

# STRATEGIC PLAN 2017-2020



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## ACRONYMS

ADF	Agriculture Development Fund
AMA	Afghanistan Microfinance Association
ANDS	Afghanistan National Development Strategy
ANSO	Afghanistan NGOs Safety Office
AREDP	Afghanistan Rural Enterprise Development Program
BDS	Business Development Services
CDC	Community Development Council
CIG	Common Interest Group
CDU	Capacity Development Unit
DDA	District Development Assembly
EIF	Enterprise Incubation Fund
FBME	Family based Micro-enterprise
GDP	Gross Domestic Product
IDPs	Internally Displaced People
ILO	International Labour Organization
J&J CCT	Johnson & Johnson Corporate Citizenship Trust
MAIL	Ministry of Agriculture, Irrigation and Livestock
MISFA	Microfinance Investment Support Facility for <i>Afghanistan</i>
MFI	Micro-Finance Institution
MIS	Management Information System
MoEc	Ministry of Economy
MoLSAMD	Ministry of Labor, Social Affairs, Martyrs and Disabled
MoPH	Ministry of Public Health
MRRD	Ministry of Rural Rehabilitation and Development
M&E	Monitoring and Evaluation
NAPWA	National Action Plan for Women of Afghanistan
NSDP	National Skills Development Program
ODOP	One District – One Product
PC	Provincial Council
SDGs	Sustainable Development Goals
Sida	Swedish International Development Cooperation Agency
SME	Small and Medium Enterprises
USAID	United States Agency for International Development
Financial Year:	January 1 <sup>st</sup> to December 31 <sup>st</sup>

## 1. Executive summary

This four-year strategy set out how Hand in Hand Afghanistan will mobilize and equip 45,210 poor people with basic business skills and access to resources to start businesses, raise their incomes and improve their lives. During the period of this Strategic Plan, HiH Af anticipates supporting the creation or enhancement of 42,746 enterprises and 59,844 jobs, resulting in cumulative numbers of enterprises and jobs of 68,941 and 91,241 respectively by the end of 2020. These targets can be achieved if three key conditions are fulfilled: that the security situation is satisfactory, that HiH Af is able to ensure good quality of operations and results, and that funding is available.

HiH Af has a particular focus on poor women and microenterprise holders in rural and sub-urban communities. It is currently operating in the Balkh, Samangan and Sarepul provinces through its Kabul and Mazar-e-Sharif Offices.

Afghanistan is a costly and challenging country to operate in. To be successful, it is of vital importance to build local trust, to offer solutions that are acceptable in a male-dominated society, and to comply with traditions, customs and Islamic principles. Based on an exceptional track record in the closing strategy period, HiH Af has as its primary objective to empower women by training and helping them start and run small businesses, thereby raising their incomes and enhancing their status in the community. To meet these challenges, HiH Af works in close cooperation with line Ministries such as the Ministry of Rural Rehabilitation and Development (MRRD), the Ministry of Agriculture, Irrigation and Livestock (MAIL), the Ministry of Labor, Social Affairs, Martyrs and Disabled (MoLSAMD), the Ministry of Economy (MoEc), and local authorities and actors, in particular Community Development Councils (CDCs). It also aligns its operations with the Afghan Government's broader vision and plans.

HiH Af has a light structure and small overhead costs. Relative to the Afghan context, it operates a highly cost effective and replicable model, working only with local staff, and drawing on existing community structures and initiatives. HiH Af tracks progress and ensures full accountability for the funds used. Continuing to strengthen the monitoring and evaluation system and processes is a priority for the Strategic Plan period. HiH Af is governed by a Board and will grow from a current level of some 63 staff in 2013 to 178 by December 2016. HiH Af works in close co-operation with the fundraising and support offices of the network, Hand in Hand International and Hand in Hand Sweden, to mobilize resources for the implementation of this strategy.

To implement the Strategic Plan, HiH Af needs additional funding of around \$3.4 million<sup>1</sup> in 2017, \$3.7 million in 2018, \$4.9 million in 2019 and \$5.3million in 2020 to cover the cost of mobilization, training and support of its clients. In total, HiH Af will need to raise \$17.341 million during the period.

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<sup>1</sup> All figures in US dollars

## 2. Context

After decades of war and political instability, Afghanistan remains one of the poorest countries in the world. In 2013 it ranked 169<sup>th</sup> out of 185 countries in the UNDP Human Development Index, a summary measure that is based on development dimensions of health, education and living standards (UNDP 2014).

The recent history of Afghanistan prior to 2001 was characterized by violent conflict, war and lawlessness, which left the country with millions of displaced persons, a ruined economy, destroyed physical and agricultural infrastructures, devastated health and education systems, and a complete setback in gender equality. The period that followed the overthrow of the Taliban regime witnessed the large-scale return of refugees and Internationally Displaced Peoples (IDPs) and recovery in many development domains, fueled by massive international funding and support. Despite several persistent problems, the successive National Risks and Vulnerability Assessments (NRVAs) from 2003 to 2011-12 recorded significant improvements in health, education, housing, infrastructure and basic services, such as provision of drinking water, sanitation and electricity.

Significant achievements in the first decade of this century notwithstanding, Afghanistan remains one of the most poorly developed countries in the world according to almost all development indicators covered by the Afghan Living Condition Survey (ALCS) 2013-2014.

Afghanistan's future, in terms of development and stability, is strongly intertwined with the country's ability to sustain growth and to guarantee inclusiveness through more livelihoods and job creation. To this end, a strategic alignment of policy priorities towards addressing labor market challenges and supporting job creation is crucial to realizing the country's development potential and contributing to poverty reduction and social cohesion. In particular, policies need to be aligned to enable sufficient growth to create enough jobs to accommodate a growing labor force.

With an estimated 400,000 to 500,000<sup>2</sup> new labor market entrants per year over the next decade, supporting the growth of labor rich sectors has to be a top priority in the agenda of policymakers. At the same time, the skill profile of the labor force needs to be raised to match labor market demand and to guarantee the increase in productivity on which to build a sustainable path to growth. This will be done through close collaboration and co-ordination of governmental organizations with non-governmental organizations and private sectors.

Afghanistan's high dependence on international assistance has raised important policy questions surrounding the impact of aid and the sustainability of development gains. Preparations for the 2014 political transition and withdrawal of international forces devoted particular attention to the issue. The 2013 World Bank study 'Afghanistan in Transition' evaluated the impact of a potential decline in aid on development indicators. The study also provides data on status of employment, poverty and unemployment rates in Afghanistan and explores sustainability approaches to reduce poverty and create jobs.

Women's representation in labor is disorganized and fractured, and available data<sup>3</sup> show no substantive surge in economic participation since 2002. The picture that emerges is of women's work being unaccounted for as women are mostly engaged in unpaid or low-paying labor in insecure and vulnerable jobs, in an informal and unregulated economy. The nature and outcomes of women's labor participation are further exacerbated by their perceived position in society and their vulnerability for being women. While the micro-finance investment sector, a potential channel of small opportunity for women, is currently quite restricted, there is also a dearth of support for women in small and medium-scale entrepreneurship. Women's economic participation remains at the lower end of value chains, and the lack of access to many resources prevents an enhancement of their skills and income. Women's income-generation needs processes and national level strategies that can structure, streamline, and harness their potential. This includes financial, credit, and trade related services for an extensive and deeper outreach tailored to suit gender and sector needs, so that women are incorporated into all levels of value chains in all sectors and occupational categories.



<sup>3</sup> <http://www.areu.org.af/Uploads/EditionPdfs/policynote.pdf>

### 3. Hand in Hand Afghanistan

Hand in Hand Afghanistan (HiH Af) is a non-governmental organization (NGO) registered as a national NGO with the Ministry of Economy of Afghanistan (license #890) since December 2006. Its head office is in Kabul; its regional office, Mazar-e-Sharif. District offices are located in close proximity to the field – currently in the provinces of Balkh, Jawzjan, Samangan and Sarepul. Local district officers, trainers and community facilitators engage directly with communities from these offices. HiH Af has grown from 63 staff members in 2013 to a team of 178 in 2016, following its expansion to the new targeted areas.

The purpose of HiH Af is to combat poverty and contribute to development in Afghanistan by empowering poor and marginalized people to support themselves through new and enhanced livelihoods. Women make up a significant part of its target groups, while men are also included in order to ensure inclusive development and facilitate for its work with women, given Afghanistan's highly patriarchal society. Women are empowered through training, gaining new skills in entrepreneurship, access to productive assets and social support from other women in the Self-Help Groups (SHGs) in which the training takes place. Women are further empowered by a range of issues that are discussed, such as health and hygiene, children's education and women's rights. Women's participation in SHGs helps redress gender balances at the family and community levels. Considering their dedicated family role, women's enhanced ability to manage livelihoods also benefits entire families, particularly children.

HiH Af maintains close contact with the Ministry of Labor, Social Affairs, Martyrs and Disabled (MoLSAMD), the Ministry of Rural Rehabilitation and Development (MRRD), the Ministry of Agriculture, Irrigation and Livestock (MAIL), the Ministry of Economy (MoEc) 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 HiH Af's programs before launching any new intervention, and remain engaged throughout any project through quarterly meetings. By co-operating with these institutions, HiH Af is supporting the development of democratic institutions, effectively strengthening local ownership and placing development tools in the hands of the community and beneficiaries.

HiH Af is part of the global HiH network of independent organizations, working together towards a shared vision to eliminate poverty through job creation. The overall HiH mission is to promote the economic and social empowerment of women by supporting the creation of sustainable enterprises and jobs, and thereby improved livelihoods.

HiH Af is also a member of the Agency Coordination Body for Afghan Relief & Development (ACBAR) and the Afghanistan Microfinance Association (AMA).



### 3.1. Vision

HiH Af's vision is an Afghanistan free of poverty, where gender equality is its cornerstone.

### 3.2. Mission

HiH Af's mission is to work for the economic and social empowerment of the poor by supporting the creation of enterprises and jobs, and the generation of higher incomes. Targeting poor and marginalized communities, with a particular focus on women, HiH Af empowers SHGs, provides support and training, and helps members access assets, information, markets and opportunities.

### 3.3. Values

HiH Af's core values:

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

### 3.4. Achievements so far

Cumulative results as of December 2016:



**36,507**  
Members  
Mobilized  
(64% Female)



**2,252**  
SHGs Created  
(63% Female)



**36,507**  
Members Trained in  
Group Management  
(63% Female)



**35,525**  
Members Trained in  
Microfinance  
(65% Female)



**30,346**  
Members Trained in  
BDS  
(67% Female)



**22,969**  
Members Trained in  
Vocational Trainings  
(57% Female)



**5,830**  
Members Trained in  
Life Skills  
(73% Female)



**19,310**  
Members to Receive  
Enterprise Startup Kits  
(79% Female)



**AFN 66,616,965**  
Saved Internally by  
SHG Members  
(67% Female)



**AFN 44,267,510**  
Lent Internally by  
SHG Members  
(67% Female)

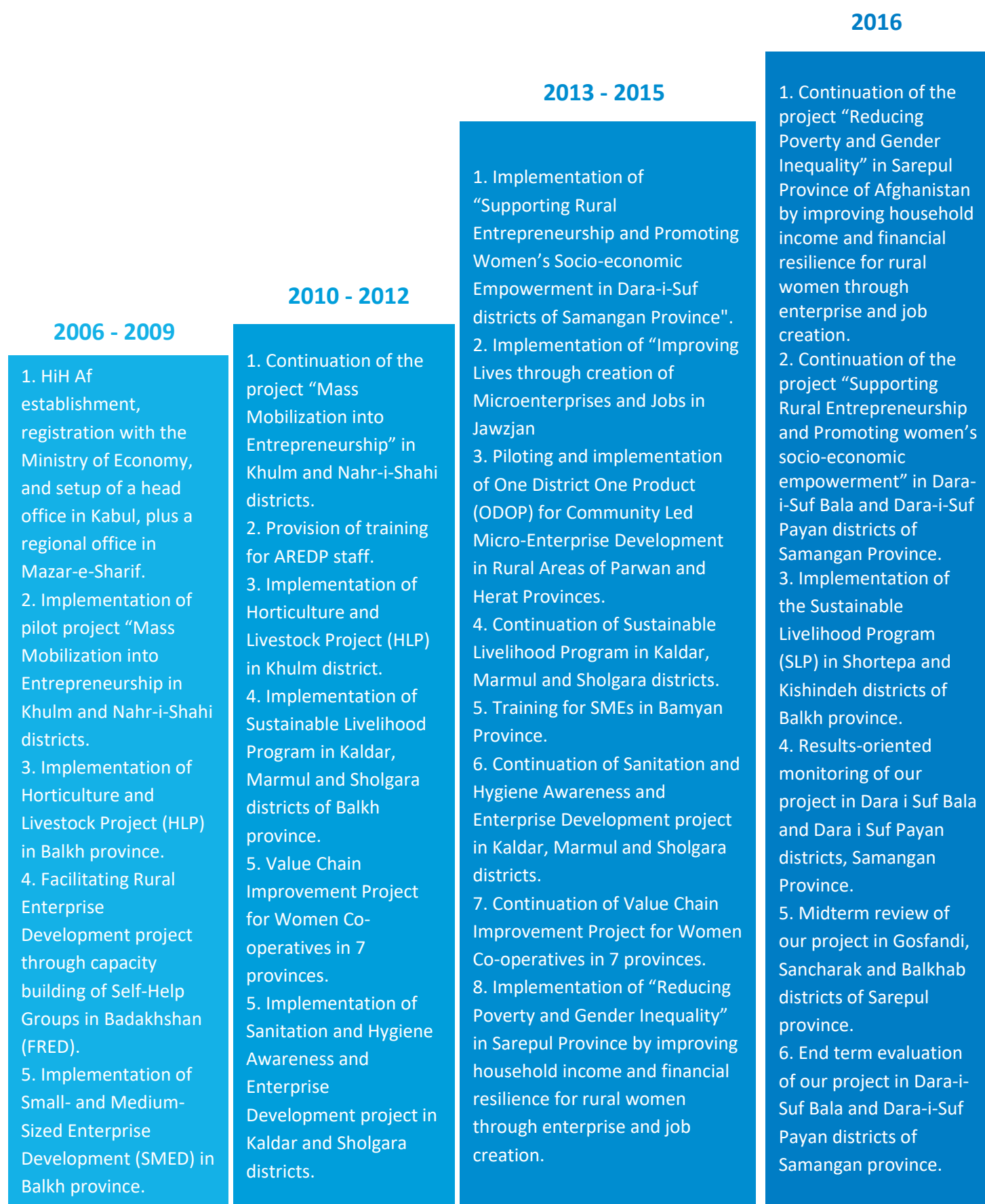


**26,739**  
Micro-Enterprises  
Created/Enhanced  
(71% Female)

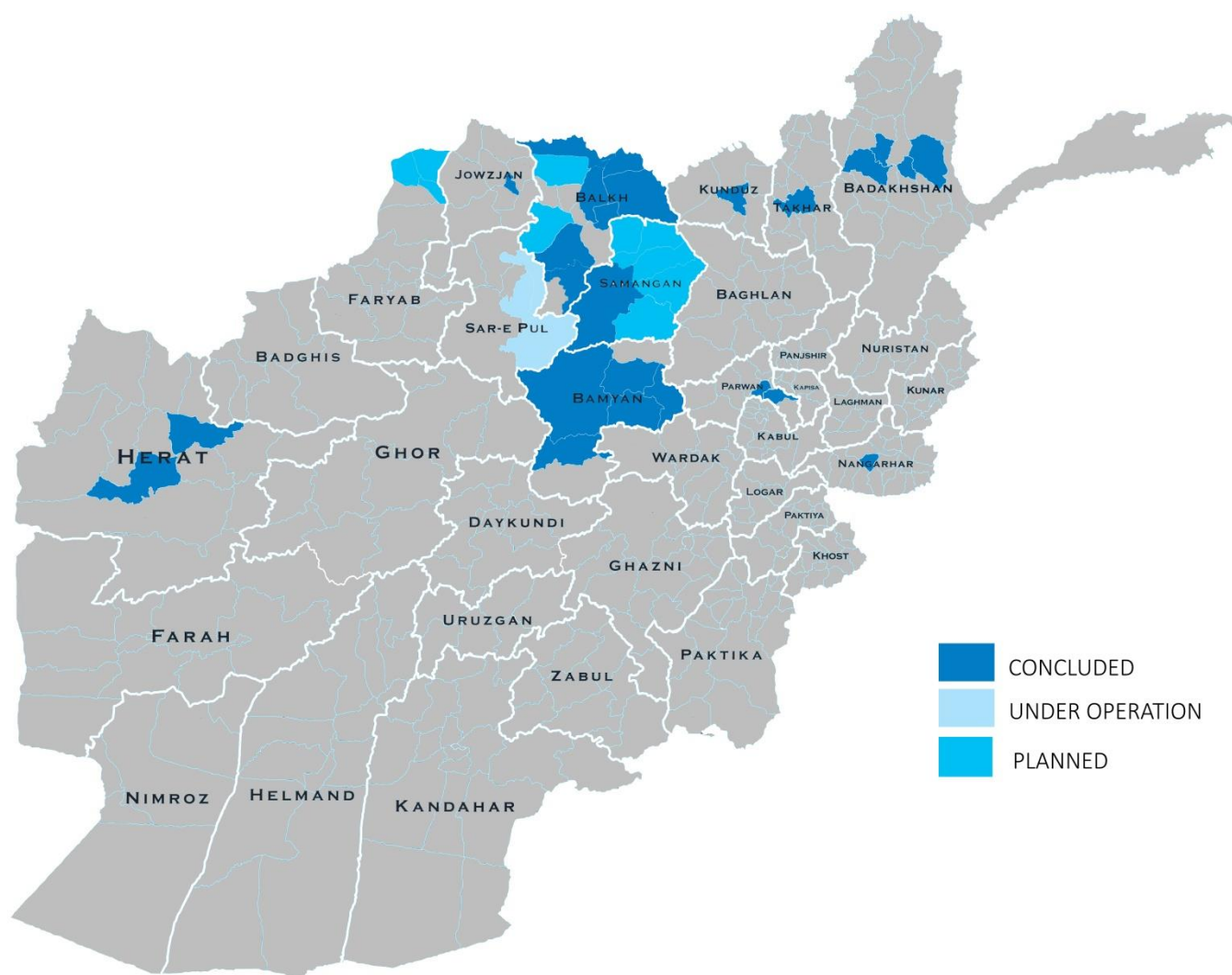


**31,397**  
Jobs Created  
(71% Female)

### 3.5. Our progress over time



### 3.6. Map

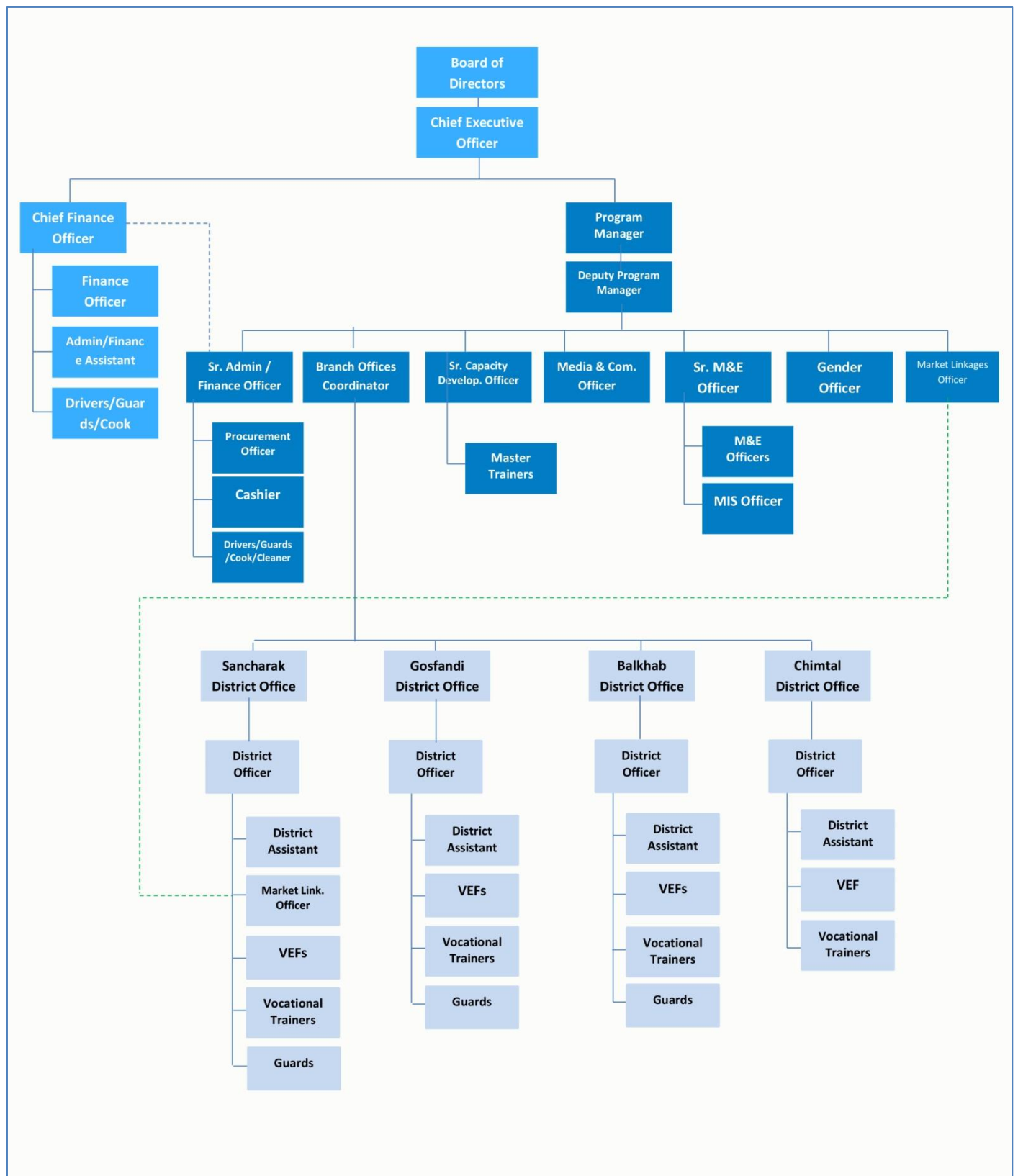


### 3.7. Governance

HiH Af is committed to good governance and follows recommended best practices. The HiH Af Board of Directors is the governing body, with a mission to guide and take strategic decisions for the organization's long-term future and oversee its financial affairs, while holding its Chief Executive Officer (CEO) to account.

Although the Board and CEO work in close partnership, no staff members are voting members of the Board. The Board composition covers essential skills and knowledge to complement that of the staff, and pays particular attention to issues of security, fraud and corruption. Hand in Hand International has an ex-officio seat in order to bring international experience and create a fiduciary link to donors.

### 3.8. Organogram





## 4. Challenges we tackle

HiH Af contributes to the reduction of poverty by creating enterprises and jobs. Jobs are not only about incomes. They are also about empowering women and youth, boosting security in conflict areas and reorganizing the country's economy around sustainable models and practices.

### 4.1. Women's economic empowerment

In 2016, the Central Statistics Office<sup>4</sup> estimated the total population of Afghanistan to be 29.2 million, 48% of them women. Among working age women only 29% are economically active, most within the agricultural sector (66%), with another 24% in manufacturing. The share of women in wage employment outside the agricultural sector is only 10%. Only 19% of women are literate (versus 49% for men), although this figure nearly doubles to 36% among women under 25 – a significant testimony to advances made over the past decade. Women earn significantly less than men – 30% less, in fact, for the same type of job. Among those women who earned money themselves, only 34% reported they could decide how to spend their money.

Afghanistan is ranked 147 out of 208 countries on the UN's Gender Inequality Index<sup>5</sup>. Research shows that for every dollar they earn, women in the developing world spend 90 cents on their families and communities. Men, by comparison, spend 40 cents. That's why we target 70 percent women in our projects in Afghanistan.

We learned to establish exclusively male Self-Help Groups as a way to build trust and, ultimately, reach members' wives and daughters. Consequently, our female participation rate in the country is 72 percent – significantly higher than both the national female labor participation rate of 16 percent and the target rate of 35 percent set by the Afghan government for aid programs.

### 4.2. Outmigration and empowering youth

The Afghan Living Condition Survey (ALCS) 2013-14 indicates that Afghanistan's labor market is under considerable stress. The pressure of increasingly large cohorts of young people entering the labor market, combined with a deteriorating economic situation due to aid reduction and the withdrawal of foreign employers, is a likely cause for the high proportion – 39% – of the population that is under employed. In particular, numbers of unemployed have sharply increased, rising to 22% from 14% of the labor force 2007-08. The youth unemployment rate is as high as 30 percent. At the same time, a large under-utilization of the working-age population is observed because of the low female labor force participation rate: only 29% of working-age women are economically active. Among those men and women who are working, a large majority – 79% – is working in vulnerable employment, lacking formal work arrangements and access to benefits or social protection programs. Around 90% of the working population is employed in low-skilled occupations.

Each year another 700,000 young people enter the job market, including 400,000 high school and college graduates. Without jobs that use at least some of their hard-earned skills, it is no surprise that many of them are starting to seek opportunities as economic refugees in Europe and

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<sup>4</sup> Statistics in this section are taken from the 2013-2014 National Risk and Vulnerability Assessment

<sup>5</sup> "Table 4: Gender Inequality Index." The United Nations Development Program. Accessed 6 June 2014.  
<http://hdr.undp.org/en/content/gender-inequality-index-gii>

Afghanistan's neighboring countries, despite the many known risks of embarking on informal migration routes.

Afghanistan has a complex migration situation, which in recent decades was dominated by large-scale displacement – internally and to other countries. Afghans make up the second-largest group of new arrivals amid Europe's huge migrant influx, with the UN's refugee agency estimating that more than 100,000 Afghans made the trip in 2015.

A number of factors have contributed to outmigration. The withdrawal of foreign troops and organizations from Afghanistan has left a security vacuum in many areas of the country, and contributed to mass unemployment and a flagging economy.

HiH Af works mainly with youth: 64 percent of its beneficiaries are between the ages of 18 and 35. Since its commencement, it has created or enhanced 26,739 enterprises and generated 31,397 jobs, more than 20,000 of them between 18- and 35-year-olds.

### 4.3. Security

While Hand in Hand's chief motive is to alleviate poverty, jobs also improve security and stability in the areas where we work. [Studies](#)<sup>6</sup> suggest persistent unemployment makes individuals significantly more susceptible to rebel recruitment, as they perceive there to be no non-violent means of earning a living. In a [global survey](#)<sup>7</sup> conducted by the World Bank in 2011, 39.5 percent of rebel group members interviewed claimed unemployment and idleness were their principle motivations for joining.

HiH Af recognizes the risks of operating in Afghanistan and has embedded critical risk mitigation measures throughout the program, designing projects in close consultation with local stakeholders (including local Shuras and influential figures, often with conservative mindsets) to gain support for HiH Af's model and focus on women's socio-economic empowerment. This is an essential first step and key to success in the current security environment, where societal restrictions which isolate women. By recruiting village-level staff, HiH Af invites communities to engage in program design and implementation, thereby reducing risk of distrust, suspicion and hostility against HiH Af's activities and staff.

### 4.4. Environment

In study after study the conclusion is clear: the developing world is on the front lines of climate change, and things are only going to get worse. In Afghanistan, one of the world's most vulnerable countries to the impacts of climate change, droughts trade places with floods with alarming frequency.

Our training emphasizes sound ecological principles – in business and at home. We create awareness in waste management, water efficiency and resource efficiency. We also teach environmental resilience as a risk mitigation strategy, with modules in agricultural diversification, irrigation and rainwater harvesting to reduce the impact of crop failure, drought and climatic shocks. Income

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<sup>6</sup> <http://www.ids.ac.uk/files/dmfile/Wp391.pdf>

<sup>7</sup> [http://siteresources.worldbank.org/INTWDRS/Resources/WDR2011\\_Full\\_Text.pdf](http://siteresources.worldbank.org/INTWDRS/Resources/WDR2011_Full_Text.pdf)

diversification is another means of mitigation against climate change and, crucially, ensuring food security.

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

#### 4.5. Extreme poverty

Extreme poverty flourishes in the rural areas targeted by HiH Af. We have adapted our methodologies in line with the growing body of evidence concerning asset transfer from the Targeting the Ultra Poor programs of BRAC and other major NGOs working in the Asia region. See Box.

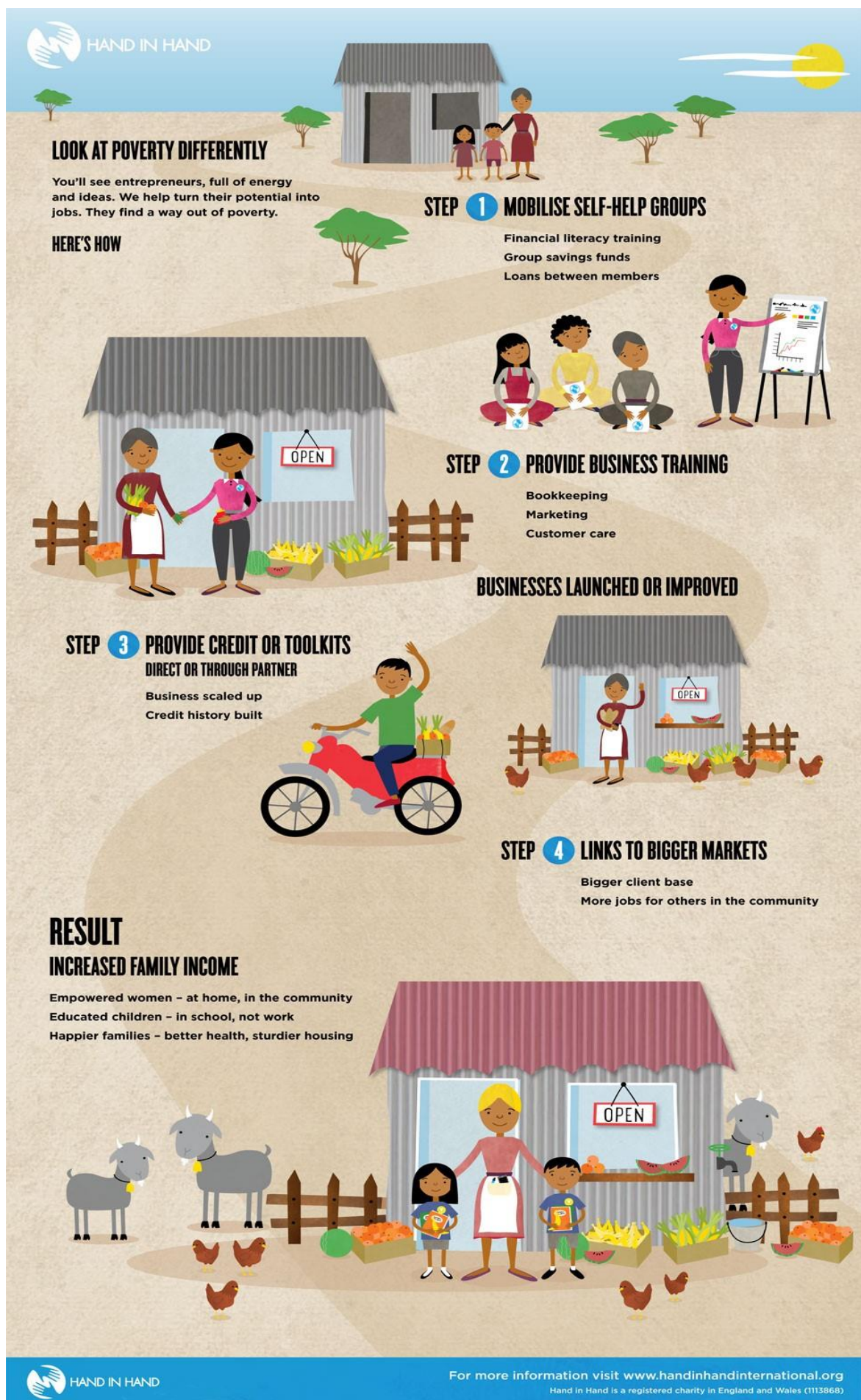
In some contexts the ultra-poor are specifically defined as ultra-vulnerable groups that are unable to earn wages due to illness or disability. The broader, more common definition that we have adopted includes all those living on \$1.25 per day or less. This group has very few physical, human, and financial assets, and limited social networks to on which to rely for resources or assistance. As a result, they were generally excluded from the South Asian microfinance revolution of the last decades of the 20th Century.

Academic and policy literatures have emphasized inadequate capital or inadequate skills as the root cause of poverty. A fundamental question, then, is whether transfers of capital and skills aimed at enabling the poor to operate their own businesses will allow them to permanently exit poverty. This is akin to asking whether one can create successful entrepreneurs – who acquire skills and make productive use of capital – out of poor people who started out without either. Key to this question is whether these transfers allow the poor to alter their occupational and production choices so that they come to resemble non-poor people in their communities, as opposed to merely increasing consumption in the short run.

We provide evidence on the matter from an innovative entrepreneurship program in Bangladesh that targets the poorest women in rural communities and transfers them assets and skills so they can run their own businesses. Our findings are striking. Two years after the program, treated women have higher labor force participation, allocating more time to self-employment and less time to wage-labor. This change in their labor supply and occupational choice corresponds to significant welfare improvements: higher incomes, higher per-capita expenditure, and improved food security.

*Asset Transfer Program for the Ultra Poor: A Randomized Control Trial Evaluation* Oriana Bandiera Robin Burgess Narayan C Das Selim Gulesci Imran Rasul Raniya Shams and Munshi Sulaiman July 2011 (Revised edition, December 2012) CFPR Working Paper No. 22 In practice, at Hand in Hand Af this has meant a switch from providing credit to providing productive assets, a change that will be consolidated in our programs in the period up to 2020. For more discussion see Theory of Change.

## 5. Theory of change





The Hand in Hand enterprise creation approach is based on a philosophy of self-help and entrepreneurship – of unlocking potential. The majority of our beneficiaries are the rural poor, defined by local criteria.

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

We aim to empower women, to give them the self-confidence, skills and training they need to work their way out of poverty by creating sustainable, income-earning businesses. We help by providing grant-based assets and linking them to existing MFIs, 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 on-going.

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

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

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

Running and growing a micro-enterprise requires access to productive assets. Hand in Hand employs two models for supporting group members without working capital to obtain these assets, one being microcredit and the other being the transfer of productive assets. In Afghanistan, transfer of productive assets has been proven to work better, for two reasons. Firstly, microcredit in Afghanistan is restricted to established entrepreneurs who can access branches in urban areas. The microcredit industry has generally been unable to provide outreach in the remote, deprived and insecure regions where Hand in Hand works. Therefore, understanding/acceptance of micro-credit is low in these communities. Secondly, the asset transfer model is better adapted to the needs of the ultra-poor who, due to their minimal asset base, find it very difficult to balance their daily needs with the repayment of loans. It has been established that the majority of members joining Hand in Hand

groups in Afghanistan can be classified as ultra-poor, with incomes well below \$1 per person per day. Hand in Hand Af's asset transfer comes in the form of an enterprise toolkit, and is integrated with technical training and credit obtained from SHG internal savings. Different studies on asset transfer to the ultra-poor, together with promising results from our own programs, have shown this method provides a sustainable pathway out of deep poverty. We recognise, however, that the enterprise toolkit alone is not a solution. The people we work with need help to improve competitiveness, productivity and the design and quality of their products if their businesses are to grow. They have to identify consumer demand. And they need information about, and access to, larger markets.

We work systematically, helping members move from one stage to the next while constantly measuring impact and results. Before progressing, however, our members must meet specific criteria. We monitor performance and provide continuing support for up to three years or until the enterprises have proven themselves to be sustainable or clearly failed.

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

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

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

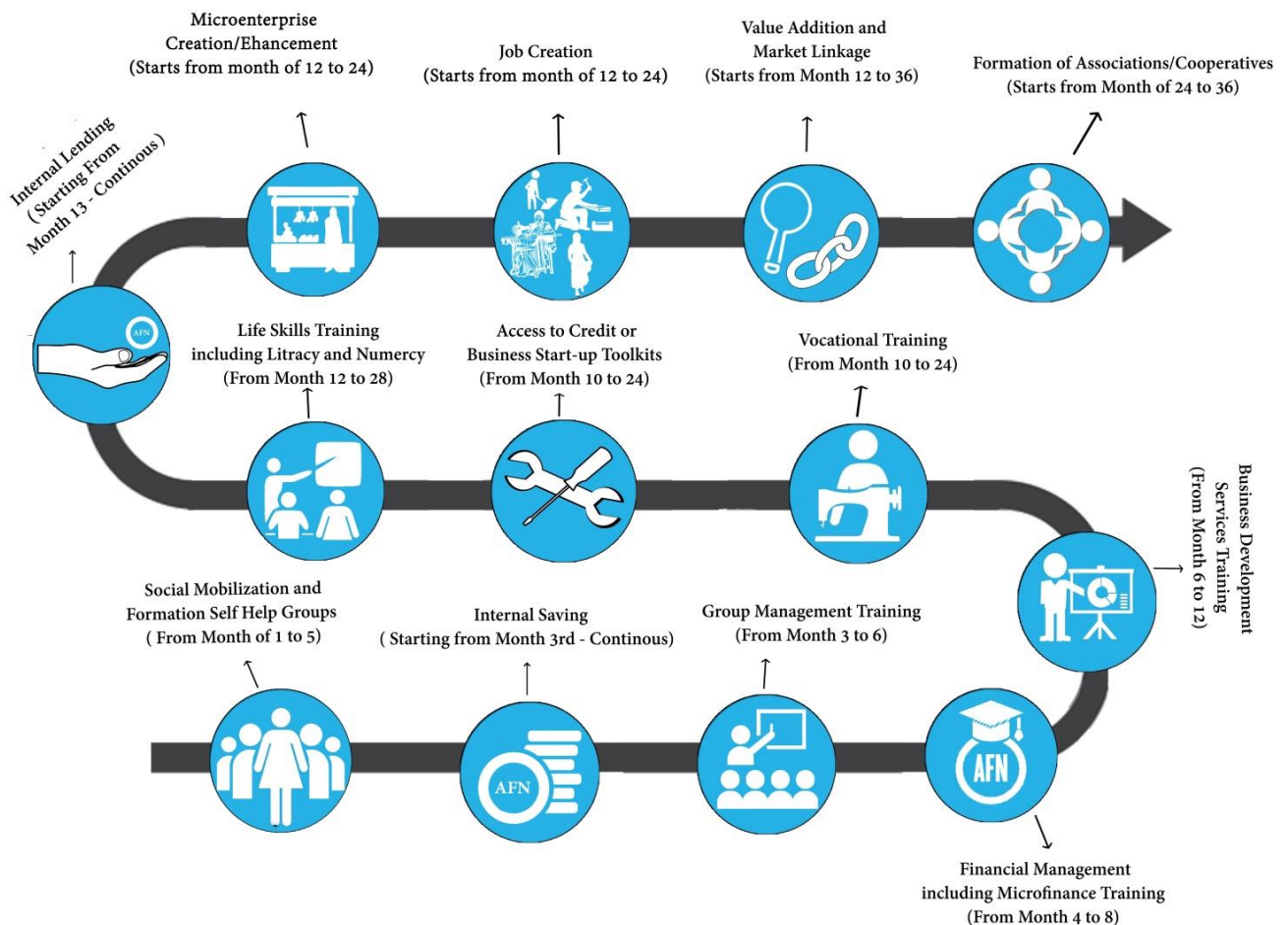
### **5.1. The job creation model**

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

As agreed by the HiH Network, HiH Af uses the International Labour Organization's (ILO's) definition of a full-time job: one that requires at least 24 hours per week for individuals aged 18 and above.

The model provides support for a comprehensive approach to job creation, incorporating the following four key elements:

1. **Social mobilization and formation of Self-Help Groups:** Social mobilization is the starting point for all HiH Af operations, where awareness is created through outreach forums. Male/female groups are formed separately based on common demographics, social



cohesion and income generation opportunities. Community Development Councils (CDCs) act as entry points to the community while mobilizing groups in order to secure local ownership and co-ordination.

Programs are destined to fail when local stakeholders are ignored. That's why we engage community leaders, influential people and sectorial departments for feedback and to spread awareness before launching any new project. Cultural and regional sensitivities are considered during kick-off meetings with stakeholders as well as throughout our projects.

2. **Internal savings:** Savings is an integral part of the model, and a culture of group savings and lending is a prerequisite to moving forward in the program. Joint internal savings is the first step in group formation and allows members to pool regular savings.
3. **Group management training:** Members receive three training modules: introduction and approach, leadership and roles, and group bookkeeping. This training is important in order to properly manage the group, conduct group meetings and maintain group books.

4. **Business development services (BDS) training:** This step includes modules on 'Unlocking Entrepreneurial Individual Strength', 'Basics of enterprise', 'Selection of sample enterprise', 'Basics of marketing (4Ps)', 'Effects of demand & supply on price and products', 'Market survey', 'Seasonal calendar' and 'Financial statements'. Many of the members are illiterate, so HiH Af trainers work using pictures, parables, activities and role-play.
5. **Financial management including microfinance training:** It is crucial for members to record their savings and loan details. This training is provided over four sessions including 'Savings and principles of saving', 'Microfinance and Islamic lending', 'Role of microfinance in community development' and 'The positive experience of women's participation in family income'.
6. **Vocational skills training:** After the BDS training is completed; members receive different types of vocational skills training to build their technical skills in areas such poultry, livestock, agriculture, horticulture, wool spinning, beekeeping, tailoring, handicraft and baking.
7. **Access to credit and enterprise startup toolkits:** In light of microcredit challenges in Afghanistan, HiH Af has introduced enterprise start-up toolkits as an alternative means to help members grow their business, circumventing the credit barrier – at least in the inception phase. The kits are small grant-based asset transfers, worth on average US\$100, designed to catalyse enterprise growth. The kits provide the majority of inputs and tools required to grow a business in the sector of one's choice, conditional upon business plans, completed vocational skills training and a complementary contribution from the individual member. The ambition is to offer kits to 100% of members. They are currently available in poultry, agriculture, livestock rearing, tailoring, beekeeping, embroidery, wool spinning, horticulture and carpet weaving sectors. HiH Af continually develops toolkits to meet local member needs.  
Group savings also help finance most new businesses. But when members need more than they can borrow internally, we train them in debt management and facilitate their linkage to existing Microfinance Institutions (MFIs).
8. **Life skills training including literacy and numeracy:** In Afghanistan, and particularly in rural areas, literacy and numeracy levels are very low, potentially limiting the impact of our training. HiH Af has therefore added this training as a complementary part of our model. Life skills' training is offered on a needs-basis to members for a period of six months. Modules cover reading, writing and basic numeracy skills embedded in messages on about health, nutrition, personal and family hygiene and sanitation, vaccinations, drug abuse awareness, environmental protection, human rights, child protection, gender equality and possible potential enterprises.
9. **Internal lending:** Internal savings are used to make short-term loans to SHG members, allowing them to immediately put their skills into practice through savings-based borrowing used for economic activities.



10. **Microenterprise creation/enhancement:** Once capacity is built, and technical skills acquired, members will be ready to start or expand their micro-enterprises. But first, they must prepare a business plan first. As mentioned, the enterprises can be funded through the group's internal savings and the enterprise startup toolkits.
11. **Job creation:** As a result of the formation and enhancement of enterprises, jobs are created for community members (as per the above definition from ILO).
12. **Value addition and market linkages, and forming associations/co-operatives:** HiH Af seeks to expand market opportunities by creating linkages between rural villages and districts to broader markets at the provincial and national level. Co-operatives and cluster-based business associations provide the backbone for such support, as HiH Af's members retain more value by working together to negotiate better deals, share transportation and logistics service costs, and capture larger work contracts than they could as single individuals or SHGs.

## 6. Perspective 2017-2020

### 6.1. Strategic objectives

In 2017 and subsequent years, HiH Af looks forward to reaching even more poor and marginalized people and help them to improve their living conditions through creation of jobs and enterprises. The organization is also generating evidence on projects' outcomes and impacts using its theory of change and unique implementation model. HiH Af should be recognized as the organization with sound expertise and experiences on implementation of income generation activities, enterprise and job creating in the country. The organization will also lobby for fighting poverty through job creation with governmental organizations and donor communities.

#### 6.1.1. Reach more people

Wherever we work, our goal is to reach more people. We plan to reach an additional 45,210 beneficiaries by 2020 in Afghanistan. Our planned expansion is based on our technical and managerial capacities, and the availability of donors' funding.

HiH Af's experience to date in implementing the HiH approach ensures our capability to expand, manage and sustain our programs with wide geographical coverage. During the Strategic Plan period, HiH Af will identify additional provinces and districts for expansion, using a strict expansion plan.

Firstly, HiH Af has developed a set of criteria to identify relevant and suitable areas for expansion.

- Potential for local staff recruitment.
- Funding availability/donor commitment.
- Stable security situation, with limited threat to staff safety.
- High community willingness to participate in HiH Af's project.
- Limited prevalence of other NGOs conducting similar projects, to avoid duplication and inefficient use of resources.

- Priority will be given to areas with high rates of poverty as per national surveys conducted or third-party surveys contracted by HiH Af.
- Align with the provincial government development plan.

If the area meets HiH Af's selection criteria, HiH Af proceeds to local consultation and engagement with stakeholders at the national, provincial and district levels to determine the need, interest and relevance for HiH Af's services in the area. On a national level, HiH Af consults closely with MoLSAMD and subnational authorities to ensure strategic alignment and avoid duplication. Subsequently, the Ministry of Economy (MoEc) facilitates HiH Af's local engagements at a provincial level by introducing HiH Af to the Provincial Economy Department, who in turn introduce HiH Af to provincial stakeholders, such as governmental and non-governmental organizations in the same sector. At the district level, HiH Af co-ordinates closely with district government authorities, District Development Assemblies (DDAs) and Community Development Councils (CDCs).

Once local approval is established, HiH Af conducts an assessment of the selected province to better understand the local context and explore possible adaptations. HiH Af then proceeds to seek funding to expand into the selected areas. Once funding is secured, HiH Af commissions a baseline study to collect baseline data in the selected area. This provides a strong basis for M&E and strengthens HiH Af's understanding of the local context even further.

When the project is set to launch, past experience guides HiH Af to limit the target for each new district to enroll around 20-30% of the area's households. This is achieved through a Participatory Rural Appraisal (PRA), a collaborative, community effort. HiH Af only enrolls those who meet program criteria and show a strong interest in our self-help approach to entrepreneurship. Nevertheless, once members are mobilized, standardized training material renders HiH Af's approach replicable and rapidly diffusible. HiH Af's capacity building of local stakeholders and partners enables widespread adoption and diffusion of its working model. These efforts also impart knowledge on HiH Af's core mission to potential strategic partners. Further, HiH Af aims to identify local partners, to avoid duplication, leverage HiH Af's efforts to date and broaden the provision of services made accessible to HiH Af's group members. These efforts combined serve to ensure a well-considered and effective expansion process.

HiH Af's MIS will track progress on key data including the numbers of members mobilized, members trained, members provided with toolkits, enterprises formed and enhanced, and jobs created.

### 6.1.2. Generate evidence

HiH Af has developed a robust Monitoring and Evaluation framework to understand and demonstrate progress, and to ensure transparency and accountability to donors and partners. That system is regularly updated to include measurement elements tailored to specific projects and donors. These measurements include household and enterprise income; Organization for Economic Cooperation and Development (OECD) evaluation criteria; Household Food Insecurity Access Scale (HFIAS) criteria; and indicators for women's socio-economic empowerment.

M&E is fully embedded in all project cycles, measuring indicators established in project-specific logical frameworks. The first step is to enroll members through a Participatory Rural Appraisal. Next, we continue tracking project-specific indicators every month, reporting into the MIS database while

also visiting project sites to accredit and validate data. Indicators change over the course of a project to include measurements such as enterprise feasibility and marketing.

Third-party evaluations are also conducted, whether assigned exclusively by donors or jointly-planned with HiH Af, at the middle and end of projects.

Projects lessons and best practices are documented and quickly incorporated into existing projects, then disseminated throughout the Hand in Hand network to spread our learning globally.

Learning to date includes:

In April 2014 HiH Af conducted a socio-economic survey of six districts in three provinces (Dara-e-Suf Bala and Dara-e-Suf Payan districts in Samangan province; Aqcha district in Jawzjan Province; and Sancharak, Gosfandi and Balkhab districts in Sarepul Province) in order to:

- Collect baseline socio-economic information on conditions of rural men and women in the mentioned areas.
- Map stakeholders in the six districts mentioned above and collect information about their activities and coverage area.
- Provide baseline data for key socio-economic indicators against which progress will be measured.

In February and March 2016, the EU delegation to Afghanistan conducted Results Oriented Monitoring (ROM) of HiH Af's 'supporting rural entrepreneurship and promoting women's socio-economic empowerment project in Dara-e-Suf Bala and Dara-e-Suf Payan districts of Samangan Province'. The project is co-funded by the EU and Hand in Hand international.

The ROM reviewed the project's relevance, efficiency, effectiveness and sustainability, awarding them all 'green' ('very good') status:

"These measures have proved their effectiveness in that women are more confident, mobile, and participate in the decision making at the household levels. The income for them has increased, in some cases manifolds, and this has increased their prestige both at household and community levels. The dependence of women on the male members for survival has reduced. Among men, there is now acceptance of women owning assets (toolkits distributed by the projects) and engaging in economic activities, going out for the meeting, taking up the leadership roles, and active financial management of the group. This was unimaginable prior to this project (reported by beneficiaries. both male and female, provincial government representatives, and VEFs, majority of them are from the same or neighbourhood villages)."

### 6.1.3. Be recognized

HiH Af is well on its way to being recognized as the country's leader in designing and implementing livelihood programs. Since 2013, we have grown from 63 to 178 staff members while successfully implementing projects funded by globally renowned donors such as the EU, DFID, Sida, USAID and World Bank.

Although a number of NGOs and microfinance institutions (MFIs) operate in Afghanistan, HiH Af is the only organization that provides an integrated solution to income generation, even among the most vulnerable individuals. Organizations providing business development services are few and far between, unable to reach large parts of the primarily rural population. HiH Af's empowering, self-help approach effectively meets this gap. Our support is targeted and adapted to help individuals build the required confidence and skillset to start a business and enmesh themselves within strong social support structures. Grant-based toolkits and market linkages help ensure their enterprises are sustained and outlive our support.

Already, HiH Af is recognized as the most experienced NGO working in poverty reduction through job creation in Afghanistan. Recent work implementing Business Development Training for SMEs in Bamyan, then piloting and implementing the One District One Product project in Herat and Parwan provinces stand as evidence of this.

Where HiH Af has implemented projects communities frequently request that we extend and expand our support, both within and beyond existing project areas. They have also explicitly stated their commitment to providing full support in terms of security and safety to our project teams and properties.

### 6.1.4. Drive change

HiH Af has extensive expertise in fighting poverty with jobs. This expertise has come in part from the wide range of technical support provided by the Hand in Hand global network, all working towards the same goal. We have also gained extensive experience on the ground, implementing our own livelihood projects at the grassroots level.

Over the years, we have been exposed to a wide range of communities' needs and challenges, learning first-hand that eliminating poverty in a particular community requires collaboration from a wide range of stakeholders. To achieve this, we co-ordinate meetings, workshops, forums and seminars. We also advocate for the role of jobs in promoting development and gender equality.

## 6.2. Targets

HiH Af's goal is to reduce poverty by transforming the social and economic status of its beneficiaries. Since our establishment, we have mobilized 36,507 members into 2,252 SHGs, and helped them to start and/or enhance 26,195 enterprises, creating 31,397 jobs. Within this strategic plan period (2017-2020), HiH Af will mobilize an additional 45,210 people into 3,014 SHGs and provide them with necessary training and support to create an additional 59,844 jobs. By the end of 2020, we foresee having supported a cumulative total of 91,241 jobs.



In the long-term, HiH Af envisions a nationwide expansion of its interventions to additional provinces and districts based on its existing technical capacities, the availability of resources and the security outlook. We also seek to deepen our reputation as a recognized actor in our field, offering high-demand solutions to a range of players, including other potential clients, local authorities, community groups and donors. Furthermore, we will offer consulting services within the area of livelihoods development, which contributes to positioning HiH Af as experts within this area.

**Target breakdown:**

Progress Indicators	Status as of Dec 2016	2017	2018	2019	2020	Total SP period	Cumulative Total
# of members mobilized and trained on GM, MF and BDS	36,507	10,710	10,500	11,500	12,500	45,210	81,717
# of SHGs formed	2,252	714	700	767	833	3,014	5,266
# of associations formed	71	65	27	30	32	154	225
Amount internally saved by SHG members (\$)	1,211,218	304,585	276,750	432,000	296,165	1,309,500	2,520,718
# of members trained on vocational skills	22,969	12,590	10,500	11,500	12,500	47,090	70,059
# of members trained on life skills	5,830	3,042	2,100	2,300	2,500	9,942	15,772
# of enterprise startup toolkits distributed	19,310	12,995	10,500	11,500	12,500	47,495	66,805
# of enterprises created/expanded	26,195	11,696	9,450	10,350	11,250	42,746	68,941
# of jobs created	31,397	16,374	13,230	14,490	15,750	59,844	91,241
# of indirect beneficiaries	188,382	98,242	79,380	86,940	94,500	359,062	547,444

### 6.3. Financial projections

HiH Af's average cost-per-enterprise during the Strategic Plan period is expected to be \$406. This is a reflection of recent improvements in the quality of our service offering, including the introduction of enterprise start-up toolkits and life skills (literacy and numeracy) training. HiH Af aims to continually reduce the cost-per-enterprise through economies of scale, conditional on a stable security situation in the country.

To cover costs and ensure financial viability over time, HiH Af will need to raise additional funds during the period of the Strategy of around \$17,340,000 through a combination of:

- Efforts to raise funds locally from bilateral and multilateral donors such as Sida, DFID, the European Commission, Danida, USAID and selected UN Agencies.

- Co-funding and/or contributions from existing national schemes.
- Strategic partnerships with organizations that implement programs similar to HiH Af's and can contribute funds and/or assist with fundraising such as the Swedish Committee for Afghanistan, Care Afghanistan and BRAC Afghanistan.
- International fundraising by HiH International and HiH Sweden targeting major bilateral and multilateral donors, private donors and investors.

#### Summary of financial projection:

(All figures in US Dollars)

Budget Categories	2017	2018	2019	2020	Total
Capital item	39,341	42,980	43,840	10,237	<b>136,398</b>
Project staff	1,015,811	1,269,065	2,163,042	2,286,444	<b>6,734,362</b>
Kabul staff	162,484	165,734	169,049	172,430	<b>669,697</b>
Mazar staff	322,707	329,161	335,744	342,459	<b>1,330,072</b>
Enterprise startup kits	1,071,000	1,071,000	1,196,460	1,326,510	<b>4,664,970</b>
Project activities	283,840	264,129	298,751	331,256	<b>1,177,976</b>
Monitoring and evaluation	71,800	12,036	12,277	76,195	<b>172,307</b>
Transportation	149,040	176,501	254,940	272,773	<b>853,253</b>
Other administration costs	238,208	281,406	404,641	432,727	<b>1,356,981</b>
Contingency (1%)	48,327	61,973	66,477	68,247	<b>245,024</b>
<b>Total</b>	<b>3,402,558</b>	<b>3,673,986</b>	<b>4,945,220</b>	<b>5,319,277</b>	<b>17,341,041</b>

## 7. Exit strategy and sustainability

### 7.1. Exit strategy

Once our projects' desired outputs and outcomes are achieved and sustained, HiH Af will ensure that entrepreneurs with jobs and those managing enterprises are, one, prepared for Hand in Hand's withdrawal and, two, able to continue their operations without our support.

HiH Af will achieve this by forming community organizations such as co-operatives and business associations in different clusters as a precondition for phase-out. These organizations will continue to support SHGs for enterprise development, market linkages and value addition.

SHGs are considered graduated – that is, no longer requiring our support – when the following criteria are met:

- a. Training successfully completed
- b. Constitution completed and in place
- c. Enterprises established and/or expanded
- d. At least 60% of the group members have increased net income by at least 20%
- e. Market linkage established
- f. Linked to association

Possible measures to gauge the success of an exit strategy:

- The outcome/impact has been sustained after the end of HiH support;
- The relevant activities are continued by the former participants in the same or modified form; and
- The systems developed with HiH support continue to function effectively.

## 7.2. Sustainability

Sustainability of outcomes is embedded in the foundation of HiH Af's approach. Ours is a help-to-self-help and self-sufficiency program aimed at creating market-driven, commercially viable and sustainable enterprises that outlive our support. The model supports the creation of enterprises and jobs by providing individuals and groups with knowledge and skills to mobilize their own savings, manage their own businesses and finances, respond to new opportunities and seek value addition. Members strive to become self-sufficient, pursuing profitable economic activities. The sustainability of HiH Af's approach is ensured through multiple avenues:

- i) **Local ownership:** HiH Af provides individuals and communities with tools for self-development, adapted to specific group needs. Experience shows that community structures we build outlast our direct support. We engage with existing structures and actors to adapt to local needs, and build local capacity to sustain support after our exit, by engaging with mentors, the local community and opinion leaders; training local government officers from relevant ministries on HiH Af's working model; and promoting the creation of associations to champion and lobby for beneficiaries' medium- and long-term interests. More specifically, HiH Af engages with line ministries at the central level; the Governor, Provincial Council (PC) and sectarian provincial departments at the provincial level; the District Governor, District Development Assembly (DDA) at the district level; and Community Development Councils (CDCs) at the community level. Support structures are thus in place our support is phased out.
- ii) **Appropriate timeframe and exit strategy:** A clear balance between the need for a long-term perspective and an exit strategy is crucial. HiH Af remains a source of support until enterprises are sustainable and self-financing.

- iii) **Monitoring and evaluation (M&E):** Data collection/monitoring of members' progress ensures "graduates" have acquired relevant skills and developed viable businesses that will outlast HiH Af's support.
- iv) **Diversified enterprises:** HiH Af trains women and men to create diversified business activities that are appropriate to their context, flexible to climatic/seasonal risk, and strongly positioned within the market. Diversified skills are developed appropriately. A portfolio approach will form additional income streams.

Hand in Hand's culture is characterized by entrepreneurship and a business focus. As the organization expands, a desire to offer high-impact solutions and value for money continues to guide our operations. The model is premised on working with existing community structures, and in support of local policies and plans. The clarity and repetitiveness of the Hand in Hand approach has also helped make it cost-effective, replicable and scalable.

## 8. Risk analysis and mitigation matrix

External factors	Description	Likelihood (Rate 1-5)	Impact (Rate 1-5)	Call to action
<b>Security</b>	Outbreak of war between government/alliance force and anti-government elements/Taliban, ISIS terrorists acts such as suicide bombing, abduction, mines etc.	Depends on each project site (district)	Mainly 4-5; Its impact is relatively higher than most other external factors	HiH Af regularly assess the security situation to help staff avoid security incidents and ensure that they receive regular alerts and advice from the International NGOs Safety Office (INSO), which provides security advice to NGOs  HiH Af has developed a Security Manual that will provide safety and security information and guidance to staff, beneficiaries and properties.
<b>Political situation</b>	The upcoming election of Parliament Members, District's Councils and distribution of new national e-ID cards will be potential for political instability.	1-2	1	HiH Af has signed the code of conduct for NGOs working in Afghanistan to be neutral and impartial and serve our members without considering their ethnicity, religion, and political affiliations. Therefore, political changes may not affect HiH's work as it has the backing and patronage of communities.

<b>Natural disaster</b>	Typically associated with shocks (such as earthquakes and floods) of such magnitude that they delays or inhibits project implementation.	1-2	2-3 and above if affects the project beneficiaries	These can only be addressed through a careful process of monitoring and program adjustments. Efforts are continuously made to adopt staff and asset protection/recovery mechanisms. HiH Af further works with our members to explore drought-resistant crops, diversified harvesting and identify water solutions to drought. HiH Af also encourages alternatives to agricultural businesses, to mitigate the negative impact of both flooding and drought.
<b>Corruption</b>	Afghanistan is a country with considerable aid inflow, and is also the world's most corrupt country according to Transparency International. This poses potential challenges to safeguarding donor contributions.	1	1	HiH Af has a clear corruption policy: zero-tolerance. HiH Af has, through limited and carefully documented and tracked transfers, minimized the risk of corruption and as a result has not experienced any problems of this nature to date. HiH Af also has clear policies for all critical processes, including accounting, audits, hiring of staff and procurement. Accounts are maintained by HiH Af according to procedures set out in our financial guidelines. Internal financial audits are carried out by Hand in Hand International's CFO based in London on a quarterly basis, and external audits by reputed and recognized third-party firms are carried out annually. Firms are changed on a regular basis.



<b>Inaccurate community expectations</b>	Afghanistan has been experiencing war and conflict for more than three decades, and a huge number of NGOs started with relief and emergency interventions by providing cash, goods and food to effected communities. This has affected the habits and expectations of communities and created aid dependency among them. Some NGOs that provide training also entice participants with cash incentives.	4-5	1-2	HiH Af devotes more time ensuring mobilization and awareness sessions to managing members' expectations. Emphasis is placed on self-reliance through gaining knowledge and skills and the formation of their own enterprises, which relieves them from dependency for the long-term.
<b>Internal factors</b>	<b>Description</b>	<b>Likelihood (Rate 1-5)</b>	<b>Impact (Rate 1-5)</b>	<b>Call to action</b>
<b>Donor dependency</b>	In Afghanistan almost all interventions depend on donor funding, including government programs.	4-5	4-5 (projects collapse without external donor support)	HiH Af will rely on donor funding for the foreseeable future. In this regard, the efforts of HiH International and HiH Sweden are crucial. HiH Af will also seek funding from donors and government within the country to cover our funding gap as reflected in this Strategic Plan. This can be achieved by presenting a viable approach and robust systems including the Strategic Plan, operating manuals, policies and the establishment of effective communication with donors and potential stakeholders, as well as media campaigns.

<b>Access and equity</b>	This risk relates to social and gender outcomes such as low female enrolment and participation in the program due to social and cultural constraints.	1-2	4-5	HiH Af focuses on gender and social equity requirements throughout program participation and implementation. Targeting both males and females in the program, respecting their cultural and religious values and hiring female staff/trainers mitigate this risk.
<b>Capacity</b>	Afghanistan has a limited skill base. Recruiting qualified staff and trainers capable of providing quality services in remote and rural parts of the country can be challenging.	3-4	3	HiH Af tries to hire female and male trainers/mobilizers from the community even if they do not have all the required knowledge and skills. However they must have an interest and potential to learn. The HiH Af master trainers provide training and make trainers/mobilizers ready and equipped to work. Regular follow-up and mentoring is provided by master trainers and enterprise specialists. Each new project requires hiring new local staff; leaving behind trainers when we leave helps the community sustain itself. For administrative and management capacity, HiH Af provides training, hands-on technical assistance, and selected longer-term specialized management and related courses.
<b>Limited access to credit</b>	Unavailability of banks and microcredit providers, mostly in rural areas. Religious barriers to conventional credit. Unaffordable high rates Cannot comply with loan conditions.	4	2	Provide enterprise startup kits as an alternative to loans to enable beneficiaries to start their enterprises. Encouraging an internal savings and loan culture among SHG members. Linking beneficiaries with nearby MFIs that provide Islamic Loan Products.

<b>Low literacy rate among target group</b>	The overall literacy rate is very low in Afghanistan, especially among women in rural areas. This will affect their learning, interest and participation in the program.	4-5	3-4	HiH Af has integrated demands-based literacy and numeracy training into its program, called “Life Skills Training for Entrepreneurs”
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## 9. Monitoring and evaluation

### 9.1 How we measure success

Our monitoring and evaluation framework is aligned with the UN Sustainable Development Goals<sup>8</sup> (SDGs), which will measure progress in development according to an internationally agreed set of criteria to the year 2030. Our programs are closely aligned with SDG 8 on Decent work and Economic Growth, in particular target 8.3: Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services. Our core monitoring of program outputs covers enterprises created and enhanced, jobs created and enhanced, credit disbursed and net enterprise profit levels. The outcome monitoring of our programs – household income, food security and women’s empowerment – demonstrate a direct contribution to SDGs 1, 2 and 5.

#### 9.1.1. Household income

As part of our 2017-2020 Strategic Plan, Hand in Hand measures the reduction of poverty among our members using the application of poverty scorecards, measurement of the accumulation of assets and the triangulation of these sources with a direct measurement of household income. Measurement of household income change is necessary to assess the effect of both universal and targeted actions on different socio-economic groups<sup>9</sup>.

Measuring changes in household income relates to SDG 1: End Poverty in All Its Forms Everywhere, and its targets:

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

<sup>8</sup> <https://sustainabledevelopment.un.org>

<sup>9</sup> OECD Framework for Statistics on the Distribution of Household Income, Consumption & Wealth, OECD 2013

Strategic Target:

- We have set an ambitious target to raise household income of entrepreneurs by an average of 30% as a result of participation in a Hand in Hand supported Self-Help Group. In most cases this will be done by adding a new income stream generated by a woman in the household to existing income streams. Recently completed independent evaluations confirm this target is achievable.

### 9.1.2. Food security

Our objective is to eliminate moderate or severe food insecurity, with its sometimes irreversible consequences for long-term well-being, among the people we work with. For food security we use USAID's FANTA methodology<sup>10</sup> to establish the proportion of member households that are moderately or severely food insecure as they enter our program, then track them towards our goal that all households will have moved out of moderate and severe food insecurity by the end of any given project.

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

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

Strategic Target:

- Our target in this area is clear: that moderate or severe food insecurity will be permanently eliminated amongst Hand in Hand supported SHG members across the network. Early progress results obtained using the FANTA monitoring methodology, in the DFID-funded project in Sarepul, suggest that this is achievable.

### 9.1.3 Women's empowerment

Women's empowerment is part of the core mission of Hand in Hand. This is in line with findings that for women, their families and society to reap the full benefits of development, investments in women must also promote their empowerment: a woman's ability to make and realize economic decisions. Numerous studies show that investments promoting women's economic empowerment yield higher returns in poverty reduction and broader positive effects than those that do not<sup>11</sup>. Moreover, research has proven specifically that children benefit more when women are targeted: when women earn more, households tend to invest more in the education and health of children.

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

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<sup>10</sup> <http://www.fantaproject.org/about>

<sup>11</sup> [Donor Committee for Enterprise Development, Measuring Women's Economic Empowerment, 2014](#)

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

Strategic Target:

- The indicators that have been adopted by Hand in Hand track these outcomes at the household level, where we expect to observe that 80% of women will report an enhanced role in household decisions on expenditure and investment as a result of participation in our program. We will monitor and adapt our programs to minimise any potential negative effects on women from their new role as self-employed entrepreneurs, such as excessive work burden from having to combine domestic and enterprise activities. At the community level we expect to observe that 30% of women will report enhanced access to markets resulting from their increased confidence and leadership skills gained from SHG membership.

### 9.3. Impact research and evidence

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

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

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

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

To produce these studies, Hand in Hand partners with independent research institutions to validate our approaches and share results internationally. Our partners use robust, causation-proving techniques such as Randomized Control Trials (RCT), in which program participants and non-participants are allocated at random. The methodology is designed to ensure there is no difference between participants (treatment) and non-participants (control), meaning that any change in their status or wellbeing can be attributed to our program. In circumstances where ethical considerations affect the use of RCT methodology, especially the lack of benefits of participation for the control group, it is possible to compare the performance of different beneficiaries *within* a project, segmented by age, gender and educational background, to gain rigorous information on program impact.

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