The Pathway to Prosperity: Strategic Framework for Acceleration

Hand In Hand International, October 2025

Introduction

Hand in Hand's acceleration programme tackles poverty by supporting a critically underserved segment of micro entrepreneurs to rapidly grow their enterprises' revenue and profits. Since its first accelerator pilot with Visa in 2019, the programme has supported over 10,000 entrepreneurs to strengthen and scale their businesses, moving them well beyond the poverty line and closer to long-term economic security.

Evidence to date shows the core theory of change underpinning the programme to be fundamentally sound. Participating members experience transformative growth in both revenues and profits. Moreover, there is demonstrated need, as the entrepreneurs the programme targets fall between basic poverty alleviation programmes and traditional business accelerators, creating an opportunity to meet the needs of a large, highly underserved group of entrepreneurs – the majority of whom are women.

As of 2025, Hand in Hand International (HiHI) and its network partners have progressed from initial piloting and are currently validating their acceleration approach via a portfolio of acceleration projects being implemented in both rural and urban areas across Kenya and Tanzania. These projects are continually testing, evaluating and refining their tailored interventions, to determine which components are most impactful and cost effective.

Document Purpose:

This document sets the scope and provides a pathway for HiHI and its network partners to scale the acceleration programme. HiH will spend the next strategic period validating its established model, with the goal of supporting 50,000 micro entrepreneurs to reach daily profits of $15 PPP per day. Following this, the model will be ready to scale, igniting urban and rural economies across Kenya and Tanzania and supporting more resilient market ecosystems.

Defining Acceleration

What differentiates Acceleration from other Hand in Hand projects?

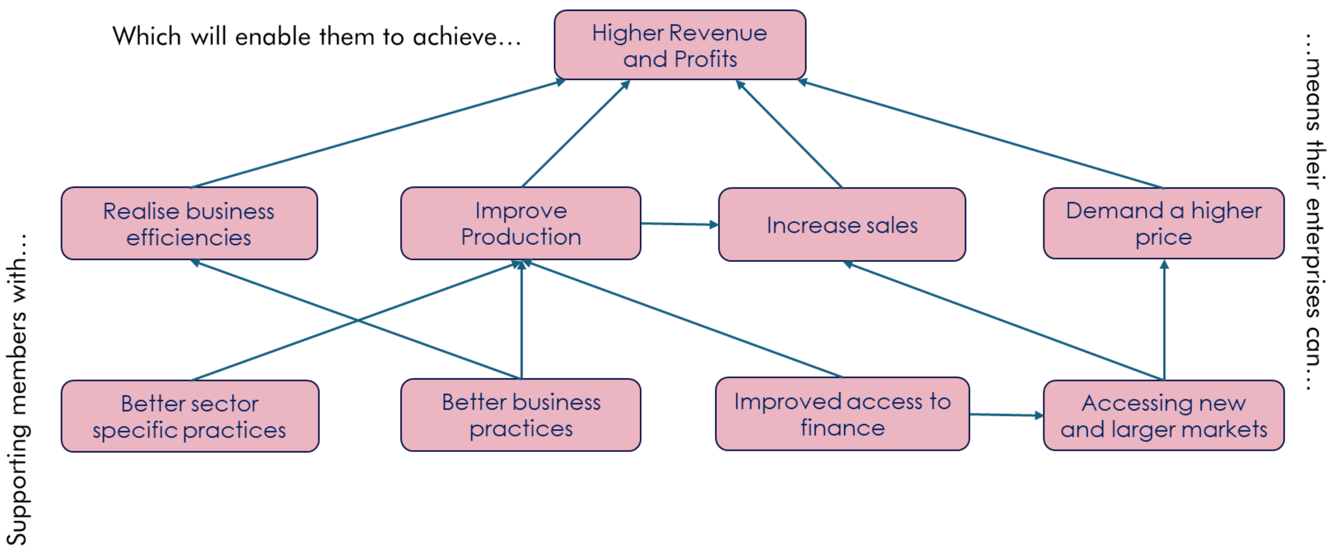
HiH already delivers an effective enterprise development 'base' programme. This step-by-step approach supports members to establish enterprises that lift themselves and their families out of poverty. For entrepreneurs ready to scale their businesses further however, resources (training, financing, markets) are scarce. HiH has developed a 'next step' for these members, through its acceleration approach which is specifically aimed at scaling microbusinesses. Once enterprises are established, with basic practices in place, acceleration members gain access to advanced business training, larger credit facilities and sector-specific market linkages, coaching, and exposure visits.

Defining Success:

Unlike HiHI's base programme which aims to achieve a wide range of outcomes including job creation, gender equity, social cohesion, credit access, and environmental outcomes, the core objective of the acceleration programme is to grow revenue and profits. While acceleration programmes can and do impact other areas, either as interim outcomes (e.g. credit access) or as effects (e.g. job creation), acceleration maintains a narrower focus.

Core Theory of Change:

By supporting members to **adopt improved business practices**, **access credit** and **broader market linkages**, members will **increase** their **enterprise profit, revenue** and **resilience.**



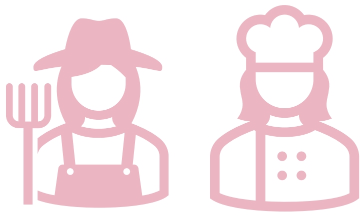
The programme aims to increase members' profits to approximately 5 times the extreme poverty line of $3 per day[1]. This will have a powerful ripple effect on poverty alleviation. Evidence shows that women are more likely to reinvest increased income in ways that drive long-term community development, including spending on education, healthcare, nutrition, and their children's wellbeing[2]. Increased financial autonomy is also associated with improved gender dynamics and decision-making power within households[3].

Identifying the Ideal Acceleration Candidate

Drawing on evidence that shows rigorous selection is key to successful acceleration[4], HiHI's acceleration programmes apply more stringent member selection criteria than its base programmes. Selection criteria vary but often include:

- Revenue thresholds
- Asset ownership
- Business practice adoption
- Location
- Creditworthiness

In Kenya, women micro-entrepreneurs are less likely to meet these thresholds, so maintaining 80% women participation is part of how we address this opportunity gap. Left to the criteria alone, men would be more represented, so this approach ensures women aren't left behind.



Urban:
Maureen owns a small cake shop in Nairobi where she is making a monthly income of KES 21,000. She has been keeping business records for a couple of years and is keen to scale her business. She wants to increase the number of customers she sees and in turn, increase production. Currently, she sells to passersby and only produces a few types of cake, because she doesn't have the equipment for different recipes. She accessed a small loan to help buy her shop a couple of years ago and kept up with the repayments.

Rural:
Before joining a HiH base level programme, Mary had one dairy cow that would produce just 5 liters a day. She and her family would consume 2 liters of milk per day and sell the other three litres to people in her village. Following technical training on dairy, Mary took a $200 loan that she invested in improving her cow shed. Her cow now produces 15l per day, most of which she sells to the cooperative at KES 40 / liter, generating monthly revenue of KES 16,000 per month.

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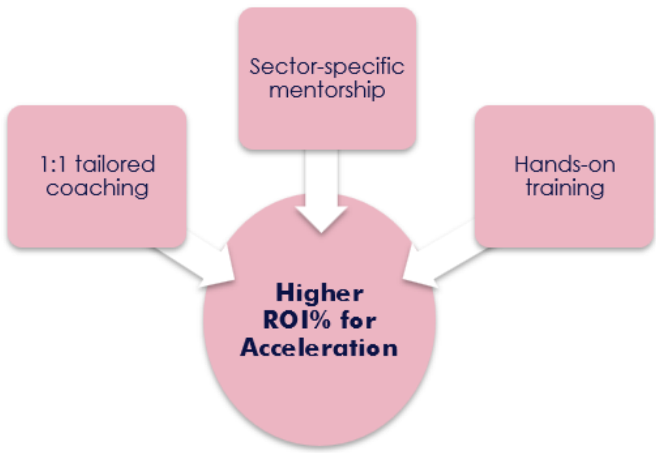
[1] World Bank, 2025. *June 2025 update to global poverty lines*. [online] World Bank. Available at: https://www.worldbank.org/en/news/factsheet/2025/06/05/june-2025-update-to-global-poverty-lines
[2] World Bank. (2012). *World Development Report 2012: Gender Equality and Development*. Washington, DC: World Bank.
[3] OECD. (2021). *Development Finance for Gender Equality and Women's Empowerment: A 2021 snapshot*. Paris: OECD Publishing.
[4] Argidius Foundation (n.d.) *When, How and Who Accelerations Accelerate*. [Online] Available at: https://www.argidius.com/en/learning/when-how-and-who-accelerations-accelerate (Accessed: 22 April 2025).

The strict member selection criteria focus resources on existing businesses that have the potential to increase profits from around $7 to $15 PPP per day, within a maximum of 2 years. Graduates of HiH base programmes can often be ideal targets for the acceleration programme if they have reached the target revenue threshold and begun adopting necessary business practices. However, prior HiH membership is not a requirement if applicants meet the selection criteria, as initial data shows that non-graduates perform just as well as graduates.

These selective criteria mean that HiHI's acceleration programmes are more targeted than base programmes, which aim to be as inclusive as possible. This is a necessary trade-off to ensure programmatic success: targeting entrepreneurs who are ready to scale drivers stronger results. Including those not yet at that stage can risk discouragement and reduced enterprise performance. A focused approach at this level also strengthens the efficiency and cost-effectiveness of the programme.

Investment for greater returns:

Acceleration projects have a higher cost per member than base-level programmes, ranging from $500-$1,000. This is partly due to additional costs of piloting new approaches, as opposed to scaling a proven model. More significantly, it reflects the more complex and intensive needs of acceleration members. These are established businesses with growth ambitions, facing specific challenges, that need tailored knowledge-transfer and hands-on training. While the upfront investment is greater, additional profits generated by acceleration members are typically much higher, delivering a strong return on investment. For example, the urban accelerator project DIGITISE saw a return on investment of 180% across its first two cohorts.



Role of Credit:

Our data shows that entrepreneurs with access to credit have better business outcomes than those without. We also know that women's experience accessing credit varies from their men counterparts at different stages of their business development. Access to credit in acceleration programmes differs from HiH's base programmes. Traditional, informal credit sources like self-help groups tend to favour women. They are community driven, don't typically require a lender to have assets and do not require spousal approval. While effective for base programmes and start-up enterprises, this model is less effective for acceleration. Businesses aiming for transformative growth often require larger investments than group-backed loans typically offer. Conversely, larger formal credit provision is accompanied by greater barriers to access – such as spousal approval and collateral requirements - that are often gendered and prohibitive to women's participation. To address this, HiH acceleration projects help members access credit individually by enhancing their creditworthiness, building connections and establishing guarantee funds with formal financial institutions.

In recognising the role of credit in driving business growth and success, we also acknowledge that access to larger, formal financial investments depends on business owners' autonomy and decision-making power. These dynamics are often gendered. In many households, land and asset ownership lies with men, limiting women's ability to secure credit. As businesses become more profitable, financial decisions tend to be reframed as 'household' matters, even when the enterprise is led by a woman. Consequently, men often find it easier to access larger loans as their businesses expand.

Our acceleration programmes are designed to counter these barriers by supporting women to make independent decisions about credit access and utilisation. In our rural acceleration work, this approach has proven effective: women frequently achieve parity with men in loan size and access. By working directly with women and their spouses, we promote shared learning, joint decision-making, and shifts in household power that enable women to take the financial decisions necessary for transformative business growth.

3. Why Acceleration?

HiHI will continue to develop and expand our acceleration programme because: 1) supporting micro-enterprises to scale offers significant value beyond our base programme model; 2) there is a major gap in support for the micro-entrepreneurs we target, particularly among women; 3) our model effectively bridges this gap; and 4) we believe this is the most impactful way to support women business owners. Each of these points is outlined below:

1) *Value of scaling micro-enterprises:*

Upon graduating from our base programme, most members are no longer extremely poor. Typically, they are running a micro-enterprise that generates $7 PPP per day[5], ensuring they fall into *Income Level 2* (See *Figure* 2) and cover the basic needs of them and their family. Nonetheless, at this income level they may still suffer significant deprivations in terms of quality healthcare, housing and nutrition[6]. Moreover, their enterprises and their families remain highly vulnerable to external shocks and stresses. While only 9% and 5% of Hand in Hand graduates' businesses fail within 12 months in Kenya and Tanzania, respectively, over half of micro-enterprises overall fail within five years in Kenya[7], Tanzania[8] and Uganda[9].

[5] Based on 8 HIH International base projects in Kenya.
[6] Gapminder (2025). https://www.gapminder.org/fw/income-levels/income-level-2/
[7] MSEA (2024) https://msea.go.ke/wp-content/uploads/2024/05/Final-ESMFMay-15-2024.pdf
[8] Mgembe (2019) https://core.ac.uk/download/pdf/217233993.pdf
[9]LDPG (2024) https://www.ldpg.or.ug/wp-content/uploads/2021/02/Economic-impact-on-SMEs.pdf

Scaling microenterprises to the point that they generate income of $15 PPP per day puts members and their families firmly on the pathway to prosperity and into *Income Level 3*[10]. At this level, the changes to quality of life are transformational across healthcare, housing and nutrition. With this growth, businesses have often transitioned from micro to small enterprises[11]. Small and medium enterprises are more resilient[12], able to ignite economies and support more resilient market eco-systems.

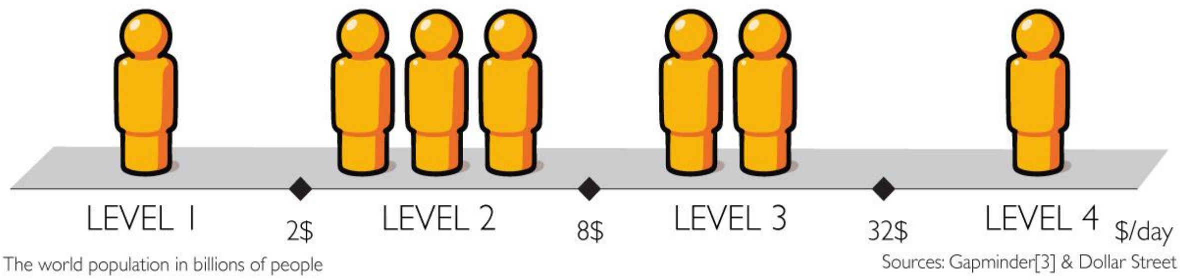


Figure 1: Gapminder graphic demonstrating income levels.

2) *Microenterprise support gap:*

There are many pro-poor accelerators which support small and growing businesses. There are very few which support micro-entrepreneurs, especially women to become small and growing businesses. Graduates of poverty graduation programmes and micro-entrepreneurs at Income Level 2 are therefore critically underserved in terms of access to the skills, credit, and markets they need to accelerate their businesses. Business development services typically focus either on the extreme poor (Level 1) through graduation programmes or on well-educated, well-networked entrepreneurs (Level 4, often men) who are able to scale rapidly, with fewer barriers, thanks to their existing resources and connections. As a result, microenterprise owners, including graduates of HiH's base-level projects, are often overlooked when it comes to scaling and acceleration support. This contributes to stagnant growth and helps explain why only 2% of Kenya's 7.4 million MSMEs have progressed to small or medium enterprise status[13].

3) *Bridging the support gap:*

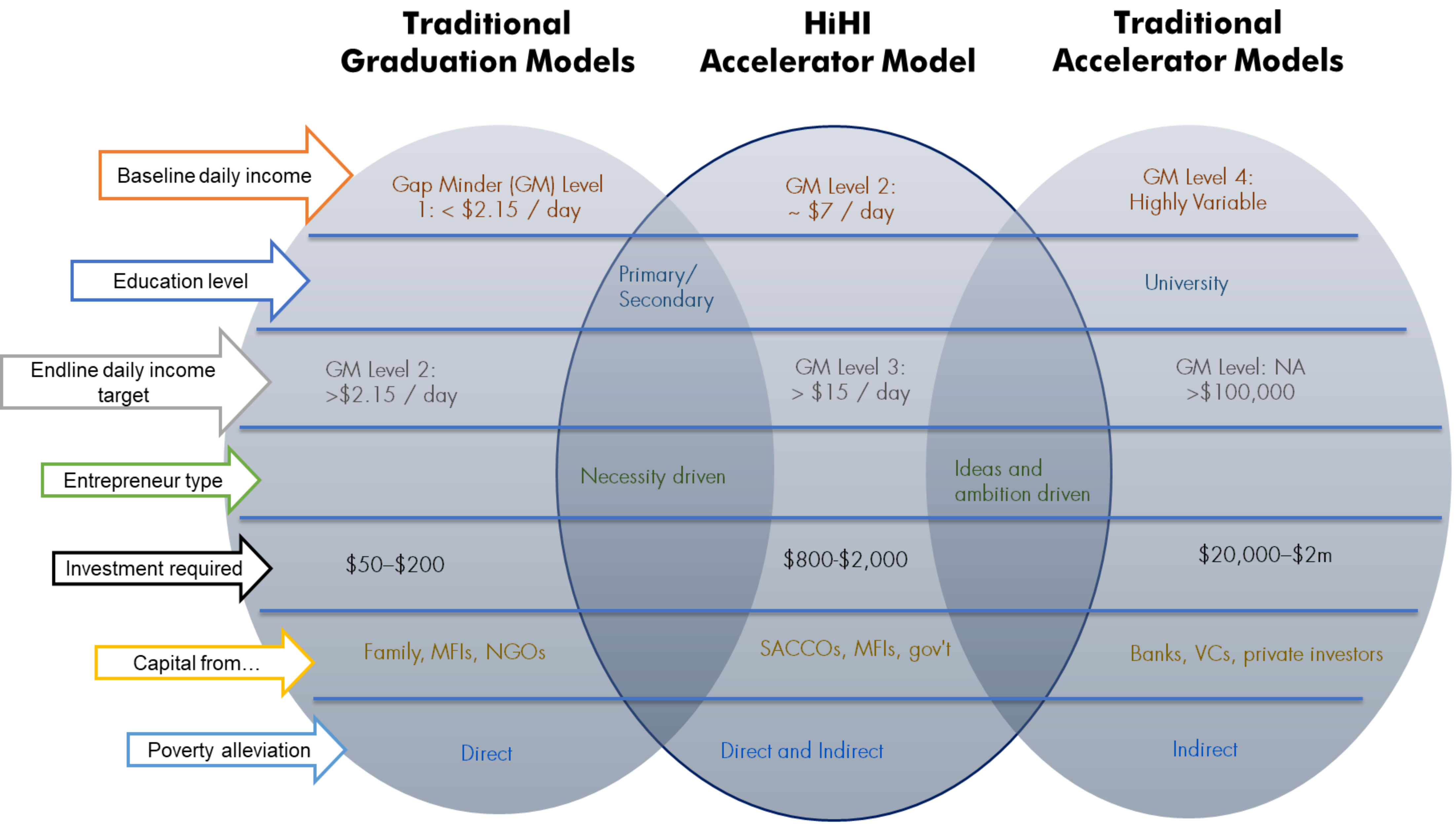
Our model bridges this gap in support by delivering business acceleration services to underserved entrepreneurs (80% women) at Income Level 2. It combines elements of traditional graduation models, which target vulnerable, low-income groups, with features of conventional accelerations, such as potential-based selection, tailored segmentation, and coaching focused on specific business

[10] Gapminder (2025): https://www.gapminder.org/fw/income-levels/income-level-3/
[11] Micro and Small Enterprises Act, 2012 (Kenya): Micro enterprises in Kenya have 1-9 employees and revenue of <KES 500,000 per annum:
[12] Kiarie, C. & Ndedda, C. (2021) *Impact of COVID-19 on Kenyan MSMEs: Strategies for Resilience and Recovery*. Nairobi: UNDP / Micro & Small Enterprise Authority (MSEA).
[13] Kenya National Bureau of Statistics (2016) *Micro, Small and Medium Establishments (MSME) Survey: Basic Report*. Nairobi: Kenya National Bureau of Statistics.

challenges. This hybrid approach allows us to reach a broad population of entrepreneurs while driving deep, transformational outcomes for their businesses and families.

The Venn diagram below clarifies the intersections and differences between graduation models (like the HiH base programme), HiH's acceleration model and traditional acceleration programmes. It highlights the unique gap that HiH addresses, supporting an underserved group, particularly women, to accelerate their enterprises.

While traditional acceleration programmes may alleviate poverty indirectly through job creation and broader economic multiplier effects, HiH's model addresses poverty head-on, by building the resilience of enterprises owned by women entrepreneurs living near the poverty line. With a target of $15 PPP in daily enterprise profit, HiH's acceleration ambitions are more modest than those of traditional accelerations, but they are intentionally designed to deliver direct poverty reduction.


HAND IN HAND INTERNATIONAL
Traditional Graduation Models
HiHI Accelerator Model
Traditional Accelerator Models
Baseline daily income
Gap Minder (GM) Level 1: < $2.15 / day
GM Level 2: ~ $7 / day
GM Level 4: Highly Variable
Education level
Primary/ Secondary
University
Endline daily income target
GM Level 2: >$2.15 / day
GM Level 3: > $15 / day
GM Level: NA >$100,000
Entrepreneur type
Necessity driven
Ideas and ambition driven
Investment required
$50–$200
$800-$2,000
$20,000–$2m
Capital from…
Family, MFIs, NGOs
SACCOs, MFIs, gov't
Banks, VCs, private investors
Poverty alleviation
Direct
Direct and Indirect
Indirect

4) *Supporting women business owners*

Evidence suggests that women fare worse than men in traditional acceleration programmes, particularly when it comes to securing investment. This reflects a broader global challenge: women face structural barriers to finance, driven by both investor bias in favour of male-led businesses and social norms that constrain women's financial agency. Hand in Hand's model seeks to redress this imbalance. It prioritises women, who make up 80% of members, and equips them with the skills, credit, and market access, often out of reach due to these systemic constraints. HiHI is also testing mechanisms to close the performance gap, including gender-sensitive training and "family business" approaches that involve the wider household. This approach aligns with our mission to reach those often excluded from traditional acceleration models and supports our strategic goal of helping women entrepreneurs succeed.

4. Strategic Ambition

Hand in Hand is committed to fully testing and validating the acceleration model before expanding to new geographies or investing at greater scale. Before 2030, HiHI will focus on refining and adapting the approach to ensure it delivers the highest possible return on investment and strengthens funder confidence in large-scale replication.

Having already reached 10,000 members in the pilot stage, the goal for this strategic period is to reach 50,000 members across Kenya and Tanzania, in both rural and urban contexts. This scale will allow for rigorous refinement of the model, with a particular focus on strengthening our gender approach- identifying and addressing the specific barriers women face in building and growing their enterprises.

STAGE 1: Pilot
2019- 2024

STAGE 2: Validation
2025- 2030

STAGE 3: Scale
2030 onwards

Stage 2 Ambition:

To support **50,000** acceleration members to earn business profits of at least **$15 (PPP).**

HiHI's acceleration approach is feasible, fundable, in demand, and aligned with the goals of our network partners. All HiHI programmes are grounded in evidence, and our acceleration work is no exception. While acceleration projects are already delivering promising results, consistent attainment of the $15 PPP target remains a work in progress. Reaching this ambition will require a willingness to test alternative approaches and to adapt or phase out traditional programme components that do not demonstrate impact.

Our ambition reflects a growing recognition of the transformational potential of acceleration for HiH members. Realising this ambition will require a significant increase in both the number of members enrolled in acceleration programmes (**reach**) and the proportion reaching target profit levels (**quality**). To achieve this, we will implement the actions outlined below:

Action 1: Raise grant **funding** for acceleration

Cost per member for acceleration in 2025 is between $500 and $1,000, depending on project scale and portfolio maturity. To reach 50,000 people across Kenya, Tanzania and Uganda by 2030, we will aim to raise $35m for acceleration programmes. Once additional costs of piloting are no longer needed and economies of scale are accrued, HiHI expects that the cost per acceleration member will range from $350 to $500, achieving a return on investment between 500% and 700%. Fundraising for base programmes, which create a pipeline of potential acceleration members is also essential.

Action 2: Develop an effective, standardized **MEL framework** for acceleration

Acceleration programmes require different indicators, targets and means of verification from base programmes and therefore a new MEL framework. In addition, BDOs need seamless access to data to be effective during coaching sessions. Funders also expect us to analyse and present data gained through coaching visits and use these to monitor and improve programmes. To ensure both quality and reach, we will analyse acceleration data needs and develop a robust and reliable data collection system and MEL framework that meets the operational requirements of trainers and project staff and the evidencing requirements of donors.

Action 3: Continuously refine the **Theory of Change** based on evidence from acceleration programmes to better **support the needs of women entrepreneurs**.

While the overall theory of change for acceleration has proven strong, the extent to which individual assumptions have held has varied between and within projects. This includes gender disparities in results, which highlight the opportunity to deepen the project's support for women in overcoming specific barriers to enterprise growth at the acceleration level. Adjustments to the Theory of Change will enable refinement to the programme model and help demonstrate our reliability and expected impact to potential funders.

Action 4: Establish an **innovative financing solution** to guarantee loans for acceleration members and reduce barriers to credit.

Access to formal credit is a critical barrier to acceleration, particularly for women. Improved business practices and financial linkages alone have not yielded sufficiently promising results. While guarantee fund approaches have experienced significant challenges in both Kenya and Tanzania, they have made important contributions to credit uptake. Finetuning a solution to credit which is accessible and attractive to all HiH accelerator members, particularly women, will be a priority.

Action 5: Clearly define and develop distinct **trainer roles** for acceleration.

The roles of trainers working on acceleration projects (Business Development Officers – BDOs) and those working on HiHI base-level projects (Business Relationship Officers – BROs) are fundamentally different, requiring distinct skill sets and experience. As such, the two roles should not be conflated.

BROs in base programmes are primarily responsible for delivering the core curriculum to members in group settings. In contrast, BDOs deliver more advanced group-level training, and provide bespoke, one-on-one coaching that adds measurable value to individual businesses. This requires the ability to assess each member's enterprise, identify key challenges, and deliver tailored support that leads to tangible improvements in revenue or profit. In value-chain-focused projects, BDOs must also possess deeper sector-specific expertise than the entrepreneurs they support, to ensure they can offer insights that drive real business improvement. BDO's therefore require specialist skills and experience.

Given these differences, it is critical that job descriptions, recruitment processes, remuneration and performance indicators for trainers clearly reflect the distinct expectations and demands of acceleration versus base-level roles.

Action 6: Recognise **changing family dynamics** as businesses grow through acceleration.

HiH systems work on the basis that businesses are individually owned, often by women. However, at the acceleration level, many are family-run enterprises. Banking partners acknowledge this, requiring spousal consent and screening for loans. With family members playing distinct roles, supporting only one risks neglecting half the business. There is a need to balance the risk of male relatives capturing assets and benefits from businesses built by female family members, with the need to acknowledge that spouses play an important role in enabling women to access credit. Appropriate gender training may be incorporated into acceleration projects to account for this shift.

Action 7: Apply **strict selection criteria** to all acceleration projects.

Selecting members who do not meet the acceleration criteria is ineffective, inefficient, and risks undermining HiHI's acceleration theory of change. Maintaining rigorous selection standards ensures the greatest return on investment and acceleration experience for members. Criteria and thresholds may be adapted to suit specific project needs. Base level programmes will maintain an inclusive approach.

To receive further information about Hand in Hand International's Acceleration Strategy, please contact HiHI Head of Programmes, Nick Lynch Staunton nlstaunton@hihinternational.org