4,314,370	2,160,320	417,634	-	2,577,955
Supporting people in Kenya and Tanzania	863,047	248,700	-	1,111,747	696,734	91,120	-	787,855
Total expenditure	5,717,843	2,071,436	-	7,789,280	4,264,551	1,358,098	-	5,622,649
Net income/ (expenditure) for the year	1,726,541	-274,354	-	1,452,187	404,970	17,412	61,963	484,345
Transfers between funds	503,098	-503,098	-	-	-11,104	11,104	-	-
Funds brought forward	2,524,780	1,743,515	1,961,735	6,230,030	1,882,098	1,543,177	1,706,444	5,131,719
Funds carried forward	4,754,420	966,063	1,961,735	7,682,218	2,275,964	1,571,693	1,768,407	5,616,064

The formal accounts were reported in £ values but are shown here in US \$ at a conversion rate of 1.375 at 31 March 2021 and 1.239 at 31 March 2020.

Balance sheet as at 31 March 2021

	2021 US\$	2020 US\$
Fixed assets		
Tangible Assets	45,075	46,024
Current assets		
Long term debtors	1,035,917	1,094,828
Debtors	137,592	304,554
Cash at bank/in hand	6,512,737	4,466,602
	7,686,247	5,865,984
Creditors: amounts due within one year	49,104	295,944
Net current assets	7,637,143	5,570,040
Net assets	7,682,218	5,616,064
Funds		
Restricted funds	4,754,420	2,275,964
Unrestricted funds		
Designated fund	1,961,735	1,768,407
Unrestricted funds	966,063	1,571,693
Total funds	7,682,218	5,616,064

The formal accounts were reported in £ values but are shown here in US \$ at a conversion rate of 1.375 at 31 March 2021 and 1.239 at 31 March 2020.

This information is an extract taken from the full accounts, which received an unqualified audit report on 28 January 2022 and can be obtained on the Charity Commission website at register-of-charities.charitycommission.gov.uk/charity-search.



Rosaline Ngeno | Chip shop entrepreneur | Bomet, Kenya

Thank you

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None of our work would be possible without our donors' generous support. We would like to thank the following organisations for their especially significant contributions in 2020-'21.

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Applied Value Group
The Association of Corporate Treasurers
Cartier Philanthropy
Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)
Hilti Foundation
IKEA Foundation
Instant Impact
Oxford Bidding Services
Tellus Viva Foundation
Visa

Finally, a special thanks to our Patrons and Trustees, whose contributions and expertise keep us going day in and day out.

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