

موسسه دست به دست افغانستان

Hand in Hand  
AFGHANISTAN  
بازتسل برای زنان و مردان روستایی  
از طریق حرفه زیوردراری

# HAND IN HAND AFGHANISTAN ANNUAL REPORT 2018





**LOOK AT POVERTY  
DIFFERENTLY AND YOU WILL  
SEE GRASSROOTS  
ENTREPRENEURS, FULL OF  
ENERGY AND IDEAS.  
WE HELP TURN THEIR SKILLS  
AND POTENTIAL INTO JOBS.  
THEY FIND A WAY OUT OF  
POVERTY.**

**Cover Photo:**

Activities from different types of enterprises established by project beneficiaries supported by HiH Af

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## ACRONYMS

ACBAR	AGENCY COORDINATING BODY FOR AFGHAN RELIEF AND DEVELOPMENT
AREDP	AFGHANISTAN RURAL ENTERPRISE DEVELOPMENT PROGRAM
ASDG	AFGHANISTAN SUSTAINABLE DEVELOPMENT GOALS
BDS	BUSINESS DEVELOPMENT SERVICES
CDC	COMMUNITY DEVELOPMENT COUNCIL
DDA	DISTRICT DEVELOPMENT ASSEMBLY
FSDA	FINANCIAL SECTOR DEEPENING AFRICA
GIZ	GESELLSCHAFT FÜR INTERNATIONALE ZUSAMMENARBEIT'S
HIH AF	HAND IN HAND AFGHANISTAN
HIHI	HAND IN HAND INTERNATIONAL
LSTE	LIFE SKILLS TRAINING FOR ENTREPRENEURS
MAIL	MINISTRY OF AGRICULTURE, IRRIGATION AND LIVESTOCK
MADRAC	MICROFINANCE AGENCY FOR DEVELOPMENT AND REHABILITATION OF AFGHAN COMMUNITIES
MoEc	MINISTRY OF ECONOMY
MRRD	MINISTRY OF RURAL REHABILITATION AND DEVELOPMENT
MOLSA	MINISTRY OF LABOUR AND SOCIAL AFFAIRS
SDG	SUSTAINABLE DEVELOPMENT GOALS
SHG	SELF-HELP GROUP
WB	WORLD BANK



LSTE Class, Mir Qasim Jan Village, Chimal District, Balkh Province

## A MESSAGE FROM OUR CHAIRPERSON AND CEO



Hand in Hand Afghanistan (HiH) has completed another successful year implementing projects in a frequently unsafe and uncertain environment. People, specially women face more hardship, insecurity, uncertainty, and unemployment.

Several reasons for such hardship for these people are hold of the terrorist groups increasing and having control of more villages, districts and towns; more and more schools are closed off and for the young women it is becoming harder to continue attending schools. For those that manage to complete school the absence of access to universities and for those that manage to attend universities not having access to employment are just examples of the difficulties people face in this country.

The rate of poverty was announced as being 55 percent, unheard of in surveys stretching back for more than a decade. At the same time, 24 percent of working-age people are unemployed (ALCS, 2016-201 GiRoA).

More people were displaced internally (IDP) due to insecurity, another major challenge that the people and the country saw. Even refugee returnees from the neighboring countries were not all settled back in their own hometowns and became IDPs.

In light of all of these challenges the work of organizations such as HiH becomes even more necessary and urgent. Thankfully our organization has had a great group of partners and contributors to assist and fund HiH projects in order to create jobs and enterprises to get people out of their misery and create an income for them. During 2018, HiH Af has continued to implement six projects in different provinces: Sarepul, Balkh, Samangan, Baghlan, Parwan and Kabul. Since its establishment HiH Af has enabled more than 39,500 poor people with a female participation rate of 66% to establish microenterprises and create job opportunities for themselves and their communities.

HiH International, the organization we affiliate with, has been instrumental in the fund raising activities. Where projects were left without any direct donor commitment HiH International managed to fill in the gap to ensure they were implemented and jobs were created for the people. Other agencies, NGOs and donors were also instrumental in funding projects especially GIZ, funding a project for IDPs and returnees. The displaced is a group of people with no home, no hope and no income only relying on the handouts from those that can give. HiH Af assisted them with being able to stand on their own feet, come out of poverty and be able to support their families. In this report you will see examples of how HiH Af has managed to support men and especially women to create an enterprise.

I thank all our donors including DFID, GIZ, CAFOD and private donors, our partners and also the government where they supported us. I also would like to thank the employees of the organization who have worked hard day and night and at times being away from their own families in order to travel to different parts of the country and support people in need. Thank you and keep up the good work.

Seema Ghani

Chair of the Board

Abdul Rahim Nasry

Chief Executive Officer

## ABOUT HAND IN HAND AFGHANISTAN

Hand in Hand Afghanistan (HiH Af) is a non-governmental organization (NGO) registered with the Ministry of Economy of government of Islamic Republic of Afghanistan (license #890) since December 2006. Our head office is in Kabul; our regional office in Mazar-e-Sharif. District offices are located in close proximity to the field.

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 our target groups, while men are also included in order to ensure inclusive development and facilitate our 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 their Self-Help Groups, where training takes place. Women are further empowered in 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 and Social Affairs (MoLSA), 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 projects.

HiH Af is part of the global HiH network of independent organizations, working together towards a shared vision to eliminate poverty through job creation.

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

## VISION

An Afghanistan free of poverty, where gender equality is its cornerstone.

## MISSION

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.

## 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.



## OUR GOVERNING BODY

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.



**SEEMA GHANI**  
**CHAIRPERSON**

Ghani has been chairing Hand in Hand Afghanistan's Board of Directors since 2008. She has an MSc in International Business and another in Development Studies, both from the UK. She served as Director General of Budget for the Ministry of Finance and Deputy Minister of Labor and Social Affairs. She led the reform of the Afghan Chamber of Commerce and served as a member of its board. She is also the Founder of the People's Movement against Corruption in Afghanistan. She won Bond's Outstanding Individual Award 2017.



**WAHID SAIFI**  
**MEMBER**

Saifi is the former Policy and Organizational Development Adviser to the Minister of Labor, Social Affairs, Martyrs and Disabled. He has been a member of the Hand in Hand Afghanistan Board since 2010.

He holds an MSc. in Development Management from the London School of Economics. He has served in the government and international organizations with a successful track record of 13 years of experience, more than 10 of which have been spent in senior management and advisory positions.



**JAMILA OMAR**  
**MEMBER**

Jamila Omar holds a degree in journalism from Kabul University. After working as a lecturer at the Journalism Faculty of Kabul University, she worked with several international human rights organizations based in Kabul between 2002 and 2009. Later, she was director of a human rights organization, before joining Afghan Parliament as a national gender adviser. She has experience in management, human rights advocacy, social research, public affairs, media, management and communication.



Board of Directors Meeting, Kabul, Afghanistan





**NAJIBULLAH SAMIM**  
**MEMBER**

Samim has been serving as Executive Director of the Afghanistan's Microfinance Association since April 2011. Previously, he worked as Managing Director of MADRAC. He has also served as Board member and Chairman of AMA for many years.

He has 20 years of working experience in the field of development, 12 of which have been spent in microfinance. He obtained his MBA from Preston University. Also, he has been serving as Vice Chairman of the SAMN.



**AMALIA JOHNSON**  
**MEMBER**

Amalia is head of programs at HIHI. She has worked in international development for more than 12 years, specializing in financial inclusion and supporting rural livelihoods. She has worked with and advised a range of institutional and corporate donors, including DFID, SIDA, FSDA, Access to Finance Rwanda, Mastercard Foundation, Barclays, and Deutsche Bank.

She has a Master's in International Affairs from Columbia University and a Bachelor's degree in Economics from the University of Cambridge.



**ABDUL RAHIM NASRY**  
**CEO**

Nasry was advisor to the Deputy Minister of Ministry of Labor and Social Affairs and implemented National Skills Development, a national priority program and was also responsible for, Afghanistan Pension Administration/Net Project, funded by World Bank.

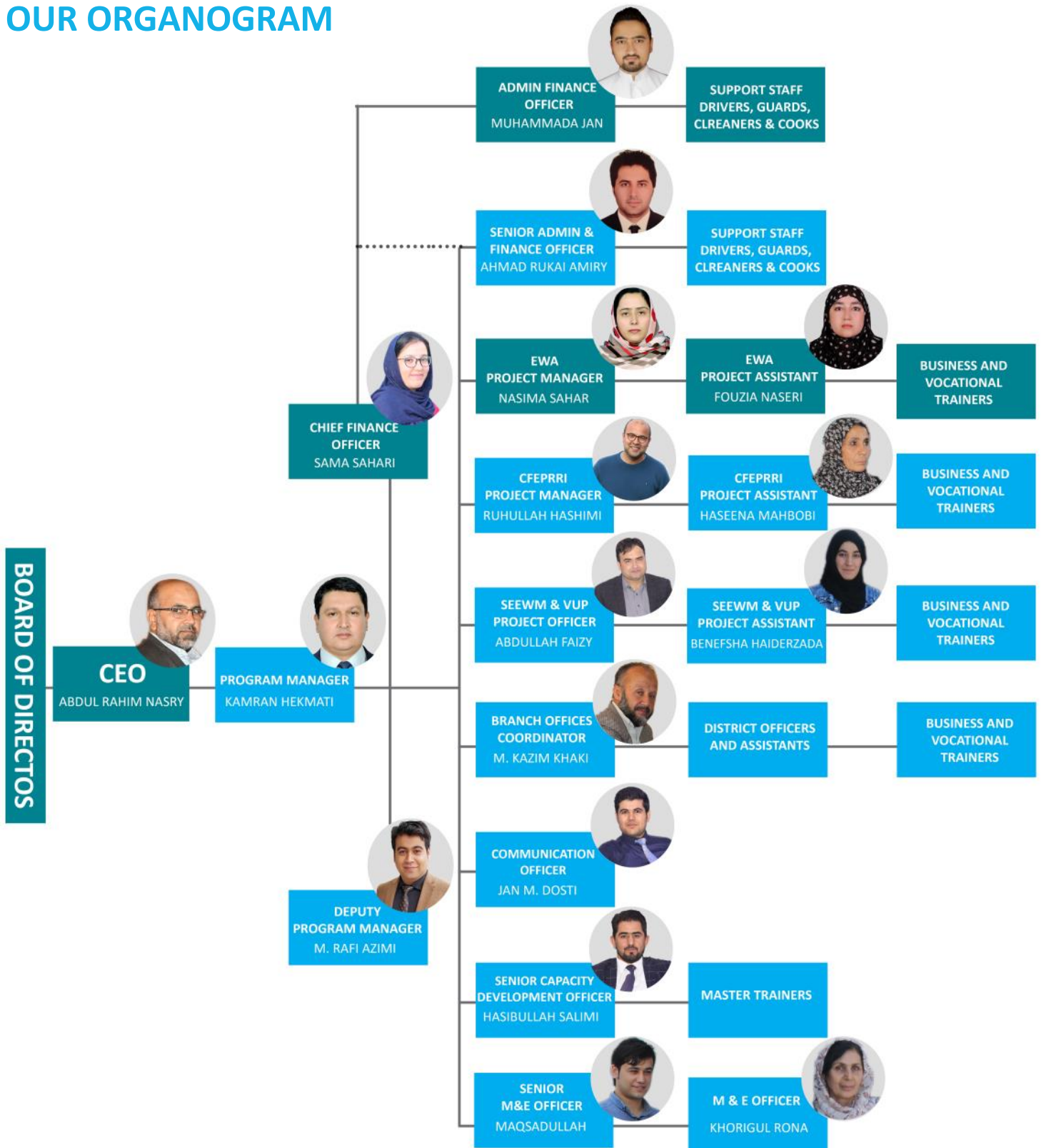
He holds an Executive MBA from Preston Institute of Management Sciences and Technology. He has worked with government and international organizations in Afghanistan and Pakistan for more than 20 years.



Board of Directors Meeting, HIH Af Head Office, Kabul, Afghanistan




# OUR ORGANOGRAM



HiH Af Staff, Annual Gathering, Mazar-e-Sharif, Balkh Province





*"After completing training, I received chickens, feed and poultry tools. Now I am earning around AFN 2,000 a month and helping my family. This poultry farm enables me feed my kids better with nutritious food including eggs. I am planning to expand my business."*



## OUR JOB CREATION MODEL

HiH Af 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:



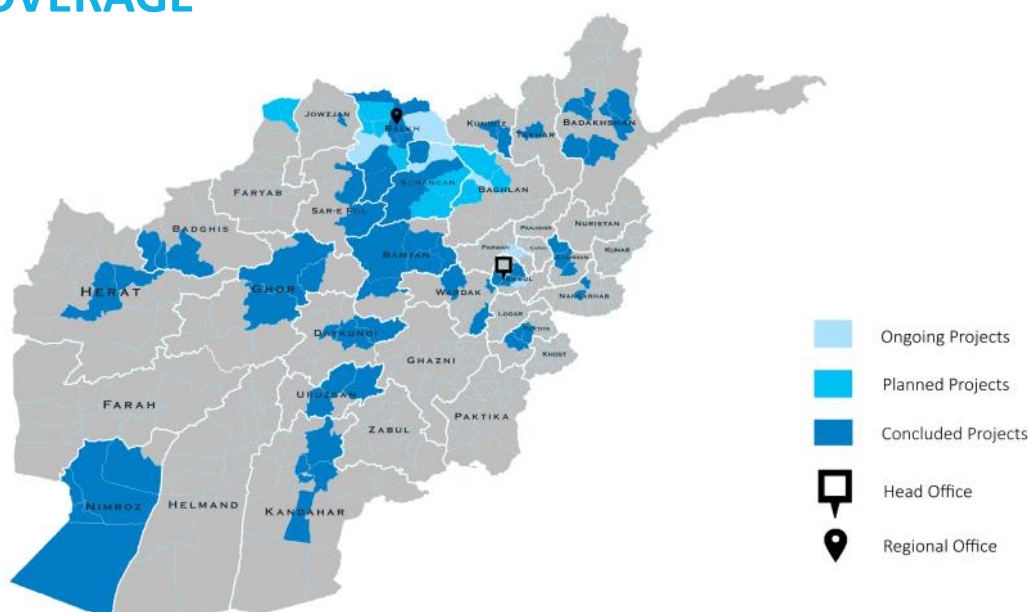
**Social mobilization and formation of SHGs:** Under this step, surveys are conducted to identify potential SHG members, separated by gender from similar socio-economic circumstances. The SHG approach is an empowerment tool that focuses on equipping individuals to improve the socio-economic conditions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

## OUR COVERAGE





## Working towards the Sustainable Development

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:



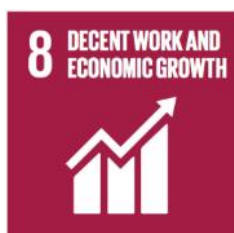
### SDG 1: No Poverty

Enhance resilience and eradicate extreme poverty, measured at \$1.25 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.



## OUR 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 AREDP project.
- 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 Khulm and Nahr-i-Shahi districts.
- Provision of training for AREDP staff.
- Implementation of Horticulture and Livestock Project (HLP) in Khulm district of Balkh province, funded by the World Bank through MAIL.
- 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 Bamyán 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 in Sarepul Province.

2016 - 2018

- Continuation of the Reducing Poverty and Gender Inequality project in Gosfandi, Sancharak and Balkhab districts, Sarepul Province of Afghanistan by Improving Household Income and Financial Resilience for Rural Women through Enterprise and Job Creation.
- Continuation 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.
- Implementation of the Sustainable Livelihood Program (SLP) in Shortepa and Kishindeh districts of Balkh province.
- Implementation of 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 Creating Future Economic Prospects for Reintegration of Refugees and IDPs through the Layers Poultry Value Chain in Balkh, Samangan and Baghlan provinces.
- Implementation of Village Uplift Program in Shah Rahim village of Khulm district, Balkh province.





*"After attending business training, I secured a loan of AFN 10,000 from my Self-Help Group and established a bee-keeping enterprise. In my first year, I earned enough to repay the loan and expand my business. Now I am earning around AFN 120,000 every year, which enables me to support my family as well as continue my education."*



## 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 providing grant-based assets and links to existing microfinance institutions (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 ongoing.

In 2018 HiH Af launched three new projects. We also continued to implement the Socio-Economic Empowerment of Women and Men project in Chimtal district project, as well as the Village Uplift Program in Shahrak Ulia village of Mazar-e-Sharif, Balkh province project. At the same time, we concluded the Reducing Poverty and Gender Inequality by Improving Household Income and Financial Resilience for Rural Women through Enterprise and Job Creation in Sarepul Province project.

### **1. REDUCING POVERTY AND GENDER INEQUALITY IN SAREPUL PROVINCE OF AFGHANISTAN BY IMPROVING HOUSEHOLD INCOME AND FINANCIAL RESILIENCE FOR RURAL WOMEN THROUGH ENTERPRISE AND JOB CREATION (MARCH 2015 - MARCH 2018)**

The overall purpose of the project is to raise incomes by creating and enhancing micro-enterprises and jobs for 13,300 rural beneficiaries in Sarepul Province, Afghanistan, and to demonstrate improved financial resilience through raised household savings while strengthening women's place in society. The project is implemented in Balkhab, Gosfandi and Sancharak districts of Sarepul province, and co-funded by the UK Department for International Development (DFID) and Hand in Hand International.

### **2. SOCIO-ECONOMIC EMPOWERMENT OF WOMEN AND MEN PROJECT IN CHIMTAL DISTRICT OF BALKH PROVINCE (JANUARY 2017 - DECEMBER 2019)**

The goal of this project is to economically empower and strengthen the socio-economic rights of poor rural people, with a particular focus on women. The project targets 600 people (70 percent female) for training in entrepreneurship and business skills, as well as support in micro-enterprise development and market linkages. This project is implemented in Chimtal district of Balkh province and funded by CAFOD and Hand in Hand international.

### **3. VILLAGE UPLIFT PROGRAM IN SHAHRAK ULIA VILLAGE OF MAZAR-E-SHARIF, BALKH PROVINCE (JUNE 2017 - JUNE 2019)**

The objective of this project is to economically empower and strengthen the socio-economic rights of poor rural women in Faqir Abad village of Mazar-e-Sharif, Balkh province. The project targets 110 women for training in entrepreneurship and business skills, as well as support in micro-enterprise development and market linkages. This project is funded by Hand in Hand international.

### **4. CREATING FUTURE ECONOMIC PROSPECTS FOR REINTEGRATION OF RETURNEES AND IDPS IN NORTH AND NORTH-EASTERN REGIONS OF AFGHANISTAN THROUGH THE LAYER POULTRY VALUE CHAIN (JANUARY 2018 - DECEMBER 2018)**

This project aims to improve the skills and capacity of 1,500 returnees and internally displaced persons by creating 1,500 sustainable poultry enterprises in Afghanistan's layer poultry value chain. The project targets 90 percent female participation, and is implemented in Balkh, Samangan and Baghlan provinces. This project is funded by Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), the German government's development agency.

### **5. VILLAGE UPLIFT PROGRAM IN SHAH RAHIM VILLAGE OF KHULM DISTRICT, BALKH PROVINCE (JANUARY 2018 - DECEMBER 2019)**

The objective of this project is to economically empower and strengthen the socio-economic rights of poor rural women in Shah Rahim village of Khulm district, Balkh province. The project targets 110 women for training in entrepreneurship and business skills, as well as support in micro-enterprise development and market linkages. This project is funded by Hand in Hand International.

## 6. EMPOWERING WOMEN IN AFGHANISTAN (DECEMBER 2018 - NOVEMBER 2020)

The objective of this project is to economically empower and strengthen the socio-economic rights of poor rural women in Kabul, Parwan and Balkh provinces. The project targets 1,100 women to be trained in entrepreneurship, skills and provide support for micro-enterprise development and market linkages.

This project is implemented in partnership with Every Voice Counts (EVC) and is funded by Hilti Foundation through Hand in Hand International.



SHG meeting, Chimtal district, Balkh province



Enterprise startup kits provision, Samangan province



Business development services training, Shahrak Ulia, Mazar-e-Sharif, Balkh province



Poultry training, Shahrak Faryabi, Balkh province



Enterprise startup kits provision, Balkh province



## WOMEN JOIN HANDS TO BEAT POVERTY

Eight women have come together and established a business and are generating decent income to support their families.

Hailing from Shahrak Ulia of Faqir Abad village, the women have come together from different Self-Help Groups to establish a noodle production enterprise. These women are producing about 100 packages of noodles daily and selling them to the local market. Each of these women are earning around AFN 5,000 (US\$ 65) per month from this business, which enables them to support their families and overcome financial challenges.



Hand in Hand Afghanistan is implementing our Village Uplift Program in Shahrak Ulia, funded by Hand in Hand International. The project aims to train 110 women in entrepreneurship and vocational skills, and provides support in micro-enterprise development, value addition and market linkage in order to economically empower and strengthen the socio-economic rights of poor rural women.

Mother of five Zohra is one of the women working in noodle production. “I work up to five hours daily here, and now I am able to contribute in family expenses as well as I have a job. I used to be a jobless and didn’t have any income,” she says.

These women have received training in group management, microfinance and vocational skills, and have also received enterprise start-up kits to them establish their enterprises.

Khanom Gul, 52, is another woman working in this enterprise says “With this money I am able to pay school expenses of my kids and also I am now independent. I don’t have to ask anyone for my personal needs.” she adds, “It is great to be able to run a business as a group and generate income, besides supporting our families we are now empowered and we are continuously growing our business with support of HiH Af.”





## SHAH BOBO: MY BUSINESS ENABLES ME TO SUPPORT MY FAMILY

Shah Bobo is a mother of seven who lives in Mir Qasim Jan village, Balkh province. "My husband is a laborer and he always struggled to earn a living, especially the during offseason and winter," she says. "I have always thought about contributing to my family's expenses, but never knew how".

Like most of the women in her village, Shah Bobo never had the chance to earn an education and didn't have any skills. She says, "Since we were going through hard times, I had to do laundry and clean neighbors' houses in return for some money, but that was tough and wasn't stable." After HiH Af started mobilizing for the 'Socio Economic Empowerment of Women and Men' project in Chimtal district, Shah Bobo joined the Eftikhar Self Help Group (SHG).



She attended regular group meetings and received training on group management, microfinance, business development services (BDS) and vocational skills. "After completing the BDS training, I decided to join the poultry vocational skills training so that I could have poultry farm to earn and help my family," she says. "Upon completing the training, I received 25 chickens, chicken feed, feeder and other necessary tools to establish the enterprise".

Now Shah Bobo has a poultry farm, and has borrowed AFN 1,500 (US \$20) from the SHG to buy five more chicken to expand her enterprise. She produces about 20 eggs daily and sells each for AFN 7. She says, "I don't ask my husband for money, rather I help him with our expenses. I earn around AFN 4,200 (US \$54) per month from selling the eggs and I am planning to further expand my business.

"Women who run businesses are empowered and independent. My business enables me to support my family," says Shah Bobo. "My husband is very happy with my business and I am not worried about food for my kids anymore. I encourage others in my SHG to start a business and have income."





## WOMEN CONTRIBUTE IN FAMILY EXPENSES

Fatima, 37, has five children and lives in Mir Qasim Jan village, Chintal district. Her husband is a farmer and her eldest son studies teacher training in the nearby city of Mazar-e-Sharif.

She says, "We are a big family and the only breadwinner used to be my husband. My kids were not getting enough support as we couldn't afford it. My husband works in others' agricultural fields and in recent years due to drought and climate change, it became far less profitable. I always wanted to contribute to my family's expenses and reduce the burden on my husband. I also wanted to help my kids complete their education."



HiH Af implements the 'Socio-Economic Empowerment of Women and Men' project in Chintal district. Fatima is one of 900 beneficiaries mobilized into Self-Help Groups, where she attends regular group meetings and receives training on subjects including group management, microfinance, business development services and vocational skills.

Fatima says "I learned a lot of things. I can have a small business and earn an income – that is what I wanted for a very long time."

Fatima joined a vocational class and learned tailoring, then received an enterprise startup kit and established her micro-enterprise. With support from her trainers, she was linked to a shop who provides her with raw material, then sells her coats to customers. "I stitch women's coats for a shop in the market and earn around AFN 10,000 (US \$130) per month," she says. "My son, who is 17 and attends high school, has also learned to stitch and works with me part time."

Fatima has big plans for the future. "I am going to teach my daughter, who is 15 years old and in 10th grade, and expand our business. I want to turn tailoring into the family business."



## AQILA: MY BUSINESS ENABLES ME TO CONTINUE MY EDUCATION

“There are seven people in my family and my father used to be the only breadwinner. Thanks to Hand in Hand and supporters for the program, I received business service training and support to establish an embroidery enterprise, which enabled me to join a private university and have a better life,” says Aqila Hussaini, 19. She lives with her parents in Shahrak Ulia village of Mazar-e-Sharif, Balkh province.

“My father is an electrician. I have two sisters and two brothers; my sisters are elder and brothers are younger than me. My father’s income was hardly enough to feed the family, I knew the family’s financial condition and could never ask for their support to join a university,” she says.



Hand in Hand Afghanistan implements the ‘Village Uplift Program’ in Shahrak Ulia village, Mazar-e-Sharif. Aqila is one of the 110 women who joined the program about a year ago. She attended regular group meetings and received training on subjects including business development services. She says, “I have always been interested in business and having an income. HiH Af was perfect for me. I joined Ashiyana Self-Help Group and after completing business training with support from my trainer, I conducted a market survey and selected embroidery. Next, I received vocational skills training and support to establish my enterprise.”

Aqila earns around AFN 3,000 (US \$40) per month and has already joined a private university where she studies economics. She says, “It was my dream to join a university and continue my education. As I was jobless couldn’t do it earlier, but after starting the business and having income, I am able to pay my all education costs. I also sometimes pay for my younger brothers’ stationary or school clothes.”

With help from her trainer, Aqila has contracted with a shop in Mazar-e-Sharif market, which provides her with raw materials, then buys back finished pieces including handkerchiefs, table cloths, bedsheets for children and other embroidered clothes based on market demand. She says, “I am very fortunate to get the opportunity and I enjoy my work. I used to be dependent but now I am self-reliant and even support my younger brothers. My family is proud of me and my trainers encourage me.”





## OUR RESULTS



**39,776**  
**+2,035**  
Members mobilized  
(66% female)



**2,423**  
**+100**  
SHGs created  
(64% female)



**37,683**  
**+443**  
Members trained in  
group management  
(63% female)



**36,656**  
**+531**  
Members trained  
in microfinance  
(66% female)



**31,497**  
**549**  
Members trained in  
Business Development  
Services



**28,252**  
**+2,128**  
Members trained in  
vocational skills  
(62% female)



**6,035**  
**+107**  
Members trained  
in life skills  
(73% female)



**24,804**  
**+2,078**  
Members received  
enterprise start-up kits  
(79% female)



**AFN 82,647,942**  
**+4,366,640**  
Internally saved by  
SHG members  
(69% female)



**AFN 61,393,429**  
**+5,062,850**  
Internally lent by  
SHG members  
(71% female)



**33,844**  
**+2,494**  
Micro-enterprises  
created/enhanced  
(72% female)



**38,508**  
**+2,163**  
Jobs created  
(73% female)

\* The above figures in black and blue indicate HiH Af's cumulative results and results in 2018 respectively.



*"I attended the training and learnt how to run a poultry farm. Now I am earning around AFN 3,000 per month which enables me to support my family. I will expand my business to increase production and earn more."*



## OUR FINANCIAL STATEMENT



### Independent Auditors' Report

To: Board of Directors,  
Hand in Hand Afghanistan

#### Opinion

We have audited the financial statements of Hand in Hand Afghanistan ("HiH Af"), which comprise the statement of financial position as at December 31, 2018, and the statements of income and expenditures, changes in general fund and cash flows for the year ended December 31, 2018, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2018, and its financial performance and its cash flows for the year ended December 31, 2018 in accordance with accounting policies described in notes 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 ethical requirements that are relevant to our audit of the financial statements in Afghanistan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting policies described in notes to the 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 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.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

AHC

### **Auditors' Responsibility 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.
- 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.

We communicate with those charged with governance regarding, 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.

For and on behalf of

*AFGHANISTAN HOLDING GROUP*

Afghanistan Holding Group  
April 24, 2019

Kabul,  
Afghanistan





**HAND IN HAND - AFGHANISTAN**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2018**

		2018	2017
	<i>Notes</i>	----- <i>AFN</i> -----	
<b>ASSETS</b>			
<b>Current assets</b>			
Prepayments	4	63,771	154,686
Loans and advances		-	174,282
Cash and cash equivalent	5	22,293,217	21,610,253
<b>Total assets</b>		<u>22,356,988</u>	<u>21,939,221</u>
<b>LIABILITIES AND GENERAL FUND</b>			
<b>Current liabilities</b>			
Employment benefit payable	6	8,385,241	9,158,515
Security deposit payable	7	513,000	40,000
Accrued and other liabilities	8	290,596	244,020
		9,188,837	9,442,535
<b>General fund</b>			
Accumulated fund		13,168,151	12,496,686
<b>Total liabilities and general fund</b>		<u>22,356,988</u>	<u>21,939,221</u>

**HAND IN HAND - AFGHANISTAN**  
**STATEMENT OF INCOME AND EXPENDITURES**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

		2018	2017
	<i>Notes</i>	----- <i>AFN</i> -----	
<b>Income</b>			
Grant income	9	85,409,342	101,854,396
Other Income	10	2,580,881	719,275
<b>Total income</b>		<u>87,990,223</u>	<u>102,573,671</u>
<b>Expenditure</b>			
Project and administrative expenses	11	87,318,758	96,057,580
<b>Surplus for the year</b>		<u>671,465</u>	<u>6,516,091</u>

**HAND IN HAND - AFGHANISTAN**  
**STATEMENT OF CHANGES IN GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	Accumulated fund
	<i>AFN</i>
2017	
Balance as at 01 January 2017	5,980,595
Surplus for the year	6,516,091
Balance as at 31 December 2017	<u>12,496,686</u>
2018	
Balance as at 01 January 2018	12,496,686
Surplus for the year	671,465
Balance as at 31 December 2018	<u>13,168,151</u>

**HAND IN HAND - AFGHANISTAN**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	Notes	2018 ----- <i>AFN</i> -----	2017
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Surplus for the year		671,465	6,516,091
Employee benefit - Provision for the year	6	2,811,624	3,579,529
Provision for bad debt		-	823,452
		<u>3,483,089</u>	<u>10,919,072</u>
<b>Decrease / (Increase) in current assets:</b>			
Prepayments	4	90,915	(101,008)
Loans and advances		174,282	44,502
		<u>265,197</u>	<u>(56,506)</u>
<b>(Decrease) / Increase in current liabilities:</b>			
Security deposit payable	7	473,000	(60,000)
Accrued and other liabilities	8	46,576	10,150
		<u>519,576</u>	<u>(49,850)</u>
Employee benefit paid	6	(3,584,898)	(1,975,423)
Net cash generated from / (used in) operating activities	A	<u>682,964</u>	<u>8,837,293</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of loan from HiH International		-	-
Net cash used in financing activities	B	<u>-</u>	<u>-</u>
Net increase / (decrease) in cash and cash equivalent	A+B	682,964	8,837,293
Cash and cash equivalents at the beginning of the year		21,610,253	12,772,960
Cash and cash equivalents at the end of the year	5	<u>22,293,217</u>	<u>21,610,253</u>



## Annex 1: AWARDS AND TESTIMONIALS



### Appreciation Letter

To: Hand in Hand Afghanistan Organization

We appreciate your hard work and efforts in successful implementation of 'Creating Future Economic Prospect for Reintegration of Returnees and IDPs' project in Baghlan province and present to you this appreciation letter.

We wish you all the very best for all your work and assignments.

Alhaj Abdul Hai "Nimati"

Baghlan Province Governor

## Annex 2: AWARDS AND TESTIMONIALS



دولت جمهوری اسلامی افغانستان  
اداره مستقل ارگانهای محلی  
ریاست عمومی انسجام شورا های محلی  
شورای ولایتی سرپل

نمبر ثبت: ع ۸۲۹

تاریخ: ۱۳۹۷/۸/۲۲

تقدیرنامه

### Appreciation Letter

ریاست شورای ولایتی سرپل از تلاش ها و همکاری های شایسته و صادقانه  
مؤسسه محترم دست به دست افغانستان در راستای کاهش فقر و ایجاد شغل  
باراه اندازی تشبثات کوچک صمیمانه تقدیر و تشکر مینماید.

This is to acknowledge and appreciate the hard  
work of Hand in Hand Afghanistan organization in  
reducing poverty and creating job opportunity  
.through establishing micro and small enterprises





## Annex 3: OUR PARTNERS AND SUPPORTERS

	<p>HiH Af engages at the district, provincial and central government levels, including with sectorial departments, throughout our projects. Quarterly stakeholder meetings are held at the district level for every project in order to engage CDCs, DDAs, community councils, community elders and other district-level authorities.</p>
	<p>Permanent partner, fundraiser and sponsor for cost-sharing programs, having sponsored all projects.</p>
	<p>Main supporter of our “Reducing Poverty and Gender Inequality in Sarepul Province of Afghanistan by Improving Household Income and Financial Resilience for Rural Women Through Enterprise and Job Creation” project in the Gosfandi, Sancharak and Balkhab districts of Sarepul province.</p>
	<p>Supports the “Socio-Economic Empowerment of Women and Men in Chimtal District of Balkh Province” project.</p>
	<p>Funded the “Food Insecurity and Malnutrition Household Perception Survey” in 12 provinces and “Consultation Workshops” in provinces of Afghanistan.</p>
	<p>Funded the “Creating Future Prospect for Reintegration of Returnees and IDPs in Balkh Province Through the Layer Poultry Value Chain” project.</p>
 <p>EUROPEAN UNION</p>	<p>Main supporter of the “Supporting Rural Entrepreneurship and Promoting Women’s Socio-economic Empowerment in Dara-i-Suf Bala and Dara-i-Suf Payan districts of Samangan province” project.</p>
	<p>Funded the “Mass Mobilization into Entrepreneurship”, “Small &amp; Medium Sized Enterprise Development”, “Training for AREDP Staff”, and “Business Development Training for SMEs in Bamyan Province” and “Piloting and Implementation of the Concept of One District One Product” projects through AREDP/MRRD and funded “Horticulture and Livestock Project” through MAIL.</p>
	<p>Supported the “Value Chain Improvement Project for Seven Women Cooperatives” project.</p>
	<p>Funded the “Sanitation and Hygiene Awareness and Enterprise Development” project.</p>
	<p>Supported the “Sustainable Livelihood Program in Kaldar, Sholgara and Marmul districts of Balkh Province” project.</p>
	<p>Permanent partner and fundraiser.</p>

## CONTACT US

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Mob: +93 780 059 891

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E-mail: [info@handinhand.org.af](mailto:info@handinhand.org.af)

### **REGIONAL OFFICE**

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