



**Hand in Hand International**, a registered UK charity founded in 2006 and based in London, is part of the Hand in Hand network, a global partnership founded in rural India in 2003 and currently present in eight countries, with eight locally registered, independent entities with their own CEOs and Boards.

Network partners in countries such as Afghanistan, Kenya, and Tanzania deliver our proven step-by-step approach, developed over twenty years and tailored to the local context, to equip under-served women with the skills and resources they need to run profitable, resilient micro-enterprises and lift themselves and their families out of poverty. Meanwhile, our London-based team supports with fundraising, impact measurement, knowledge sharing, and grant management.

**Our vision:** A world where everyone has the means and the power to shape the future they want

**Our mission:** Every day we equip under-served women with skills and resources to earn more money, ignite local economies and lift nations out of poverty.

## Theory of Change Introduction

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A **theory of change** outlines how programme activities lead to desired outcomes and long-term impact. This narrative sets out the essential elements of a theory of change including: definition of the problem statement, outline of key activities (interventions), change pathways to desired outcomes and impact as well as associated indicators of success, and finally, key assumptions that must hold true along with supporting evidence (see Annex 2).

In 2025, Hand in Hand International set out to refresh our theory of change (last updated in 2018) ahead of a new strategic period beginning April 2026, to reflect shifts in programming during the 2021-2025 strategic period. During the past five years, Hand in Hand has expanded and deepened its work in several areas including gender transformation, regenerative agriculture, digital skills, and advanced business training. Additionally, a comprehensive literature review was conducted to test our assumptions and ensure Hand in Hand's programme model aligns with the most recent evidence and best practice in supporting women entrepreneurs to achieve lasting change. As such, this theory of change draws on external evidence from over 30 academic and sector-leading sources, including the World Bank, ILO, UN Women, Center for Global Development, Global Entrepreneurship Monitor, 3ie, ICRW, J-PAL, IPA and more.

Our updated theory of change diagram can be found in Annex 1. See Annex 2 and Evidence Sources for more details on assumptions and evidence supporting the theory of change.

## Problem Statement

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Worldwide, around 10% of women – 400 million – live trapped below the extreme poverty line of just \$3 a day. In East Africa, India, Afghanistan and many other regions, women dream of shaping the future they want but cultural norms and systemic barriers hold them back. Many live in cultures where women are responsible for all domestic labour and childcare, while others yearn to start small businesses but lack access to the training, loans and resources needed to begin. But given the opportunity, women can break cycles of poverty and shape the future they want. When women win, everyone wins.

## Our Solution: Key Interventions

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Developed over twenty years, Hand in Hand's locally led, step-by-step approach delivers long-term, cost-effective change for our members, households and communities. While exact activities may vary by programme type and local context, the key steps include:

**Self-help groups** help members save and lend together, providing seed capital for enterprises and supporting participants so they can withstand shocks like medical bills or housing repairs. These groups also provide platforms for social capital, network and peer support – an ideal entry point for Hand in Hand's training.

**Training** equips members with the skills they need to start and run a profitable business. Over 10-12 months, our local business trainers provide hands-on lessons to build **business and financial management skills**, covering basics like bookkeeping, budgeting and marketing. This is complemented by specific **vocational and technical skills** training, to support entrepreneurs in their chosen sectors. Furthermore, **regenerative agriculture** training helps farmers restore degraded soil and enhance their resilience to climate change. In some programmes, **digital literacy and e-commerce** training helps members to get online, participate in the digital economy, and reach more buyers. Finally, in addition to group-based training on **gender equity**, we also work with men and communities in facilitated trainings and discussions to understand and overcome **restrictive social norms** that hold women back.

**Credit access** is facilitated to help members invest in their business. After building confidence borrowing through their self-help group and participating in financial management training, participants are connected to vetted, pro-poor, credit providers such as microfinance institutions and banks. This approach supports women to access financial services, build credit histories, and grow their businesses. In contexts where external credit is not possible, entrepreneurs are provided with start-up kits and productive assets to support business establishment and growth.

**Market access** is facilitated to connect entrepreneurs to regional, national, and even international value chains. Sector specific producer groups are supported, bringing together entrepreneurs to aggregate produce, collectively purchase inputs, and take advantage of better bargaining power, economies of scale, and links to larger markets. Members also

receive support to ensure products meet or exceed quality standards and carry out value addition activities.

For entrepreneurs who have successfully completed a Hand in Hand programme and are ready to take the next step, we also offer further follow-on support through projects that focus on advanced business training or advanced regenerative agriculture and agroecology practices, while also continuing to facilitate credit and market access.

## Outcomes & Impact

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In the long-term, Hand in Hand's intervention leads to 1) profitable and resilient micro-enterprise & job creation, 2) financial resilience, and 3) women's economic empowerment, with an overall impact of reduced poverty and improved household quality-of-life. These outcomes are rigorously assessed through five key indicators: income uplift, enterprise survival rate, financial resilience, women's decision-making, and quality-of-life improvements.

### Long-term outcome 1: Profitable and resilient micro-enterprise & job creation

**Income uplift:** By participating in a Hand in Hand programme, on average, members double their net enterprise income.

**Enterprise survival:** Members' businesses operate long-term, well after Hand in Hand training concludes.

### Long-term outcome 2: Financial resilience

**Financial resilience:** Members in our programmes are prepared to cope with a financial emergency, such as unexpected bills for medical treatment, urgent housing repairs or to feed their family during a bad harvest.

### Long-term outcome 3: Women's economic empowerment

**Women's decision making:** Women in our programmes have the power to make decisions about the things that affect their lives, such as household purchases, family visits, healthcare, and spending their own income.

### Impact: Poverty is reduced and household quality-of-life is improved

Hand in Hand entrepreneurs break the cycle of poverty and shape the future they want for themselves and their households. The women we work with can buy healthier food, afford better healthcare, make home improvements, and send their children to school, improving overall quality-of-life for the long-term.

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**Sustainable Development Goals:** Hand in Hand's work directly supports four goals, including Goal 1 (No Poverty), Goal 5 (Gender Equality), Goal 8 (Decent Work and Economic Growth) and Goal 15 (Life on Land).

## Accountability

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Accountability and the principle of “do no harm” is fundamental to our approach. We demonstrate accountability to our entrepreneurs by also measuring [satisfaction](#) with the Hand in Hand programme and regularly checking for [unintended consequences](#).

To maximise impact and ensure accountability to the partners who fund Hand in Hand’s work, we operate a cost-efficient model, with an average [return on investment](#) of over 200%.

## MEL at Hand in Hand

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Our Monitoring Evaluation and Learning (MEL) team is at the heart of our evidence-based approach, working together with our network partners to collect data on our activities, outputs, outcomes and impact. Our commitment to data isn’t just about tracking progress – it’s the cornerstone of our scalable, life-changing programme – allowing us to demonstrate clear outcomes, quantify our impact, and refine our approach as we go.

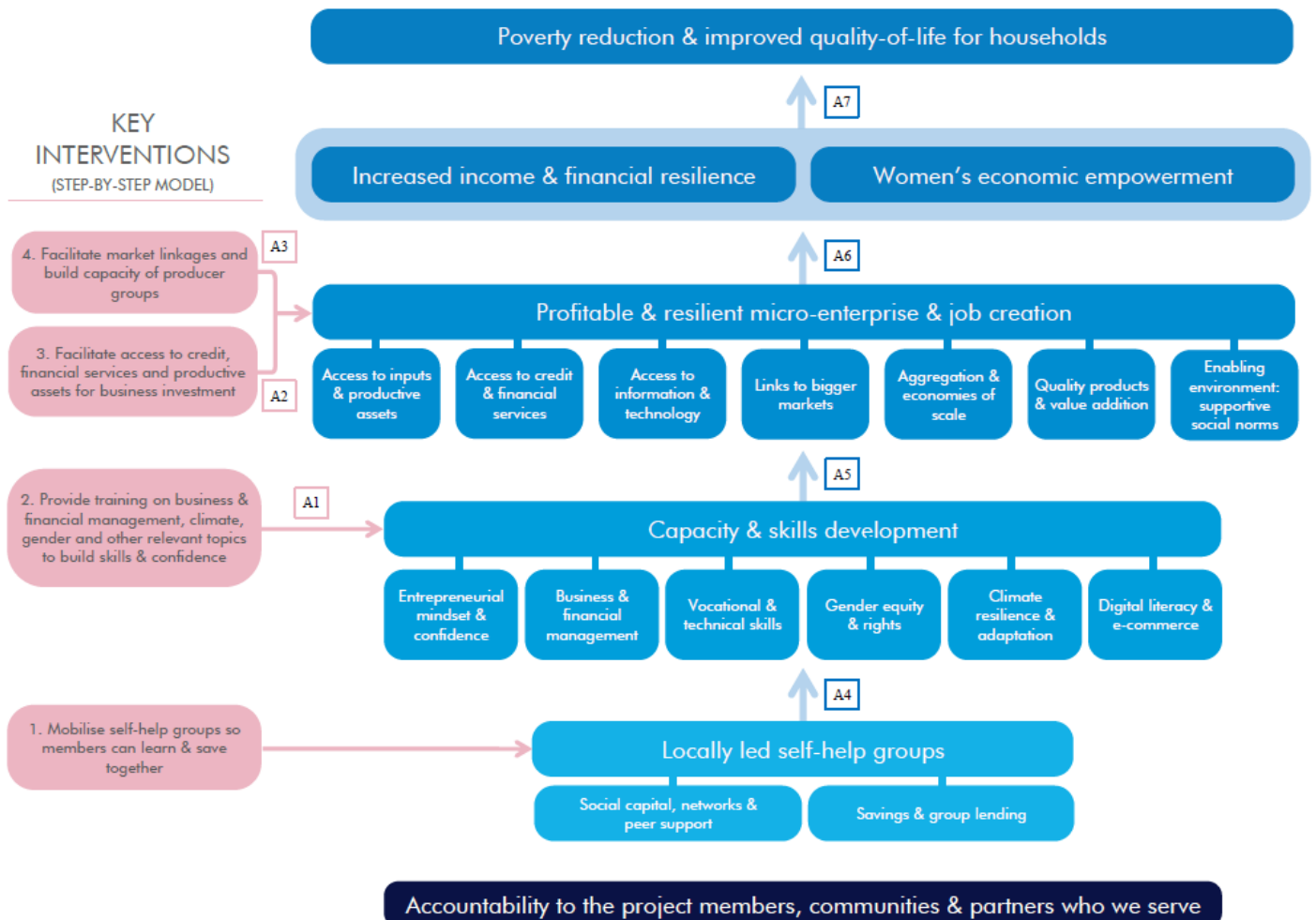
To accurately assess results, we use methods that combine in-house monitoring and evaluation across every programme, as well as strategically selected, independently led evaluations on key projects, including randomised controlled trials (RCTs).

**Monitoring:** Our continuous monitoring activities ensure that projects remain on track, and our entrepreneurs receive all components of our model as intended, from start to finish.

**Evaluation:** Hand in Hand's programmes typically include a pre- / post-evaluation design, following a sample of approximately 300-400 members to track outcomes over time. We use face-to-face surveys using the Kobo Collect platform and trained local enumerators. To assess sustainability, some programmes include an ex-post evaluation, one year on from the end of the project.

**Learning:** We work throughout the project lifecycle, reflecting on our data and evidence in order to adapt and improve current and future projects.

## Annex 1. Theory of Change Diagram



## Annex 2. Key Assumptions & Evidence

### A1: Training → Capacity & Skills Development

Assumption 1.1: Access to quality training on enterprise & financial management leads to improved business skills and adoption of key practices

Evidence summary: High-quality, well-targeted training – especially formats that are practical (heuristics or rule-of-thumb), mindset-oriented (personal initiative or soft skills), gender-responsive, and/or paired with coaching or peer support – consistently raises business knowledge and adoption of core practices, including record-keeping, among micro-entrepreneurs. While impacts on business performance are mixed (see below), the skills channel is robust across many settings; programs tend to work best when intensity and delivery address time, mobility, and social-norm constraints for women and, when needed, are bundled with finance.

### Assumption 1.2. Access to quality training on sustainable agriculture leads to improved skills and adoption of key practices

Evidence summary: Access to quality training and extension on regenerative and climate-smart agricultural practices is consistently associated with better regenerative agriculture skills and greater uptake of regenerative practices. In Eastern Africa, farmers who received hands-on training and extension support were over 4× more likely to adopt regenerative practices. Training/extension services, farmer groups, and demonstration plots are key enablers of skill adoption, though other factors (land tenure, financial resources, labour availability, market opportunity, etc.) must also be present to sustain adoption and uptake of these practices.

### Assumption 1.3. Access to quality training on gender equity leads to increased awareness and understanding of gender norms & attitudes, especially those that may be limiting to women

Evidence summary: Gender equity training can increase awareness of gender norms and attitudes, especially when programs incorporate gender-sensitive content, soft skills, and social support mechanisms. Interventions that also engage men or address structural barriers (e.g., childcare, mobility) show the most promise for shifting norms and reducing harmful attitudes.

## **A2: Credit Access → Profitable & Resilient Micro–enterprises**

### Assumption 2.1. Improved access to finance leads to increased enterprise investment and performance

Evidence summary: Improved access to finance can increase enterprise investment and, in some cases, performance – particularly when the products are secure/private (individual savings, mobile money), non-fungible (in-kind capital), sufficiently sized, flexible, and/or bundled with training or mentoring; however, standard small microloans or cash grants often show limited or heterogeneous impacts on profits/sales for women micro-entrepreneurs due to household claims, sector constraints, and risk preferences.

### Assumption 2.2. Members are generally able to repay what they borrow

Evidence summary: Entrepreneurs, and particularly women, are generally able to repay business loans, often with equal or better repayment rates than men, especially when credit products are tailored to women entrepreneurs' needs. Repayment reliability holds across traditional microcredit and innovative models (digital lending, psychometric scoring). Flexible terms/grace periods improve repayment rates without increasing default risk. However, repayment success does not always translate into improved business performance.

## **A3: Market Access → Profitable & Resilient Micro–enterprises**

### Assumption 3.1. Improved access to markets leads to better enterprise performance

Evidence summary: Improved access to markets (via value-chain integration, producer organizations, or digital marketplaces) can lead to better enterprise performance, but effects are often modest and depend on complementary factors like skills, inputs, assets, gender barriers, and digital capability. The most reliable gains occur when market access is bundled

with capacity building and enabling services that reduce transaction costs and information gaps.

#### Assumption 3.2. Producer groups improve enterprise efficiencies and economies of scale

Evidence summary: Producer groups (such as cooperatives and farmer associations) consistently improve enterprise efficiencies by reducing transaction costs, pooling resources, and enabling economies of scale. These benefits are greatest when groups are inclusive, well-governed, and linked to market access and capacity-building interventions.

### **A4: Self–help groups (SHGs) → Capacity & Skills Development**

#### Assumption 4.1. SHGs provide platforms for social capital, networks and peer support

Evidence summary: SHGs (and VSLAs) help improve social networks and create strong peer-support mechanisms, which enhance women’s confidence, solidarity, collective agency, and ability to access resources. These effects are strongest when groups integrate training/group learning, mentoring/peer exchange, and are gender sensitive. These groups dynamics can also reduce social barriers to entrepreneurship and help women feel more confident starting businesses.

#### Assumption 4.2. SHGs help members save and borrow to support enterprise activities

Evidence summary: SHGs (and VSLAs) provide platforms for saving and borrowing, enabling women to smooth household consumption, finance microenterprise activities and manage risk. These effects are strongest when groups integrate financial literacy, training, and social support, helping participants overcome barriers to credit and sustain enterprise activities.

### **A5: Capacity & Skills Development → Profitable & Resilient Micro–enterprises**

#### Assumption 5.1. Improved business skills lead to better enterprise performance (profitability & resilience)

Evidence summary: Improved business skills are associated with better enterprise performance, including productivity and growth, but effects on sales/profits and survivorship may be modest/limited, and vary by firm size, sector, and training design. Traditional skills training often yields modest gains, while intensive, gender-sensitive, or mindset-oriented (e.g. personal initiative) programs show larger impacts on profits and growth.

#### Assumption 5.2. Improved regenerative agricultural skills leads to higher yields, income, and resilience for farmers

Evidence summary: Several studies show positive associations between farmers’ improved regenerative and climate-smart agricultural skills and higher yields, improved profitability, or greater resilience. However, yields and profits may also dip in the short term as farmers make the transition. Additionally, given the fields of sustainable/regenerative agriculture are relatively new, there is a lack of empirical causal evidence, and many studies cite strong context dependence and variable outcomes; more rigorous research is needed.

#### Assumption 5.3. Increased awareness and understanding of gender norms & attitudes lead to greater support for women's enterprise activities [enabling environment]

Evidence summary: Increased awareness of and shifts in gender norms through gender-sensitive training, soft-skills development, and male/community engagement can lead to greater support for and acceptance of women's entrepreneurship. These effects are strongest when interventions address household dynamics and norms alongside resource constraints, and provide enabling services (childcare, transport) to reduce social barriers.

### **A6: Profitable & Resilient Micro–enterprises → Financial Resilience & Women's Economic Empowerment**

*Assumption 6.1. Improved enterprise performance and increased income among women members, combined with decision-making power, leads to women's economic empowerment*

Evidence summary: Improved enterprise performance and income can contribute to women's economic empowerment, especially in terms of autonomy and confidence, but these effects are often partial and context-dependent. Empowerment outcomes are strongest when women control resources and have mobility, and income gains are combined with interventions addressing gender norms, household dynamics, and social constraints.

*Assumption 6.2. Enterprise activities and gains in performance and income are sustained over time, leading to long-term resilience*

Evidence summary: Some enterprise gains, especially those built on secure savings, flexible/appropriately sized finance, and multicomponent programmes, are sustained for multiple years. However, improvements from standard short-course training often fade without continued support or enabling conditions. Overall, sustainability of results improve when interventions address multiple constraints and incorporate follow-up support/coaching, while purely skills-focused programs show limited long-term impacts. Timing of measurement is also key, with some studies showing greater impacts from longer-term follow up.

### **A7: Financial Resilience & Women's Economic Empowerment → Improved Household Quality–of–Life**

*Assumption 7.1. Increased income and resilience, combined with women's empowerment, helps improve household wellbeing and quality-of-life*

Evidence summary: Increased income among women entrepreneurs generally improves household wellbeing (especially in education, health, and consumption) because women tend to allocate resources toward family needs. However, these benefits are conditional on women's control over income, participation in household decision-making, and supportive social norms, meaning income alone is not always sufficient for transformative household outcomes.

*Note: a full Assumptions & Evidence Matrix and Literature Review is available upon request.*

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