



HAND IN HAND  
AFGHANISTAN

## Annual Report 2021

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*"To lift one billion people from poverty, 250 million jobs are needed. You can ask yourself... Where will those jobs come from? They won't come from government... they won't come from big industry... they won't be engines of growth, but they won't take up the millions required. They have to come through small enterprises".*



Percy Barnevik, co-founder, Hand in Hand

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## ACRONYMS

<b>ACBAR</b>	Agency Coordinating Body for Afghan Relief and Development
<b>AREDP</b>	Afghanistan Rural Enterprise Development Program
<b>A-SDGs</b>	Afghanistan Sustainable Development Goals
<b>BDS</b>	Business Development Services
<b>CDC</b>	Community Development Council
<b>DDA</b>	District Development Assembly
<b>GIZ</b>	Gesellschaft Fur International Zusammenarbeit's
<b>HIHAO</b>	Hand in Hand Afghanistan Organization
<b>HIHI</b>	Hand in Hand International
<b>MAIL</b>	Ministry of Agriculture, Irrigation and Livestock
<b>MEAL</b>	Monitoring, Evaluation, Accountability and Learning
<b>MoEc</b>	Ministry of Economy
<b>MRRD</b>	Ministry of Rural Rehabilitation and Development
<b>MoLSA</b>	Ministry of Labor and Social Affairs
<b>SDG</b>	Sustainable Development Goals
<b>CPC</b>	Community Peace Council
<b>SHG</b>	Self-Help Group

## MESSAGE FROM OUR CHAIRPERSON AND EXECUTIVE DIRECTOR

Dear Readers,

We encourage you to read this annual report to learn more regarding our program and its impact on the lives of poor and vulnerable households in Afghanistan. 2021 has been yet another challenging year of insecurity and political shift, as well as the COVID-19 pandemic, has been negatively impacting the lives and resilience of people in Afghanistan. With the change of government and the collapse of banking and economic activities, the unemployment and poverty rate has tremendously increased. Fortunately, we maintained the continuity of our interventions amidst the intensity of political and economic crises in the country, we developed our transitional plan to tackle new challenges and serve the underserved communities. Given the urgency of the situation in the country, we expanded the HIHAO's strategic mission to respond to the emergency humanitarian needs of the people while continuing its core development mission.

We tried to help families cope with the crisis by supplementing their food security while enabling them to become socially and economically empowered.

In 2021 by implantation of the below-mentioned projects, we focused our efforts on creating more jobs and investing in people to boost their economy:

1. Households Adopt Sustainable Economic Livelihoods (HASEL) Shahrak Wali Aser of Mazar city.
2. Integration of Peace-building into HASEL project, Shahrak Wali Aser of Mazar city.
3. Village Uplift Program - Shahrak Sayed Abad, Balkh Province.
4. Helping the people of Dalkhaki village, Samangan province, Afghanistan bounce back from COVID-19.
5. Training the people of Hairatan city in Balkh province, Afghanistan to launch micro enterprises.
6. Agriculture support for food insecure and vulnerable farmers in Kunduz and Samangan provinces.
7. Organic growth: taking Afghanistan's certified saffron value chain to scale.

We continued to improve the lives of ultra-poor families through our tried and tested poverty graduation model. We transferred productive assets to more than 3,646 vulnerable households, increasing their productivity and earning potential so that they can become self-reliant over time. more over 3,000 other households received certified wheat seeds to scale up their agricultural activities. The report also elaborates on our focus on climate change resilience measures taken in our programs, since Afghanistan continues to be among the countries worst affected by climate change risks.

We would like to thank the communities we serve and also our supporters, Institutional donors (GIZ, CAFOD, DANIDA, UNOCHA/AHF, and FAO), and philanthropists who generously supported our projects. We would like to extend our appreciation to the HIHAO's Board of Directors for their valuable contributions and honorary time commitment to serving the mission of this organization. We also would like to highly appreciate the continuous fundraising and technical support provided by our main strategic partner Hand in Hand International. Last but not the least, we equally thank our dedicated team who are working hard in a very challenging environment to make our program successful.

As HIHAO grows from strength to strength, so will our potential to uplift the people from poverty. We are confident that the HIHAO team will continue to ensure that the organization remains steadfast on its mission of poverty alleviation and helping people in crises in line with the organization's core values.

Sincerely yours,



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Seema Ghani  
Chairperson  
Hand in Hand Afghanistan



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Abdul Rahim Nasry  
Executive Director  
Hand in Hand Afghanistan



## SECTION ONE: ABOUT HAND IN HAND AFGHANISTAN

Hand in Hand Afghanistan (HIHAO) is a not-for-profit and non-governmental organization registered with Ministry of Economy of the Government of Islamic Republic of Afghanistan (License # 890; 21 December 2006). HIHAO works to promote women's economic empowerment to deliver higher incomes, greater mobility and increased decision-making power for vulnerable Afghan women. Increasingly, since 2020, HIHAO has pivoted to providing humanitarian support to households most at risk of food insecurity. Headquartered in Mazar-e-Sharif, we have helped more than 50,000 women and men beat the odds and succeed as entrepreneurs since 2007, running profitable enterprises that stand the test of time.

During the last 14 years, HIHAO has delivered multi-million-dollar projects funded by USAID, DFID, the EU, Sida and GIZ, among others. Following a DFID-funded capacity-building program that began in 2019, we are now eligible to implement humanitarian projects under the Afghanistan Humanitarian Fund (AHF), funded through UNOCHA.

HIHAO maintains close contact with the Ministry of Labor and Social Affairs (MoLSA), the Ministry of Rural Rehabilitation and Development (MRRD), the Ministry of Agriculture, Irrigation and Livestock (MAIL), the Ministry of Economy (MoE), the Ministry of Women's Affairs and other relevant government ministries. Local governmental departments, community leaders, Community Development Councils (CDCs) and District Development Assemblies (DDAs) are engaged for feedback and to spread awareness about HIHAO programs before launching any new intervention, and remain engaged throughout projects.

HIHAO is a member of the Hand in Hand Global Network, with a shared mission to alleviate poverty and advance gender inequality through the creation of enterprises and jobs. Since 2003, from Afghanistan to Zimbabwe, Hand in Hand has created or grown more than 4 million jobs, almost all of them women's. The network also programs in India, Kenya and Tanzania, with fundraising and support offices based in London, Stockholm and New York City.

HIHAO is also a member of the Agency Coordinating Body for Afghan Relief and Development (ACBAR) and the Afghanistan Microfinance Association (AMA).

### Vision

HIHAO's vision is an Afghanistan where all citizens have access to good quality and comprehensive services, where their fundamental rights are met without discrimination on the grounds of gender or ethnicity.

## Mission

HIHAO's mission is to enable disadvantaged communities to determine their own development and enhance their livelihoods, increase social cohesion, reduce violence and promote peace. HIHAO provides assistance to victims of humanitarian crisis, to protect their lives and dignity.

## Objectives

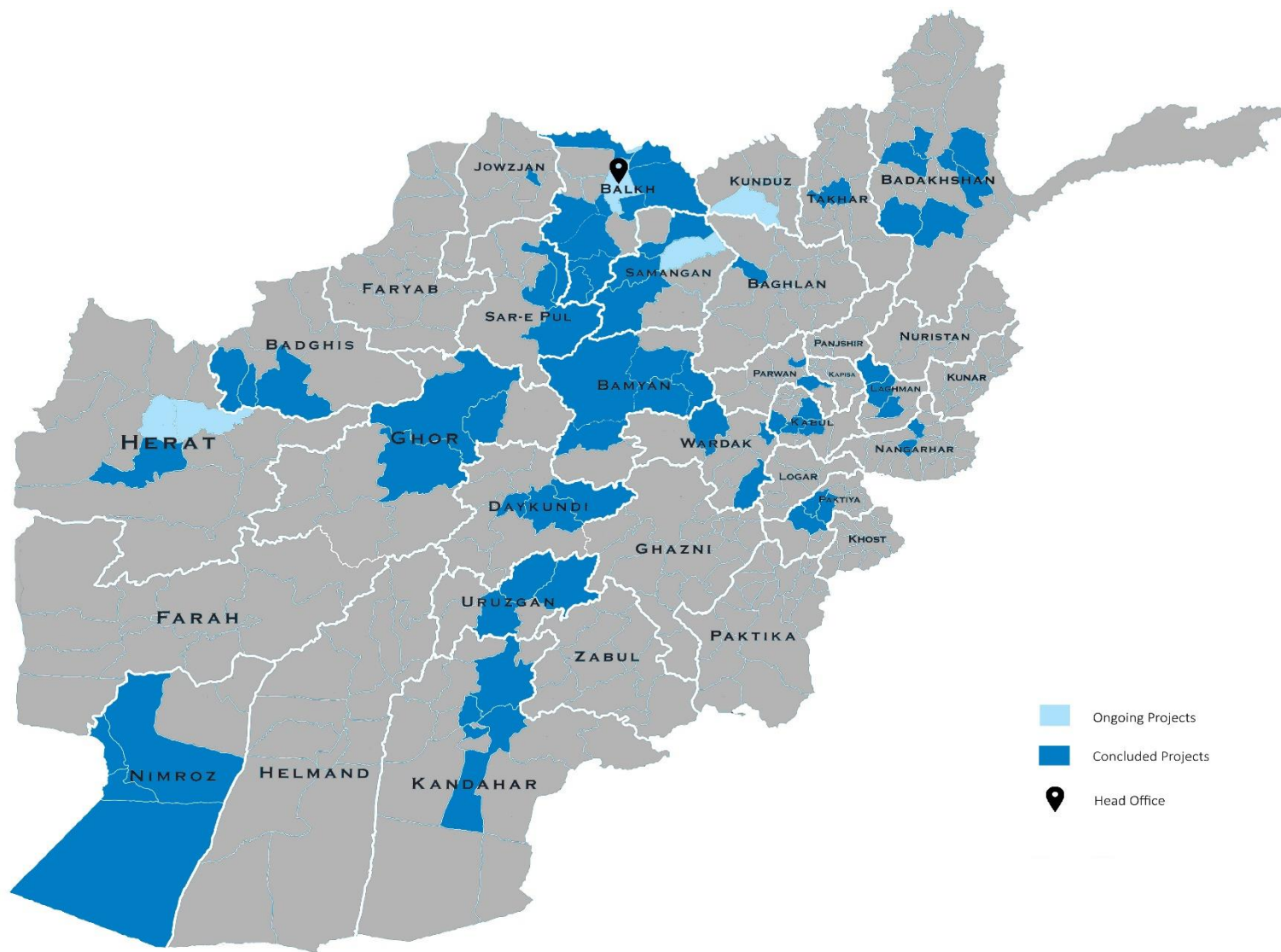
1. Support unemployed, poor and vulnerable women, men and young people to secure entrepreneurial opportunities that enable financial resilience, provide sustainable employment, and increase diversified income
2. Ensure women, men, young people and children who are affected by conflict, who are IDPs, returnees, or who are from underserved host communities in need of humanitarian assistance have access to food, potable drinking water, sanitation facilities, and have good hygiene awareness, health and education services, so they can create and grow livelihoods that enable income generation.
3. That local peace mechanisms are in place and actively resolving community conflicts, and that communities are empowered to participate in peace-building processes
4. The disaster-prone communities can access natural and other disaster risk reduction training.

## 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.



# HIHAO Coverage Map



## SECTION TWO: THE GOVERNANCE

HIHAO is always committed to good governance and follows recommended best practices. General Assembly is the key decision-making body of the Organization which comprise of “Board of Directors” and “Executive Team” of the organization. It makes key decisions of the organization, including the election of a new Board of Directors.

The HIHAO Board of Directors will guide and take strategic decisions for the organization's long-term future and oversee its financial affairs, while holding its Executive Director to account.



**Seema Ghani**  
**Chairperson**



**Amalia Johnsson**  
**Member**



**Najibullah Samim**  
**Member**



**Waheed Saifi**  
**Member**



**Roya Mahboob**  
**Member**

## Executive Team



**Abdul Rahim Nasry**  
Executive Director



**Kamran Hekmati**  
Program Director



**Sama Sahari**  
CFO



**Rafi Azimi**  
Program Manager



**Rukai Amiry**  
Admin/HR Manager



**Tamana Saeed**  
Media Officer



**Hasibullah Salimi**  
Capacity Development  
Manager



**Maqsadullah Qarizada**  
MEAL Manager



**Khorigul Rona**  
MEAL Officer



**Nasima Sahar**  
Project Manager

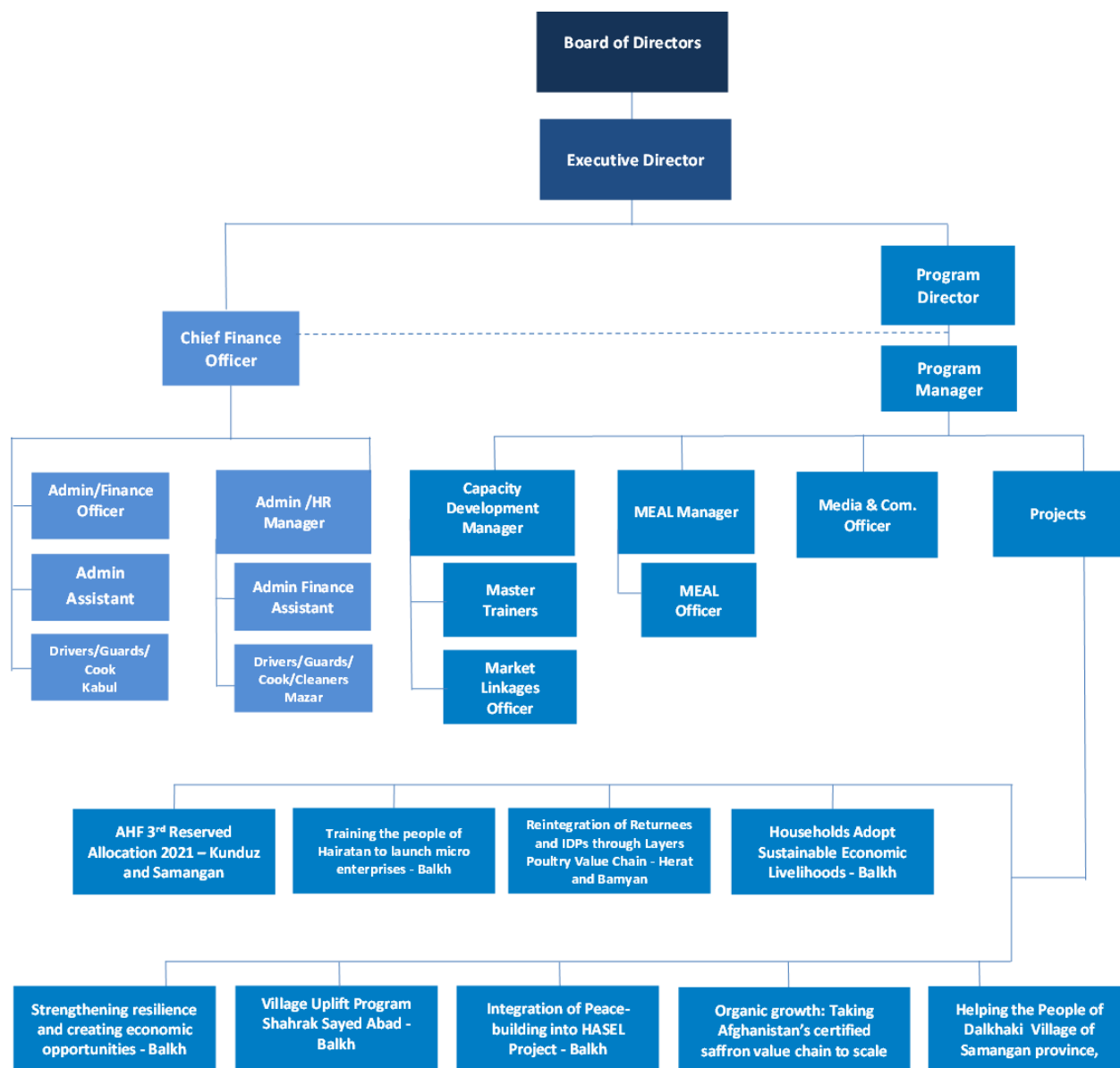


**Mohamad Kazim Khaki**  
Project Manager



**Abdullah Faizy**  
Project Manager

# HIHAO Structure



## SECTION THREE: JOB CREATION MODEL

HIHAO employs a four-step, integrated model used globally by the HiH network and adapted for the local context. Self-Help Group formation, empowerment and capacity building are fundamental to the model, which can be summarized as follows:



**Social mobilization and formation of SHGs:** Under this step, surveys are conducted to identify potential SHG members, separated by gender from similar socio-economic circumstances. The SHG approach is an empowerment tool that focuses on equipping individuals to improve the socio-economic conditions of their families and communities.



**Business development and skills training:** In this step, members receive training in a series of modules including group management, microfinance, business development services, vocational skills training and market linkages. This provides them with the skills and knowledge they need to identify opportunities and start businesses.



**Access to credit and resources:** Members are provided with enterprise start-up toolkits to help them establish their micro-enterprises. Members are encouraged and trained to use internal loans from SHGs to meet their credit needs for running their businesses.



**Market linkages and value addition:** In this final step, associations are established to bring entrepreneurs working in the same sector under one roof, helping them work together to reduce costs and improve quality. Entrepreneurs are supported on establishing linkages with value chain actors and are supported with value addition on their

## SECTION FOUR: ALIGNMENT WITH SUSTAINABLE DEVELOPMENT GOALS

Hand in Hand Afghanistan ensures that our interventions are aligned with the Afghanistan Sustainable Development Goals (A-SDGs). These goals are part of the worldwide development agenda led by the UN. Hand in Hand Afghanistan's programs are continually geared towards sustainable development by working closely around the following goals:



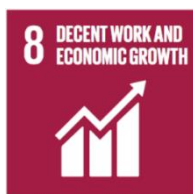
### **SDG 1: No Poverty**

Enhance resilience and eradicate extreme poverty, measured at \$1.90 a day, by ensuring dignified and sustainable livelihoods.



### **SDG 5: Gender Equality**

Increase economic participation, control over resources and decision-making power both within and outside of the household.



### **SDG 8: Good Jobs and Economic Growth**

Promote decent job creation, entrepreneurship and productive activities for all women and men.



### **SDG 10: Reduced Inequalities**

Enable an inclusive society by promoting social, economic and political participation among all its members.



### **SDG 13: Climate Action**

Encourage climate resilience and adaptivity in individuals, while promoting mechanisms for climate change related interventions focusing on women, marginalized groups and youth.



### **SDG 17: Partnerships for the Goals**

Embrace global, multi-stakeholder partnerships for achieving sustainable development by mobilizing and sharing knowledge, resources and expertise while respecting each country's policy space.



## SECTION FIVE: HIHAO HISTORY AT A GLANCE

### 2006 - 2009

- Establishment and registration with the Ministry of Economy. Head office set up in Kabul. Regional office set up in Mazar-e-Sharif.
- Implementation of the Mass Mobilization into Entrepreneurship project in Balkh province which served as pre-pilot project for AREDP/MRRD.
- Implementation of Horticulture and Livestock Project in Balkh province.
- Implementation of Facilitating Rural Enterprise Development project through capacity building of Self-Help Groups in Badakhshan province.
- Implementation of SME Development project in Balkh province.

### 2010 - 2012

- Continuation of the Mass Mobilization into Entrepreneurship project in Balkh province which served as pre-pilot project for AREDP/MRRD.
- Provision of training for AREDP project staff in Kabul and Parwan provinces.
- Implementation of Horticulture and Livestock Project (HLP) in Khulm district of Balkh province.
- Implementation of the Sustainable Livelihood Program in Kaldar, Marmul and Sholgara districts of Balkh province.
- Value Chain Improvement Project for Women Co-operatives in seven provinces.
- Implementation of the Sanitation and Hygiene Awareness and Enterprise Development project in Kaldar and Sholgara districts of Balkh province.

### 2013 - 2015

- Implementation of Supporting Rural Entrepreneurship and Promoting Women's Socio-economic Empowerment in Dara-i-Suf districts of Samangan Province.
- Implementation of Improving Lives through Creation of Microenterprises and Jobs in Jawzjan.
- Piloting and implementation of One District One Product (ODOP) for Community Led Micro-Enterprise Development in Rural Areas of Parwan and Herat Provinces.
- Continuation of Sustainable Livelihood Program in Kaldar, Marmul and Sholgara districts.
- Training for SMEs in Bamyan Province.
- Continuation of Sanitation and Hygiene Awareness and Enterprise Development project in Kaldar, Marmul and Sholgara districts.
- Implementation of the Sustainable Livelihood Program (SLP) in Shortepa and Kishindeh districts of Balkh province.

- Continuation of Value Chain Improvement Project for Women Co-operatives in seven provinces.
- Implementation of Reducing poverty and gender inequality by improving household income and financial resilience for rural women through enterprise and job creation in Sarepul province.

## 2016 - 2020

- Continuation of Reducing poverty and gender inequality by improving household income and financial resilience for rural women through enterprise and job creation in Sarepul province.
- Implementation of the Supporting Rural Entrepreneurship and Promoting Women's Socio-Economic Empowerment project in Dara-i-Suf Bala and Dara-i-Suf Payan districts of Samangan Province.
- Continuation of the Sustainable Livelihood Program (SLP) in Shortepa and Kishindeh districts of Balkh province.
- Continuation of the Village Uplift Program in Shahrak Ulia Village of Mazar-e-Sharif, Balkh province -
- Implementation of the Socio-Economic Empowerment of Women and Men project in Chintal district of Balkh province.
- Implementation of the Creating Future Economic Prospects for Reintegration of Refugees and IDPs through the Layers Poultry Value Chain in Nahr -i- Shahi and Sholgara districts of Balkh province.
- Implementation of the Food Insecurity and Malnutrition Household Perception Survey in 12 provinces.
- Execution of the Food Insecurity and Malnutrition Consultation Workshops in four provinces.
- Implementation of the Promoting Women's Socio-Economic Empowerment through Layer Poultry Farming
- Implementation of the Creating Future Economic Prospects for Reintegration of Refugees and IDPs through the Layers Poultry Value Chain in Balkh, Samangan and Baghlan provinces.
- Implementation of the Creating Future Economic Prospects for Reintegration of Returnees and IDPs in Herat and Bamyan provinces of Afghanistan through the Layers Poultry Value Chain.
- Implementation of Village Uplift Program in Shah Rahim village of Khulm district, Balkh province.
- Implementation of the Empowering Women in Afghanistan project in Balkh, Kabul and Parwan provinces.
- Implementation of the Reducing Poverty through Entrepreneurship and Female Empowerment project in Sholgara district of Balkh province.
- Implementation of the Households Adopt Sustainable Economic Livelihoods projects in Shahrak Wali Asr of Mazar-e-Sharif city, Balkh province.
- ACBAR's twining program II

- Village Uplift Program in Shahrak Sayed Abad of Mazar-e-Sharif, Balkh Province
- Implementation of the Helping the People of Dalkhaki bounce back from Covid-19, Dalkhaki village of Samangan Province
- Implementation of the Integration of peacebuilding into Households Adopt Sustainable Economic Livelihoods projects in Shahrak Wali Asr of Mazar-e-Sharif city, Balkh province.
- Implementation of the COVID-19 Response Efforts project in Afghanistan
- Implementation of the ACBAR Twinning Program II.
- 

## 2021

- HIHAO successfully completed the due diligence and capacity assessment of the UNOCHA to access the Afghanistan Humanitarian Fund (AHF) and started implementation of its first ever project under the AHF.
- Implementation of the Agriculture Support to Food Insecure and Vulnerable Farmers in Kunduz and Samangan provinces.
- Implementation of the Strengthening resilience and creating economic opportunities for returnees and IDPs project in Balkh province.
- Implementation of Organic Growth: Taking Afghanistan's Certified Saffron Value Chain to Scale project.
- Implementation of Training the people of Hairatan city of Balkh province, Afghanistan to launch micro enterprises.
- Continuation of Helping the People of Dalkhaki Village of Samangan province, Bounce Back from COVID-19 project.
- Continuation Village Uplift Program - Shahrak Sayed Abad project.
- Continuation of Integration of Peace-building into Households Adopt Sustainable Economic Livelihoods (HASEL) project.
- Continuation of Households Adopt Sustainable Economic Livelihoods (HASEL) project.
- Continuation of Creating future economic prospects for reintegration of returnees and IDPs in Herat provinces of Afghanistan through the layers poultry value chain and Creating economic opportunities for returnees and IDPs during Covid-19:

## SECTION SIX: OUR PROJECTS

Hand in Hand Afghanistan aims to empower women, giving 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 building their capacities, providing grant-based assets, advice on improving productivity and adding value to their products, and help identifying market opportunities and linking them to local markets. Our support, advice and training are ongoing. At the same time HIHAO has been implementing humanitarian projects to address the urgent humanitarian needs of the most vulnerable in Afghanistan.

In 2021 HIHAO started the implementation of its first ever AHF funded project. With the four new projects starting this year, a total of nine projects were under implementation during 2021.

### **1. Agriculture support to food insecure and vulnerable farmers in Kunduz and Samangan provinces**

Under this project, 3,000 vulnerable farmers in Kunduz and Samangan Provinces of Afghanistan will receive agricultural inputs such as improved wheat seeds and fertilizers to improve their livelihoods and improve their resilience to shocks. The project is funded by UNOCHA under the Afghanistan Humanitarian Fund (AHF).

The project has so far mobilized a total of 3,000 farmers each representing one household 1,000 in Chardara and 1,000 in Ali Abad district of Kunduz and 1,000 in Aybak district of Samangan province. The farmers have received training on the cultivation of improved wheat seeds, including topics on land preparation, cultivation techniques, seed quantity per jerib of land, use of fertilizer, integrated pest management and irrigation timing as part of the preharvest training. Following this, the project participants have received certified wheat seeds and fertilizers.



Project supported farmer after cultivating the certified wheat seed, Kunduz province.

## **2. Organic growth: Taking Afghanistan's certified saffron value chain to scale**

The project aims to support saffron companies achieve ISO standards (5 companies out of which 2 are led by women) or EU organic (2 companies) certification to supply international market actors in increasing volume. The project will also try to increase the price premiums on ISO and EU organic certified saffron along the saffron value chain. The project is implemented in Herat province over a five years period and is funded by Danida.

## **3. Training the people of Hairatan city of Balkh province, Afghanistan to launch micro enterprises**

The purpose of this project is to support 320 community members of Hairatan city by training them on business skills and supporting them to launch sustainable enterprises in order to raise their incomes, and demonstrate improved financial resilience. The project implemented in Hairatan city of Balkh province between 2021-2022 and is funded by Hand in Hand International.

The project has so far mobilized 320 women in to 18 SHGs. These women have received training on SHG management, Business Development, Microfinance and Feedback and complaint response mechanism training packages. They will further receive training on human rights, women rights, gender and gender-based violence, market linkages and life skills training. A total of 70 project supported women received different types of enterprise startup kits. The Self-Help Group members have saved a total amount of AFN 205,040 and lent AFN 131,500 internally. The enterprises start up kits and internal loans have resulted in establishment and enhancement of 85 micro-enterprises which has resulted in creation of 70 job in their respective communities.



Distribution of tailoring enterprise startup kits, Hairatan, Balkh province



#### **4. Strengthening resilience and creating economic opportunities for returnees and IDPs in Balkh province**

The project aims to improve skills and capacity of 600 IDPs and returnees in Balkh province to start income generating layer poultry farms. It also provides basic food support to 600 households. The project started in December 2021 and will end by June 2022, therefore the achievements are to be reported later. This project is funded by Duetsche Geselleschat fur Internationale Zusammenarbeit (GIZ).

#### **5. Households adopt sustainable economic livelihoods, Wali Asr Mazar-e-sharif, Balkh province**

The overall objective of this project is to empower poor and vulnerable women in Balkh to take ownership of their inclusive social and economic development. The project targets 500 women in Shahrak-e-Wali Aser, 5th municipality district of Mazar-e-Sharif. The project started in September 2019 and will end by December 2022 and is funded by CAFOD and HiH International.

This project is entering its last year and has so far mobilized 561 women in to 28 SHGs. 500 women have received Business Development and 502 Group management training packages. 400 women received different types of vocational skill training and 495 Toolkit were distributed. The Self-Help Group members have saved total amount of AFN 1,382,260 and lent AFN 3,159,700 internally. The enterprises start up kits and internal loans have resulted in establishment and enhancement of 515 micro-enterprises which has resulted in creation of 499 job in their respective communities.



Literacy training class, Hasel Project, Wali Asr, Balkh province



## **6. Creating future economic prospects for reintegration of returnees and IDPs in Herat and Bamyan provinces of Afghanistan through the layers poultry value chain**

The project aims to improve skills and capacity of 2,500 (90% female) returnees and IDPs to create 2,500 stable and income-generating layer poultry enterprises and enhance their access to market through the creation of sustainable layer poultry value chain. This project started in January 2019 and will end by February 2021 and is funded by Duetsche Geselleschat fur Internationale Zusammenarbeit (GIZ) GmbH through Hand in Hand International.

The project has so far mobilized a total of 2,593 returnees and IDPs with 97% women participation against the target of 2,500. IPDs have received training on layer poultry farming and adapted Business Development Services. 55 of hatchery machines were distributed in Herat and Bamyan. By end of December 2021, a total of 2,500 poultry enterprise startup kits have been distributed enabled them to start their small-scale layer poultry farms which has resulted in creation of 2,500 job opportunities for the community members.



Distribution of layer poultry farming tools to the project supported farmers, Herat province.

## **7. Helping the people of Dalkhaki bounce back from Covid-19, Dalkhaki village of Samangan province**

The objective of this project is to Support 350 community members of Dalkhaki to become poultry farmers. The project also provides emergency food provisions in the immediate-term for their households. This project is funded by Hand in Hand international.

This project has so far mobilized 350 women in to 19 SHGs. These women have received group management, BDS and layer poultry farming trainings. A total of 350 poultry startup kits have been distributed to the women which has enabled them to establish small scale layer poultry farms. The 350 households have also received basic food packages containing wheat flour, rice, cooking oil, beans and sugar.



Distribution of chicken feed to the project supported farmers, Dalkhaki, Samangan province.

### **8. Village Uplift Program in Shahrak Sayed Abad of Mazar-e-Sharif, Balkh province**

The objective of this project is to empower and strengthen the socio-economic rights of poor rural women and contribute to the reduction of poverty in Shahrak Sayed Abad area in Mazar-e-Sharif city of Balkh province. The project targets 100 women to be trained in entrepreneurship, skills and provide support for micro-enterprise development and market linkages. This project is funded by Hand in Hand international.

The project has reached 111 women against the target of 100. These SHG members have received training on Business Development Services, Microfinance and Bookkeeping. 60 women have received different types of vocational skills trainings and 100 women have received enterprise startup kits enabling them to run their own microenterprises to generate income. A total amount of AFN 180,000 has been saved by the SHG members within their groups which is used as loans to support their microenterprises. As a result 100 microenterprises have been created/expanded which resulted in creation of 100 jobs for women.



Embroidery practical training, VUP Sayed Abad, Balkh province.



## 9. Integration of peacebuilding into households adopt sustainable economic livelihoods Projects in Shahrak Wali Asr of Mazar-e-Sharif city, Balkh province

The project has reached 607 women and men against the target of 604. A Community Peace Council (CPC) was formed comprising 20 members (83% women). After the change in the government, we had to form a separate CPC for women. The CPCs member have completed the conflict resolution mechanisms, mediation and peace training. As well as, the 104 project members completed human's rights, women's rights, and gender & GBV trainings. The aim of this project is the provision of ongoing support to the peace council members to develop skills on community conflict analysis and implement mitigation plans to address prevalent causes of conflict within their community and equipping the peace councils with the skills to both mediate cases that are formally submitted and tackle the root causes of ongoing conflicts within their communities.



Training of the community peace council members on Gender and GBV

## **Meet Tahera**

When there is life there are struggles and these struggles will remind you that even though you are facing hardships and challenges, don't ever give up because the sun will shine again after the storm, to have a fresh new start that will allow you to do better and better. Those who persevere in the face of adversity will be altered in unforeseen ways. Tahera's real-life story teaches us how to deal with life hardship and challenges.

My name is Tahera, I am 38 years old. I got married while I was 16 years old and after 8 time of miscarriage we have one daughter, she is 9 years old, admitted to school and now she is in second class. I and my husband have the primary education, my husband is a labor, in the past he could found AFN 2,000 to AFN 6,000 per month, but nowadays due to Corona-Virus quarantines and insecurities it's been super hard and difficult to find even that amount of income. When we were in village I was busy with tailoring, I had customer over there, but when we come to Wali Aser, I couldn't find even one customer here. We are living in a rental house and we are supposed to pay AFN 1,500 monthly. It's been difficult and stressful that one person must pay for all living materials, therefore I decided to work and help my husband. Then, I joined the Setara Self-Help Group I received business service training and received embroidery machine along with embroidery tools and materials that help me build my own small enterprise and enabled me to have an income.

After finishing the above-mentioned trainings and receiving enterprise startup kit the government announce quarantine because of Corona-Virus that affected us to find customer, but I didn't stop my work. I brought a sample of my work to the shops and the shopkeepers liked my work and contracted with me, they gave the fabric and I make designs on those fabrics. During the quarantine and insecurity, I could earn AFN 1,500 in a month. I know the amount is less, but I am happy that at least I'm able to do something for my family and I am sure I will be able to work and earn more in the future. I would like to thank Hand in Hand Afghanistan Organization for their support and program, which enabled me to support my family during difficult times. I have a message for other women who want to help their families and want to make a better future for themselves, there is nothing impossible in his world and even if you are uneducated you can do something that will provide you with an income or by learning any skill at least you would be able to become financially independent.

Tahera's story tells us that our difficulties are unwelcomed guests, yet they bring us precious gifts and once the agony is gone, the rewards are still there. These presents are life's greatest jewels, purchased at a high cost yet not available in any other way.



## **Meet Huzra**

In the past, taking financial responsibility for the family used to be mostly the role of men, but nowadays, women are taking both financial and household responsibilities. In order to ensure a bright future for the family, it is critical to allow women to be financially empowered.

Huzra's real-life struggle to achieve her goals serves as an example of how important it is to let women be financially empowered so that they can support their families in the same way as men do.

Huzra is 35, resident of Sharak Wali Aser, Mazar-e-Sharif, Balkh province. She says, "We are a family of six, my husband is a cook and he used to be the only breadwinner of our family. Life was good when he could find places to cook, but there were times when he couldn't find work for days, weeks, or even months, and it's painful to see your husband leave the house every morning working his hardest to earn money, but return with no income and you're unable to help him. Furthermore, I decided to learn something that would allow me to support my family and help my husband. Thus, I talked to my husband to let me learn something that bring us income. Then, I joined the Morwarid SHG group I received business service training and received embroidery machine along with embroidery toolkits from Hand in Hand Afghanistan that helped me to build my own small enterprise and enabled me to have an income. Moreover, I would like to thank Hand in Hand Afghanistan Organization for their supporters and program, which enabled me to support my family during difficult times."

After learning embroidery Huzra continued to make new designs and enhance embroidery skill and now she is a great embroiderer and has several clients. She brought a sample of her work to the shops and the shopkeepers liked her work and contracted with her. They gave the fabric and she only design the flowers on that fabric. Hence, she can earn around AFN 4,000 on monthly basis.

"Last winter my husband was not able to buy the needed groceries for our daily usage, so he took some loans from bank, but after starting my small entrepreneurs I did pay all his loan with that income. Now I want to have several contracts with other shops as well." Said Huzra.

She also added, "I have a message to other women who wants to make a better future for themselves and their children, even if you are uneducated, you should consider that by learning some skill or something that will provide you with an income at least you would be able to become financially independence and could support your family as well." Said Huzra.



## **Meet Jamila**

Jamila, 42 year old, is living with her husband and five children – four sons and one daughter in Abu Talib village of Mazar-e-Sharif city, Balkh province. Three of her children going to school although the husband is responsible for family's expenses but Jamila knew that the unstable job of her husband is not enough to have a better life. As her husband is a vegetable seller. She couldn't afford to buy proper clothes and stationery for her children. Jamila was not able to do anything and help her husband in family expenses because she said with empty hand I only can take care of my children at home.

Jamila joined Roshan Self Help Group after Hand in Hand Afghanistan started mobilization in her community, she attended regular group meetings, received Group Management, Microfinance and Business Development Services (BDS) training. She was very interested to have a business and generate income in order to help her family so she chose to start poultry farm and received enterprise startup kit along with 20 layer hens upon successful completion of the training from HIHAO.

Jamila earns around AFN 4,500 from poultry business per month and buys clothes, food and school expenses for her children, she says" I'm happy to be part of my family's economic cycle. She says my poultry business has encouraged me to start livestock and I am planning to buy cow from poultry income in future, because it is also good business and way of generating income. She added now I have the knowledge which I learned from HIHAO trainings and also the literacy class enabled me to read and write in a basic way now I can write phone numbers and read sign boards".



I feel many changes since I became beneficiary of HIHAO". And I am thanking for the taking poor people's hand to be stand on their own feed and bring stable income to the family.



## **Meet Nesa**

Nesa is a 27-years-old woman living in Dalkhaki village. She was married at the age of 13 and now has five children (three sons and two daughters).

Nesa explains the hardship she has experienced: "My husband and I are uneducated; he is a farmer. Due to the current situation and unemployment most of the time he has nothing to do. I was often busy with carpet waving, but it was not enough because carpet waving takes a lot of time for often little money. There were times in our life that we spent days without food and I was praying and hoping for a job day and night. Therefore, it was a new hope when I heard about Hand in Hand Afghanistan's project in Dalkhaki and I joined Khorshid Self-Help Group."

Nesa received training SHG management and poultry farming and was provided an enterprise start-up kit to establish her enterprise. She says, "I learned how to take care of chickens, vaccinating chickens from diseases and reproducing chickens. I also built chicken a coop with guidance of my trainers.

After completing the, Hand in Hand Afghanistan provided me 20 layer chickens. Nowadays, the chickens lay 12-15 eggs per day and I can sell them for AFN 7 (US\$0.8) each, which brings

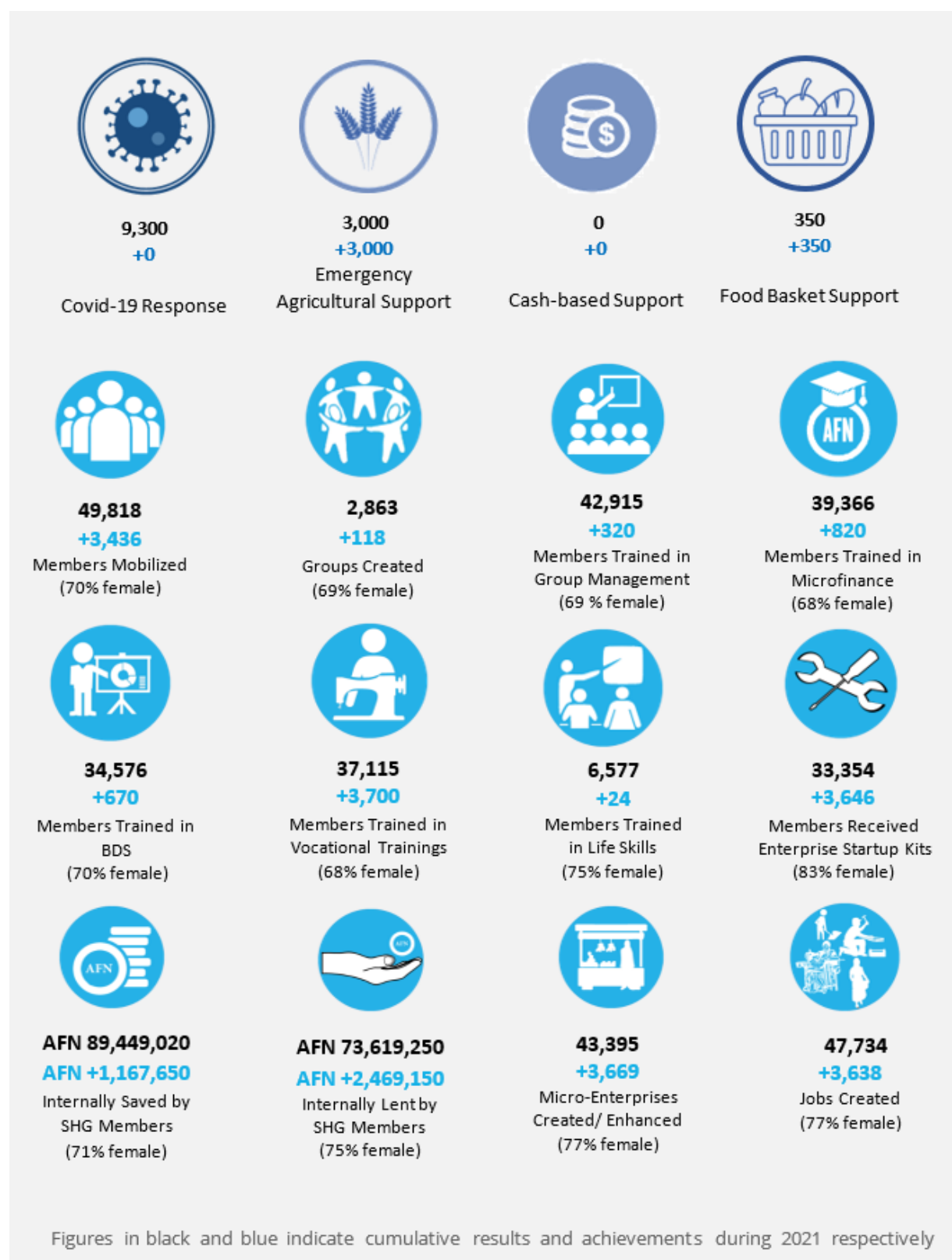
me a monthly income of around AFN 3,000 (US\$38). Sometimes I bring the eggs to the city, hospitals, and shops to sell and earn more."

Nesa continued, "I bought two sheep for AFN 5,500 (US\$70) each using my income. I shared everything I learned from the training with other women who were interested to have their own small enterprise."

She also added, "My future plan is to expand the chicken farm and expand my livestock enterprise as well, so I could build a good future for my children and support my husband and father-in-law. I am grateful to Hand in Hand Afghanistan and their donors for providing such projects and being a helping hand for poor people like us."



## SECTION SEVEN: CUMULATIVE RESULTS 2021





## SECTION EIGHT: HIAO AUDITED FINANCIAL STATEMENT



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### INDEPENDENT AUDITOR'S REPORT TO BOARD OF DIRECTORS

#### Opinion

We have audited the financial statements of **Hand in Hand - Afghanistan Organization** which comprise the statement of financial position as at December 31, 2021, and the statement of income and expenditures, statement of changes in general fund and statement of cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Organization as at December 31, 2021, and of its financial performance and its cash flows for the year then ended in accordance with accounting policies mentioned in note 3 to the financial statements.

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the Financial Statements section of our report. We are independent of the Organization in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Other Information

In connection with our audit of the financial statements, we have been informed by management that there is no other information that is attached by them along with the financial statements and our auditor's report thereon.

#### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with accounting policies described in note 3 to financial statements, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going

#### ADVISORY • ASSURANCE • TAX

Baker Tilly Mehmood Idrees Qamar, Chartered Accountants trading as Baker Tilly is a member of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities.

concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Management is responsible for overseeing the Organization's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.  
The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. *BTM*



We communicated with management, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*Baker Tilly Mehmoood Idrees Qamar*

**Baker Tilly Mehmoood Idrees Qamar**  
**Chartered Accountants**

**Engagement Partner**  
**Muhammad Abdur Rub Khan**

**Date: May 11, 2022**  
**Place: Kabul Afghanistan**





**HAND IN HAND AFGHANISTAN ORGANIZATION**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2021**

		2021	2020
	Notes	-----AFN-----	
<b>ASSETS</b>			
<b>Current assets</b>			
Advance, deposit and other receivable	4	43,576	-
Cash and cash equivalent	5	28,519,830	29,485,099
<b>Total assets</b>		<b>28,563,408</b>	<b>29,485,099</b>
<b>LIABILITIES AND GENERAL FUND</b>			
<b>Current liabilities</b>			
Employment benefit payable	6	(321,575)	853,795
Security deposit payable	7	-	557,000
Accrued and other liabilities	8	1,772,824	380,538
		1,451,249	1,791,333
<b>General fund</b>			
Accumulated fund		27,112,160	27,693,767
<b>Total liabilities and general fund</b>		<b>28,563,408</b>	<b>29,485,099</b>

*The annexed notes from 1 to 16 form an integral part of these financial statements.*



Chief Financial Officer



Executive Director

**HAND IN HAND AFGHANISTAN  
ORGANIZATION**

**STATEMENT OF INCOME AND EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2021**

		2021	2020
	<i>Notes</i>	----- <i>AFN</i> -----	
<b>Income</b>			
Grant income	9	48,905,198	87,008,532
Other Income / (loss)	10	8,275,048	192,958
<b>Total income</b>		<b>7,180,246</b>	<b>87,201,490</b>
<b>Expenditure</b>			
Employee compensation	11	40,783,231	42,701,069
Project expenses	12	11,622,237	34,631,551
Financial charges	13	271,698	363,358
Administrative expenses	14	5,084,687	6,081,154
<b>Total expenditure</b>		<b>57,761,853</b>	<b>83,777,132</b>
<b>Surplus / (Deficit) for the year</b>		<b>(581,608)</b>	<b>3,424,358</b>

*The annexed notes from 1 to 16 form an integral part of these financial statements.*



Chief Financial Officer



Executive Director

**HAND IN HAND AFGHANISTAN ORGANIZATION**  
**STATEMENT OF CHANGES IN GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

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Accumulated fund

*AFN*

**2020**

Balance as at 01 January 2020	24,212,159
Surplus for the year	3,424,358
Prior year adjustment for "Payable to Reserve"	57,250
Balance as at 31 December 2020	<u>27,693,767</u>

**2021**

Balance as at 01 January 2021	27,693,767
Surplus/(Deficit) for the year	<u>(581,608)</u>
Balance as at 31 December 2021	<u>27,112,160</u>

*The annexed notes from 1 to 16 form an integral part of these financial statements.*



Chief Financial Officer



Executive Director

**HAND IN HAND AFGHANISTAN ORGANIZATION**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

		2021	2020
	Notes	-----AFN-----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Surplus(Deficit) for the year		(581,608)	3,424,358
Employee benefit - Provision for the year	6	<u>2,587,498</u>	<u>3,005,339</u>
		2,005,891	6,429,697
<b>Decrease / (Increase) in current assets:</b>			
Advance, deposit and other receivable	4	<u>(43,576)</u>	<u>1,634,571</u>
		(43,576)	1,634,571
<b>(Decrease) / Increase in current liabilities:</b>			
Security payable	7	(557,000)	557,000
Accrued and other liabilities	8	<u>1,392,286</u>	<u>122,468</u>
		791,710	2,314,039
Employee benefit paid		<u>(3,762,868)</u>	<u>(2,211,352)</u>
Net cash generated from / (used in) operating activities	A	<u><u>(965,268)</u></u>	<u><u>6,532,384</u></u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Net cash used in financing activities	B	<u><u>-</u></u>	<u><u>-</u></u>
Net increase / (decrease) in cash and cash equivalent	A+B	(965,268)	6,532,384
Cash and cash equivalents at the beginning of the year		<u>29,485,099</u>	<u>22,952,715</u>
Cash and cash equivalents at the end of the year	5	<u><u>28,519,830</u></u>	<u><u>29,485,099</u></u>

*The annexed notes from 1 to 16 form an integral part of these financial statements.*



Chief Financial Officer



Executive Director



**HAND IN HAND AFGHANISTAN ORGANIZATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

**1. STATUS AND OPERATIONS**

Hand in Hand Afghanistan Organization (HIHAO) is a non-profit and non-governmental organization. It is registered as a national NGO with the Ministry of Economy under registration No. 890 on 21 December 2006. HIHAO works towards alleviation of poverty through creation of microenterprises and jobs, targeting the most marginalized and vulnerable women and men including returnees and IDPs. The registered office of the organization is situated at House # 109, Kart e Pul Hawai, District # 3, Mazar-e-Sharif, Balkh, Afghanistan.

**1.2. Disclosure of impact of COVID-19 pandemic on financial statements**

The COVID – 19 pandemic has taken a toll on all economies around the globe, including Afghanistan. To reduce the impact on businesses and economies in general, regulators/ governments across the globe have introduced a host of measures on both the fiscal and economic fronts.

According to management's assessment, as of the release date of these financial statements, there has been no specifically material quantifiable impact of Covid-19 on the Organization's financial position or results of operations. Consequently, there is no major financial impact of COVID-19 on the carrying amount of assets and liabilities and item of income and expenses.

**2. BASIS OF PREPARATION**

The financial statements of HIHAO have been prepared to fulfill country-specific statutory requirements and for the purpose of reporting to donors as required under the terms of grant agreements.

In order to comply with the policies and guidelines of HIHAO these financial statements have been prepared on cash basis of accounting with respect to income and on accruals basis with respect to expenditure, and in accordance with the accounting policies as set out below. However, in relation to the accounting treatment of the acquisition of property, plant, equipment, HIHAO's policy is to expense these immediately to the income and expenditure statement at acquisition. Considering the Afghan state of affairs, indicative of total loss of control over the fixed assets at any time, this is deemed to be a more appropriate accounting treatment than the treatment normally afforded to such transactions in generally accepted accounting principles (GAAP), which would require these transactions to be recorded as assets subject to annual depreciation/ consumption charges where these assets are utilized or consumed.

The estimates and underlying assumptions are reviewed on ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. Those areas affect mainly provisions, provision against doubtful receivables and key assumptions are detailed in the related notes.

Consistent with the generally accepted accounting practices in this post conflict and post war environment of Afghanistan, the management has decided not to capitalize the operating and durable assets and accordingly these have been charged off during this year to statement of income and expenditure.

### **2.1 Functional and presentation currency**

The financial statements are presented in Afghani ("AFN") which is HIIHAO's functional and presentation currency and all values are rounded off to the nearest AFN.

## **3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### **3.1 Accounting convention**

These financial statements have been prepared under historical cost convention.

### **3.2 Fixed assets**

Most of the assets acquired are normally funded by donors and are charged off at the time of acquisition as the ownership and right and discretion to disposal remain with the donors. Accordingly expenditure include cost of certain enduring items relating to specific projects, if any, acquired from the funds made available by donors for the said specific projects, which otherwise could have been classified as fixed assets.

### **3.3 Cash and bank balances**

For the purpose of the cash flow statement, cash and cash equivalents include balances with less than three months maturity from the date of acquisition including cash in hand, balances at banks and short term placements.

### **3.4 Grant Income**

Grant is recognized as income when received in the form of cash or in kind and stated at its carrying value.

### **3.5 Foreign currency transactions**

Transactions in foreign currencies are converted at the rates of average exchange prevailing from DAB on monthly basis. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange prevailing at the balance sheet date. Exchange gains and losses are recognized in the statement of income and expenditure.

Balance in other than AFN has been converted in the following rates as on December 31, 2021, for reporting purpose.

AFN 1 = 0.011331137 (USD 1 = AFN 88.2524)

### **3.6 Financial liabilities**

Financial liabilities are recognized when HIHAO becomes party to the contractual provision of the instruments and are derecognized when the obligation specified in the contract is discharged or cancelled or expired.

### **3.7 Taxation**

There is no charge of corporate taxation as HIHAO, being an NGO, has been granted exemption from tax in Afghanistan. However, staff of HIHAO is liable to Income Tax as per the Afghanistan Income Tax Law 2009.

### **3.8 Accruals**

Accruals comprise expenses relating to the current year, which will not be invoiced until after the balance sheet date.

### **3.9 Provisions**

Provisions are recognized when there exists a legal or constructive obligation arising from a past event and when the future cash outflows required to settle the obligation can be reliably estimated. Obligations under litigations reflect management's best estimate of the outcome based on the facts known at the balance sheet date.

### **3.10 Employee benefits**

Severance benefits:

Employees entitled to severance benefits under HIHAO's HR policy of employment earn these benefits as services necessary to earn them are rendered. All permanent employees of HIHAO are entitled for one month extra salary every 12 months. HIHAO will save the money on specific bank account and will be given to employees in case of retirement, resignation or redundancy. Employees are not entitled for this benefit if they are dismissed due to disciplinary actions. The 13th month salary for project staff is subject to the budget and donor conditions of each project which will be indicated in their respective employment contracts. No one is entitled for these benefits if their service duration with HIHAO is less than one year.

**HAND IN HAND AFGHANISTAN ORGANIZATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

		2021	2020
	Notes	----- AFN -----	
<b>4 ADVANCES, DEPOSIT AND OTHER RECEIVABLE</b>			
Account Receivable		27,473	-
Salary Advance to Employee		16,103	-
		<u>43,576</u>	<u>-</u>
<b>5 CASH AND CASH EQUIVALENT</b>			
Cash in hand		466,232	-
Cash at bank	5.1	28,053,598	29,485,099
		<u>28,519,830</u>	<u>29,485,099</u>
<b>5.1 Cash at bank</b>			
Current account - USD		27,352,303	27,674,787
Current account - AFN		701,296	1,810,312
		<u>28,053,598</u>	<u>29,485,099</u>
<b>6 EMPLOYMENT BENEFIT PAYABLE</b>			
Opening balance		853,795	117,058
Charge for the year		2,587,498	3,005,339
Payment during the year		(3,762,868)	(2,211,352)
Prior year adjustment for Payable to reserves		-	(57,250)
Closing balance	6.1	<u>(321,575)</u>	<u>853,795</u>
<b>6.1</b>	This amount represents employer contribution based on 13th month salary of the employee upon completion of one year of employment.		
<b>7 SECURITY DEPOSIT PAYABLE</b>			
Karim Azizi Logistic Service Company	7.1		357,000
Khadem Rahyab Logistics Service Company			200,000
Ajmal Fahim Logistic Services Company		-	-
		<u>-</u>	<u>557,000</u>



- 7.1 This amount represents guarantee deposited by two suppliers Karim Azizi Logistic Service Company and Khadem Rahyab Logistics Service Company for the purchase of tailoring materials amounting to AFN 357,000 and 200,000 respectively.

		2021	2020
	Notes	-----	AFN -----
Audit fee payable		308,443	239,944
Accrued expenses		<u>1,464,381</u>	<u>140,594</u>
		<u><u>1,772,824</u></u>	<u><u>380,538</u></u>

## 8 ACCURED AND OTHER LAIBILIES

## 9 GRANT INCOME

Catholic Agency for Overseas Development "CAFOD"	9.1	-	5,319,949
Deutsche Gesellschaft Fur Internationale Zusammenarbeit "GIZ" via HIHI		316,216	31,601,571
Hilti Foundation via Hand in Hand International		-	15,042,779
Misereor via CAFOD		5,205,909	1,652,924
Hand in Hand International	9.2	33,496,797	33,042,035
DANIDA via HIHI		4,897,130	-
UN-OCHA		4,460,418	-
Nove Onlus		20,782	-
Twining Program II via ACBAR		<u>307,946</u>	<u>349,273</u>
		<u><u>48,905,198</u></u>	<u><u>87,008,532</u></u>

### 9.1 Catholic Agency for Overseas Development "CAFOD"

Deutsche Gesellschaft Fur Internationale Zusammenarbeit through CAFOD	-	2,737,717
Peace Building	-	642,623
CAFOD Associate	-	<u>1,939,610</u>
	-	<u><u>5,319,949</u></u>

	Notes	2021	2020
		-----AFN-----	
9.2	<b>Hand in Hand International "HIHI"</b>		
	Project Socio - Economic Empowerment of Women Balkh	-	1,880,083
	Core funds	13,299,158	13,957,953
	Covid-19 Phases I, II and III	-	4,906,478
	Households Adopt Sustainable Economic Development, Balkh	2,652,145	3,070,587
	Village Uplift Program : Sayed Abad	1,306,878	1,979,903
	Helping the people of Dalkhaki of Samangan Province, Afghanistan bounce back from COVID 19	9,615,750	4,680,584
	Training the people (women) of Hairatan village of Balkh province, Afghanistan to launch micro enterprises	6,622,866	-
	Village Uplift Program: Sholgara	-	2,566,448
		<u>33,496,797</u>	<u>33,042,035</u>
10	<b>OTHER INCOME / (LOSS)</b>		
	Exchange gain / (loss)	8,531,141	(284,042)
	Other Income	(256,093)	477,000
		<u>8,275,048</u>	<u>192,958</u>
11	<b>EMPLOYEE COMPENSATION</b>		
	Salaries to staff	38,155,808	39,659,730
	Employee benefit charged for the year	2,587,498	3,005,339
	Insurance expense	32,983	36,000
	Medical allowance	6,942	-
		<u>40,783,231</u>	<u>42,701,069</u>
12	<b>PROJECT EXPENSES</b>		
	Capital expenditures 12.1	199,120	68,550
	Training and capacity building	2,100,023	9,876,225
	Monitoring and evaluation	148,735	44,640
	Audit fee	308,466	235,225
	Material tailoring	3,599,012	-
	Toolkits for SHGs members 12.2	5,261,181	20,930,020
	Covid-19 Project 12.3	-	3,476,890
	Personal Protective Equipment	5,700	-
		<u>11,622,237</u>	<u>34,631,551</u>

	Notes	2021	2020
		-----AFN-----	
<b>12.1 Capital expenditures</b>			
Furniture & fixture		122,800	-
IT equipment		76,320	-
Office equipment		-	68,550
		<u>199,120</u>	<u>68,550</u>
<b>12.2</b>	This amount represents the expenditure incurred on the distribution of toolkits for SHGs members to start micro enterprises. Toolkits include equipment and material for handicrafts, poultry, beauty parlor, bee keeping, tailoring, livestock, shop keeping and etc.		
<b>12.3</b>	Covid-19 response effort has been implemented in 3 phases in Balkh, Herat, Kabul and Parwan provinces. Through awareness and distribution of hygiene kit such as: Handwashing Soap, Facemask, Whitener liquid and sprayer and Gloves.		
<b>13 FINANCIAL CHARGES</b>			
Bank charges		271,698	363,358
		<u>271,698</u>	<u>363,358</u>
<b>14 ADMINISTRATIVE EXPENSES</b>			
Travelling - national & international		1,073,094	898,221
Vehicle fuel		433,122	463,297
Vehicle maintenance		160,150	806,360
Office building rentals		1,512,846	1,677,992
Generator fuel		104,270	127,040
Refreshment		79,590	69,117
Utilities		588,473	603,598
Office and equipment maintenance		94,490	143,053
Printing & stationery		52,965	105,255
Communication		521,588	691,112
Membership fee		92,609	147,873
Office supplies		131,215	104,185
License for MIS software		78,235	103,019
Email Account Server		31,539	-
Miscellaneous		130,500	141,032
		<u>5,084,687</u>	<u>6,081,154</u>

**15 AUTHORIZATION OF FINANCIAL STATEMENTS**

These financial statements have been authorized on **May 10, 2022**.

**16 GENERAL**

Figures have been rounded off to the nearest AFN.



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**Chief Financial Officer**



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**Executive Director**



## HAND IN HAND AFGHANISTAN ORGANIZATION

Annexure 'A'

PROJECT TITLE: HOUSEHOLDS ADOPT SUSTAINABLE ECONOMIC LIVELIHOODS (HASEL)

DONOR: THE CATHOLIC AGENCY FOR OVERSEAS DEVELOPMENT (CAFOD) AND HAND IN HAND INTERNATIONAL (HIHI)

PROJECT PERIOD: 01 SEPTEMBER 2019 - 31 AUGUST 2022

REPORTING PERIOD: 01 JANUARY 2021 TO 31 DECEMBER 2021

	<i>Note</i>	2021	2020
		AFN	AFN
<b><u>FUNDS</u></b>			
Funds received from CAFOD		5,205,909	1,652,924
Funds received from Hand in Hand International		2,652,145	3,070,587
		7,858,054	4,723,511
<b><u>EXPENDITURE</u></b>			
Human resources		5,020,937	3,664,513
Operational costs		577,961	476,473
Furniture & equipment		-	53,100
Program activities		4,229,776	151,107
Monitoring and evaluation		1,870	24,055
		9,830,544	4,369,247
(Deficit)/Surplus of funds over expenditure for the year			354,264



Chief Financial Officer



Executive Director

## HAND IN HAND AFGHANISTAN ORGANIZATION

Annexure 'B'PROJECT TITLE: HELPING THE PEOPLE OF DALKHAKI VILLAGE OF SAMANGAN PROVINCE,  
BOUNCE BACK FROM COVID-19

DONOR: HAND IN HAND INTERNATIONAL (HIHI)

PROJECT PERIOD: 01 SEPTEMBER 2020 - 31 AUGUST 2021

REPORTING PERIOD: 01 JANUARY 2021 TO 31 DECEMBER 2021

	Note	2021	2020
		AFN	AFN
<b><u>FUNDS</u></b>			
Funds received from Hand in Hand International		9,615,750	4,680,584
		9,615,750	4,680,584
<b><u>EXPENDITURE</u></b>			
Human resources		3,477,975	987,909
Operational costs		141,323	93,280
Furniture & equipment		-	-
Program activities		441,363	8,028,071
Monitoring and evaluation		26,930	8,000
		4,087,591	9,117,260
HQ cost (lumpsum)		652,362	285,047
		4,739,953	9,402,307
(Deficit)/Surplus of funds over expenditure for the year			(4,721,723)



Chief Financial Officer



Executive Director

## HAND IN HAND AFGHANISTAN ORGANIZATION

Annexure 'C'

PROJECT TITLE:REDUCING POVERTY THROUGH ENTREPRENEURSHIP AND FEMALE EMPOWERMENT IN SAHRAK SAYED ABAD, AFGHANISTAN

DONOR: HAND IN HAND INTERNATIONAL (HIHI)

PROJECT PERIOD: 01 JANUARY 2020 - 31 DECEMBER 2021

REPORTING PERIOD: 01 JANUARY 2021 TO 31 DECEMBER 2021

	Note	2021	2020
		AFN	AFN
<b><u>FUNDS</u></b>			
Funds received from Hand in Hand International		1,306,878	1,979,903
		1,306,878	1,979,903
<b><u>EXPENDITURE</u></b>			
Human resources		966,554	502,307
Operational costs		46,423	10,844
Furniture & equipment		-	-
Program activities		929,021	72,444
Monitoring and evaluation		1,200	-
		1,943,198	585,595
HQ cost (Lump sum)		447,881	391,477
		2,391,079	977,072
(Deficit)/Surplus of funds over expenditure for the year			1,002,831



Chief Financial Officer



Executive Director

## HAND IN HAND AFGHANISTAN ORGANIZATION

Annexure 'D'

PROJECT TITLE: ORGANIC GROWTH: TAKING AFGHANISTAN'S CERTIFIED SAFFRON VALUE CHAIN TO SCALE

DONOR: DANIDA

PROJECT PERIOD: 15 NOVEMBER 2021 - 14 NOVEMBER 2026

REPORTING PERIOD: 01 JANUARY 2021 TO 31 DECEMBER 2021

	<i>Note</i>	2021	2020
		AFN	AFN
<b><u>FUNDS</u></b>			
Funds received from DANIDA			-
		4,897,130	
		4,897,130	-
<b><u>EXPENDITURE</u></b>			
Human resources		1,799,852	-
Operational costs		254,494	-
Furniture & equipment		199,120	-
Program activities		-	-
Monitoring and evaluation		31,280	-
		2,284,746	-
(Deficit)/Surplus of funds over expenditure for the year			-



Chief Financial Officer



Executive Director

**HAND IN HAND AFGHANISTAN ORGANIZATION****Annexure 'E'****PROJECT TITLE: INTEGRATION OF PEACE-BUILDING INTO HOUSEHOLDS ADOPT SUSTAINABLE ECONOMIC LIVELIHOODS (HASEL) PROJECT****DONOR: THE CATHOLIC AGENCY FOR OVERSEAS DEVELOPMENT (CAFOD)****PROJECT PERIOD: 01 MARCH 2020 - 31 AUGUST 2022****REPORTING PERIOD: 01 JANUARY 2021 TO 31 DECEMBER 2021**

	<i>Note</i>	<b>2021</b>	<b>2020</b>
		<b>AFN</b>	<b>AFN</b>
<b><u>FUNDS</u></b>			
Funds received from CAFOD		-	642,620
		-	642,620
<b><u>EXPENDITURE</u></b>			
Human resources		227,025	158,181
Operational costs		107,786	14,592
Furniture & equipment		-	-
Program activities		1,650	109,895
Monitoring and evaluation		-	-
		336,461	282,668
<b>(Deficit)/Surplus of funds over expenditure for the year</b>			359,952

**Chief Financial Officer****Executive Director**



## HAND IN HAND AFGHANISTAN ORGANIZATION

Annexure 'F'PROJECT TITLE: AGRICULTURE SUPPORT TO FOOD INSECURE AND VULNERABLE FARMERS  
IN KUNDUZ AND SAMANGAN PROVINCES

DONOR: OFFICE FOR THE COORDINATION OF HUMANITARIAN AFFAIRS (OCHA)

PROJECT PERIOD: 15 OCTOBER 2021 - 14 OCTOBER 2022

REPORTING PERIOD: 01 JANUARY 2021 TO 31 DECEMBER 2021

	<i>Note</i>	2021	2020
		AFN	AFN
<b><u>FUNDS</u></b>			
Funds received from UNOCHA		4,460,418	-
		4,460,418	-
<b><u>EXPENDITURE</u></b>			
Human resources		1,420,725	-
Operational costs		224,506	-
Furniture & equipment		-	-
Program activities		117,420	-
Monitoring and evaluation		-	-
		1,762,651	-
HQ Cost (7%)		98,843	-
		1,861,494	-
(Deficit)/Surplus of funds over expenditure for the year			-



Chief Financial Officer



Executive Director

HAND IN HAND AFGHANISTAN ORGANIZATION

Annexure 'G'

PROJECT TITLE: AFGHANISTAN CAFOD ASSOCIATE

DONOR: THE CATHOLIC AGENCY FOR OVERSEAS DEVELOPMENT (CAFOD)

PROJECT PERIOD: 01 JULY 2018 - 31 AUGUST 2022

REPORTING PERIOD: 01 JANUARY 2021 TO 31 DECEMBER 2021

	Note	2021	2020
		AFN	AFN
<b><u>FUNDS</u></b>			
Funds received from CAFOD		-	1,939,610
		-	1,939,610
<b><u>EXPENDITURE</u></b>			
Human resources		1,247,594	1,104,132
Operational costs		36,204	309,828
Furniture & equipment		-	-
Program activities		-	-
Monitoring and evaluation		-	-
Insurance Cost		32,983	36,000
		1,316,781	1,449,960
HQ Cost (lumpsum)		141,027	-
		1,457,809	1,449,960
(Deficit)/Surplus of funds over expenditure for the year			489,650



Chief Financial Officer



Executive Director

## SECTION NINE: PARTNERS AND SUPPORTERS

