

# ANNUAL 2007 2008 REPORT







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Hand in Hand and SEED





*What we do, why we do it, and how we do it*

*Stories about the lives that our interventions touch*

*Statements and reports from our auditors*

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# Words from the CEO

I am happy to recollect the transition of Hand in Hand from a local NGO in a small village in Tamil Nadu into a global organisation with a presence in several countries. It has been a learning experience with an ambitious goal to reduce poverty and provide dignity, hope, and choice to underprivileged sections of society. As CEO and Managing Trustee of the Hand in Hand Group – Hand in Hand, SEED, and Hand in Hand Microfinance Ltd – I manage 2,000 fulltime employees and 2,400 part-time employees in addition to providing technical expertise and overseeing global operations. My passion for working with the poor and my experience with the women's self-help movement in Tamil Nadu has been useful. The five major achievements in the last fiscal year have been:

- Promoting development partnerships with academic institutions like Stanford, the Stockholm School of Economics, Iowa University, and INSEAD; big corporate houses like Salcomp, Nokia, and Ericsson; NGOs like the MV Foundation, the National Agro Foundation, Afghan Aid, and MUCPP South Africa; and with the governments of India, Afghanistan, and South Africa.
- Providing vocational training on a large scale in partnership with IL&FS and the Confederation of Indian Industry to enable the poorest of the poor to rise into entrepreneurship and contribute to economic growth.
- Scaling up operations with quality and transparency in order to reach out to, not thousands, but millions of people. Including employees, part-time employees, and volunteers, we are now some 22,000 engaged with Hand in Hand.
- Setting up 790 Citizens' Centres within a record time of one year and providing education on a large scale through 300 evening tuition centres.
- Setting up a Section 25 Company to provide professional microfinance and microinsurance services.

The achievements have been tremendous, but it has not been a very easy route. Let me mention some of the main challenges we face today:

- Getting committed qualified professionals who are willing to work with grassroots level functionaries.
- Working with the mindset of marginalised communities.
- Handling the cultural differences inherent in

- working with people from different cultures.
- Integrating different pillars to maximise impact.
- Getting support from the government and elected representatives.

We are now moving into a consolidation phase in Tamil Nadu, and we aim at progressive changes in all our pillars. In the Self Help Group (SHG) and Microfinance Project, we plan to expand to three states and set up incubation centres in six trades. We will also set up pilots in Brazil in addition to offering technical support to South Africa and Afghanistan. We will dramatically increase the number of family-based and medium-sized enterprises and provide skills training for standardisation. We will also get online credit rating of SHGs through Citizens' Centres, which will be a milestone in the Indian microfinance sector.

The Child Labour Elimination and Education Project is now well established. We will here focus on improving the quality of teaching in the residential schools. We will cover 1,000 panchayats (grassroots governance), and hope to make 300 villages child labour free. We will also double the number of transit schools during the coming 12 months to some 100 schools.



Medical camps and awareness campaigns on health issues and sanitation will be stepped up. The focus will be on eradicating malnourishment among children in the project villages. We aim to reach 10,000 women through our sanitation loan product.

Our environmental engagement has stepped up and we are working actively with village panchayats, town panchayats, and municipalities, apart from focusing on vermicompost enterprises for SHGs as well as helping farmers irrigate their lands through watershed management.

We will extend networking with NGOs in India and abroad on microfinance, village development, and job creation. At present, 50 NGOs are a part of this network and we would like to double that this year. We will work with top business schools like Stanford and the Stockholm School of Economics to research different avenues of income generation. Hand in Hand plans to associate with more corporate houses to set up sustainable models in NGO-corporate partnership.

We have a big demand for professional people and volunteers with a humane approach to help us fight global poverty. At this juncture, I wish to recognise the efforts of our staff members and volunteers, who have offered exceptional hard work, honesty, and dedication. They have proven to be individuals driven to make a meaningful change in the lives of the under-privileged sections of society. This year, characterised as it is by extraordinary growth in all areas, has inspired all of us to use this energy and enthusiasm to strengthen the relationships that we value. We sincerely thank all our donors as well as the government for their support, guidance, and encouragement. Last, but not least, I would like to thank all the trustees and advisors for guiding the management with their valuable inputs and cooperation.

The enclosed audited financial numbers cover the period 1 April 2007 to 31 March 2008. Other figures are the latest available, normally from April 2008.

*Kalpana Sankar*

Kalpana Sankar  
CEO and Managing Trustee  
Hand in Hand Group



# Words from Our Advisor

Hand in Hand's major objective is to work towards eliminating extreme poverty in the world. We believe that the way to do this is through microfinance and Self Help Groups (SHGs) that train economically marginalised women in entrepreneurship and livelihood creation; the powerful market forces are being harnessed.

This programme to raise the living standards among the poorest of the poor has been extremely successful. Over 300,000 women have been trained and have started or expanded 161,000 family-based micro-enterprises and 600 medium-sized enterprises. We are well underway towards our medium-term objective in Tamil Nadu of creating 1.3 million jobs.

With the higher living standard, families can afford to send their children to school, they are more receptive to health campaigns, they vote, and they care about the environment. This means that we are progressing well towards our four aims: bringing children out of work back to regular schooling, improving grassroots democracy, raising health

levels, and ensuring an environmentally friendly development.

When reviewing the five-pillar programme that has been rolled out across Tamil Nadu, I would like to point out a few achievements. The first year, 100 Citizens' Centres with libraries and IT kiosks were started. Using an entrepreneurial model, whereby the centres are run as service companies, there are now 790 centres. We are aiming at 1,000 centres per year, and by 2012, we should have 4,000 centres up and running, covering 20 million villagers with 1.5 million computer literate. This illustrates some key characteristics of Hand in Hand: we want to harness market forces whenever possible and we want to scale up. We want to improve the lives of not thousands but millions of people.

We have been running about 60 schools for children who have been out of school and this will increase to 100 schools during the coming year. Within the next quarter, we should have reached 20,000 children who have been out of school.

However, we also want to improve the quality of the receiving government schools with extra teachers, teacher training, school material, etc. Last year, we also started 300 evening tuition centres for 13,000 children who need after-school help. We expect to start 500 new centres this year.

There are now 17,500 volunteers in the villages and they are important connections at the grass-roots level and for sustainability when Hand in Hand staff move on to new villages, districts, and states. Invaluable work is for example done by volunteers in the Child Rights Protection Committees and in the Women's Rights Protection Committees. We expect the number of volunteers to be 25,000 by the end of this year and 50,000 by 2012.

Hand in Hand is branching out to three more states: Andhra Pradesh, Karnataka and Madhya Pradesh. Also, either Maharashtra or Rajasthan may be approached before the end of the year. We provide financial literacy, entrepreneurial training, and bank linkages to already established NGOs and



SHGs. We train the trainers and thereby leverage our job creation model outside Tamil Nadu. Our five NGO partners in Andhra Pradesh have 10,000 SHGs with 150,000 women, and in Karnataka and Madhya Pradesh, we also form SHGs ourselves.

Hand in Hand has been active in Afghanistan for two years after we were invited by President Hamid Karzai. An NGO was formed a year ago and we have been running seminars in Tamil Nadu and Kabul. We presented a plan for 2.2 million jobs in rural areas in March 2006. In September 2007, an "Afghanised" version called the Afghanistan Rural Enterprise Development Programme (AREDP) of USD 600 million was launched. Hand in Hand is running a few pilot projects in northern Afghanistan to illustrate how our "job creation machine" works on Afghan soil. The big challenge ahead is to participate in the training of 5,000 local aid workers as the AREDP starts to roll out later in 2008.

The Inter American Development Bank (IDB) and its fund have asked Hand in Hand to set up a pilot project in Latin America and we have agreed on Bahia in northeastern Brazil. We expect to start the project later in 2008. Interest has also been expressed from several other countries, among them Ghana and China. We are, however, limited by the availability of trained people to send out.

We strive towards our key objective of poverty elimination through:

- The grassroots level, five-pillar programme in Tamil Nadu, which illustrates what can be achieved on a large scale;
- The transplanting of our job creation model to other Indian states and to other countries; and
- Receiving the many visitors and delegations in Tamil Nadu and lobbying with governments, the World Bank, and developing banks for reallocation of funds towards self-help through microfinance and entrepreneurship programmes.

The past year has been characterised by major progress in all these avenues and we have an exciting journey ahead of us.



Percy Barnevik  
Chairman  
Hand in Hand International (UK)



# Voting is Your Right! Vote for Your Rights!

▼ The Global Vote sign painted on the ground.

**W**EDNESDAY 19 MARCH 2008 was a bright and festive day at the Hand in Hand-run Poongavanam Residential School in Kancheepuram District, Tamil Nadu. Bright floral patterns span-gled with glitter adorned the gravel ground outside the school building. Banners and streamers flapped merrily in the wind. Children scurried about looking busy and important. Most were dressed in colourful finery, and the air was taut with high expectations. Many of them were lined up outside a room that had ballot boxes and voting sheets.

Elections? In a school? And what was this? There was a child dressed like Mahatma Gandhi, complete with bald head, round wired glasses and walking stick. Close on his heels was a saffron-clad Swami Vivekananda and a black jacketed, turbaned Bharatiyar. I bowed automatically to all three as they walked by, wondering what was going on.

When I finally asked the children milling around me, I found that it was the Global Vote Day, the day all the world's schoolchildren have their very own election. You do not have to be 18 years old to participate; between 14 January and 14 April, children all over the globe can vote.

That day, Hand in Hand brought with it as many as 1,500 children studying in its transit schools and residential schools. In addition, students from two





▼ Children dressed up as Bharatiyar, Mahatma Gandhi, and Swami Vivekananda.

government schools to which many of Hand in Hand's students have been mainstreamed also took part in the vote. These schools are among the 33,000 Global Friend schools with 16 million students in 86 countries. And that number is growing fast.

The Global Vote Day was organised by the Swedish-based World's Children's Prize for the Rights of the Child (WCPRC). And what or whom were they voting for? Well, WCPRC is an organisation that recognises the rights of children and the need to bring to the forefront the lives of those who give children their rights. Through functions such as this, it provides a platform for children to become aware of their rights and to understand the importance of people over the globe who respect children's rights.

Three women from around the world have been recognised by WCPRC as having contributed greatly to the cause of child rights: Josefina Condori (Peru),



Agnes Stevens (US), and Somaly Mam (Cambodia). These three have been nominated for the 2008 WCPRC. All of them have worked to help children gain what is their due, and some of these women have themselves had a very tough childhood.

WCPRC sent reading material on the lives and work of these women to all their registered organisations. In turn, Hand in Hand prepared and showed a presentation of this content to the school children. One book in Tamil was given to each group of five children for them to read at leisure. As they slowly absorbed the information, it was a revelation to the Indian children to know that suffering was not restricted to people living in developing nations, and that children were denied their rights even in affluent societies. What was even more touching was the knowledge that there are people who, although oppressed as children, had not become cowed down or embittered, but had emerged as leaders. They were now showing others how to transform suffering into a life of achievement and inspiration for others.

After three weeks of listening to the accounts of

these women's work in their morning assemblies, reading about them in the pamphlets, and seeing their posters – all printed in Tamil – hung around school (even the screensavers on school computers had the pictures of these three women!), the day finally came when each child was asked to vote for whoever they felt had done the most for the cause of child rights.

This was that momentous day. And it was just like a real election: voting sheets, ballot boxes, screens to allow voting to take place in privacy – the works. All that was missing was aggressive campaigning and corrupt politicians. Counting of votes would, of course, be done in strict accordance with international regulations. Not only do the children learn about children's rights and the people who fight for their rights, they also learn about correct election procedure.

It is these schoolrooms that nurture our future citizens and it is here that the vital lessons of citizenship and human rights must be taught. 🌸

NEERAJA RAGHAVAN

# Hand in Hand at a Glance

*Hand in Hand is an Indian Public Charitable Trust active in Tamil Nadu and Pondicherry, India, and also in Afghanistan and South Africa. We want to eradicate child labour and reduce poverty with a focus on education, health, democracy, and environmental protection. We also aim to raise income and living standards through self-help for the poorest members of society, particularly women, with financial and entrepreneurial training, literacy training, and microfinance.*

In order to attain this, we are implementing an Integrated Community Development Programme for poverty reduction with five interconnected and interdependent pillars:

- Self Help Groups and microfinance for enterprise and job creation
- Child labour elimination and education
- Citizens' Centres to bridge the digital divide and strengthen grassroots level democracy
- Medical camps and awareness campaigns to improve rural health levels
- Environmental protection via solid waste management and watershed projects

Hand in Hand stands out among other NGOs. Entrepreneurship and innovation are leading themes in everything we do. Our central administrative costs are a mere three percent of the total expenditures. Our projects always aim for social, economic, and environmental sustainability. We do not want to be a permanent distributor of aid and create dependence; instead, we aim always at self-help. Our strategies and interventions are adopted after grassroots-level participation, and they are aligned with macro-level policies and the UN Millennium Development Goals. We work in close cooperation with local institutions and avoid creating parallel structures.

## Vision and Mission

Our vision is to eradicate child labour and reduce poverty with a focus on education, employment, income generation, and empowerment.

We are committed to the eradication of child and bonded labour by mainstreaming deprived children into regular schools. We also work for the empowerment of women by creating micro-enterprises and by promoting income generating activities and "jobs for growth". Additionally, Hand in Hand focuses on strengthening grassroots democracy by setting up Citizens' Centres. Finally, we promote health and hygiene among rural populations, as well as work to protect the local environment via solid waste management and watershed interventions.

## Principles

All of our activities are guided by the following principles:

- Pro-poor – we aim at targeting the poorest of the poor by using household income as the primary parameter when identifying beneficiaries
- Help to self-help – we believe in a clear focus on training and capacity building
- Economic empowerment – we see economic empowerment as the first step towards becoming an

active and inclusive citizen

- Bottom-up approach and participatory learning – we use participatory rural appraisal methods and let the community lead the way in defining the problem and the solution
- Mainstreaming gender in all activities – we see women as "agents of change" in the development process and aim to create gender awareness
- Working in coordination with local institutions – we do not create parallel structures but rather work together with the government and fill the gaps
- Holistic approach – we tackle poverty from different angles and so have a bigger impact
- Grassroots level network – we involve the community by organising volunteers, thereby socially sustaining our projects and creating local ownership
- A model organisation – we carefully measure results and the quality of our work and strive to constantly increase productivity
- Transparency and accountability – we are transparent in all our actions, documentation, and reporting

## Funding

Hand in Hand presently receives funding from our support organisations Hand in Hand International, Hand in Hand Sweden, and from Hand in Hand





US under the umbrella organisation Give2Asia. Major donors include:

- Stichting af Jochnick Foundation
- Hans Rausing and family
- Percy Barnevik and family
- Eva and Staffan Hamrén-Larsson
- Sven Hagströmer and family
- Leif Lundblad and family
- P O Söderberg and family
- Peje Emilsson and family
- Lennart Björk and family
- Aidan Clegg
- Sachdev GMSP Foundation
- FMO
- Government of Tamil Nadu
- Government of India
- Global Giving
- Give India
- IFC, World Bank Group
- Radiohjälp
- NABARD
- Pfizer Foundation
- Asha for Education
- Sandrew Foundation
- Läkarmissionen
- Salcomp India
- General Motors
- H&M Anniversary Foundation
- Avanza
- SWECO
- WM Data
- Ashok Leyland
- Ericsson

Apart from the aforementioned donors, we also receive funding from other companies and private individuals. Their assistance has been critical to our operations, as our activities and sphere of work have grown significantly in the last years. With our continuing rapid growth, further support and funding will be important.

### Why Hand in Hand

Hand in Hand is different from other NGOs. Entrepreneurship and innovation are leading themes in everything we do. Our projects always aim for social, economic, and environmental sustainability. We do not want to be a permanent distributor of aid and create dependence; instead, we always aim to generate self-help. Our strategies and

interventions are adopted after grassroots-level participation and are aligned with macro-level policies and the UN Millennium Development Goals. We work in close cooperation with local institutions and avoid creating parallel structures.

Our focus on productivity and quality sets us apart from many other NGOs since we have clear qualitative and quantitative parameters to measure our impact and always strive to improve. We are highly decentralised and keep our costs low. We invest extensively in internal training to build both technical expertise and organisational culture, which includes an active and strict stance against bribes and other forms of corruption. Most important, we work hard to put clear systems and structures in place that ensure transparency and accountability.

Hand in Hand views microfinance as the entry point for income generation and poverty reduction, and we have developed a unique Hand in Hand model for Self Help Groups and microfinance. Any microcredit extended by us must go straight into income generating activities and not into consumption – this is a point where we do not compromise.

Hand in Hand is a grassroots organisation that works with individual women and children, families, and communities. To strengthen our grassroots penetration further, we mobilise civil society to set up “rights protection committees” with community volunteers. This network of volunteers safeguards social sustainability in our projects and the present 17,500 volunteers are expected to multiply in coming years.

Hand in Hand recognises that the most efficient way to achieve sustainable development is for private stakeholders, civil society, and the government to work together in joint efforts. We work closely with local government bodies as well as with the local business community.

The scale and ambition of our operations clearly distinguishes us from other NGOs. We want to be an active contributor to the eradication of extreme poverty globally. Hand in Hand’s approach identifies the gaps in existing anti-poverty programmes and supplements them so that poverty can be reduced faster and on a sustained basis. Beyond our work in Tamil Nadu, we are exporting our model of enterprise and job creation to other Indian states and other countries as well.



# From Invisible to Bankable

**T**HEIRS IS ONE of 1,200 farming families in Kancheepuram in South India. Families that struggle to make a living in extreme poverty. With little or no education, they get few chances to change their future. Problems range from the low availability of quality seeds, to the near total absence of technology or scientific knowledge about cultivation. Few own the land they till. In fact, to even work on a piece of leased land is considered fortunate; there are many who are just daily labourers toiling on others' farms. And then there are the rats. After the gruelling, long days of labour, rats eat at least 50 percent of the yield. Until two years ago, Lily Mary and Amala's family had known no different life.

Then, the two sisters joined a Self Help Group (SHG) run by Hand in Hand in their village. Slowly, their eyes opened to change. The SHG offered tips on efficient land cultivation. "Most farmers do not use all the land they have access to," explains Mr Meenakshi Sundaram, Director of Operations, Hand in Hand. "They manage to cultivate only one or two acres. We teach them not only how to use land better, but also how to use techniques that can help them produce more."

In a joint project with the National Agro Foundation, Hand in Hand demonstrates these methods to the farmers on a small area, showing how much the family can increase the yield from

their field by, for example, using pesticides. Farmers learn the importance of regular watering, or about administering simple soil tests that tell what kinds of nutrients the soil needs. "This way, the farmers see with their own eyes how much more produce they can obtain from the land," says Sundaram.

▼ A silent scarecrow helping to keep away birds and other animals.





▼ Since the Hand in Hand intervention, the yield has increased considerably.



Lily Mary's family managed to triple their crop in only one year after changing their farming technique, and Amala says that thanks to the changes her family made, they went from farming for their own needs, to being able to bring their produce to the nearby market to sell for a profit. "I have no more loans," Amala says with a proud smile. "I went from being in debt to opening up a savings account." The money is being saved for the education of her three children.

Her father died when she was only three years old, leaving her mother alone with five little girls to raise. Their education was short-lived and replaced by hard work on the small farm. When Amala and Lily Mary were about to get married to distant cousins, their mother did not have much to offer as dowry. The girls disappeared into the families of their husbands, ranking lowest in their new relatives' hierarchy.

"My husband was afraid of his mother, so she was left alone to harass me," Lily Mary recalls. "I managed to endure her pestering for five years; then I had to escape. My mother-in-law was furious but gave us a small piece of land off her property. It was poor land and did not give us much income. Life was always a struggle, no matter how hard we worked."

Lily Mary and her husband borrowed from local moneylenders to invest in a better piece of land. With a 100-150 percent interest rate on the loans, this attempt to make life easier proved to have the opposite effect. But their decision to join an SHG made the big difference. Now, they get support from the SHG and together they have learnt about savings and mutual loans as well as received loans through Hand in Hand for investments and improvements.

This change in life has had its consequences in Lily Mary's life as well. "My mother-in-law has become much more agreeable after our farm became more productive. The fact that I am the only possible loan-taker and not my husband has slowly made her respect me. I have climbed the social ladder and it is through me that our family's income has increased, and that our children's future has changed substantially," says Lily Mary with a smile full of pride and hope. 🌸

LENI SÖDERBERG

# A Holistic Approach

*Hand in Hand targets the poorest of the poor in its aim to create sustainable and replicable poverty reduction models. Our Integrated Community Development Project with its five interconnected pillars has proven to be an efficient tool to attack poverty holistically.*

## SHGs and Microfinance

The focus of Hand in Hand's Self Help Group (SHG) and Microfinance Project is to alleviate rural poverty and empower women, especially women from the most marginalised groups. We want to engage the poorest of the poor in our "help to self-help" project and income generating activities. Hand in Hand sees economic empowerment as imperative to increase living standards and to make women "agents of change" and active citizens, able to recognise and safeguard their rights.

In order to alleviate rural poverty and empower women, we organise democratically governed SHGs, provide training and capacity building, facilitate access to affordable and flexible microfinance products through a savings-driven approach, and support group members in building sustainable livelihoods.

We believe that when microfinance products are offered to women for asset creation and income generation, it improves their status and strengthens their position in the family, allowing them to migrate from poorly paid work or unpaid household work to self-employment and entrepreneurship. However, access to microfinance is not enough if women are to be empowered at all levels. It has to be combined with comprehensive training and capacity building or else we face the risk of microcredit being used for fast private consumption and leading

to a debt trap, thus enforcing old gender stereotypes where women borrow and men spend.

The Hand in Hand model stands out for its firm focus on entrepreneurship, capacity building, and emphasis on the "help to self-help" process. We provide entrepreneurial, financial, and vocational training, as well as training in functional literacy and arithmetic to SHG members. We also offer business support and coaching in areas such as production, quality control, pricing, marketing, distribution, and logistics.

## Child Labour

Hand in Hand is committed to eliminating child labour; we define every child out of school as potentially engaged in labour. Many children are bonded and have worked long hours under terrible conditions, others have dropped out of school after failing their final exams. In order to meet the different needs of children, we work through a number of activities such as transit schools, residential schools, evening tuition centres, and motivation centres, all of which employ alternative and innovative teaching methods. We are careful not to create parallel structures to those set in place by government; instead, we aim at identifying and filling existing gaps. The overall aim of all our educational interventions is to prepare children for regular schooling and to monitor retention in schools; our minimum target

is that all children shall complete standard ten.

Hand in Hand's child labour interventions focus on mobilising civil society around the cause, and on universal education. Together with the community, we conduct street plays, rallies, group motivation sessions, and meetings. Hand in Hand also systematically maps all school-going and non-school-going children in the village. To sustain the work and create an enabling and supportive environment that ensures the rights of children, we organise community volunteers into Child Rights Protection Committees (CRPCs). The committees, consisting of headmasters, teachers, youths, parents, and local leaders, are given intensive training on the rights of children, the importance of education, how to raise resources to support children in their village, and how to strengthen and monitor the local schools. An important aspect is the strengthening of government schools through extra teachers and strong parent-teacher associations.

Children in the age group of 9-14 years who have been out of school for more than six months are encouraged to start at our motivation centres. Children who are unable to live with their families can join our residential schools. With innovative educational methods, these schools aim to rehabilitate children who have been through hardship and abuse and prepare them for regular government schools.





Children above 14 get little support from the government, and a mere 40 percent of children in rural India pass the Standard ten exam. For girls, this often results in early marriage while boys often end up as daily wage labourers. Hand in Hand's transit schools play an important role in breaking this negative cycle. Here, the children are given efficient coaching by qualified teachers who help them complete their studies and encourage them to enrol in higher classes. The student-teacher ratio is maintained at 15:1 and individual attention and coaching is given to all children.

Though school enrolment rates are increasing in

Tamil Nadu, graduation rates continue to remain low. The evening tuition centres for students in Standards 3 to 8 are an effort to achieve a higher graduation rate for schoolchildren by offering activity-based learning through an accelerated reading programme called *Padippum Inikkum* as well as science and arithmetic courses. For every 30 students, there is one tuition teacher.

### Citizens' Centres

The Right to Information Act, which came into force 12 October 2005, has as major objective to provide for the right of access to information to

the citizens of the state. However, people living in rural and semi-urban areas do not have the same access to information and communication technology that people living in cities are used to. This gap has further aggravated the inequalities between urban and rural, especially among young people and children. While skills in digital and information technologies are becoming obligatory for any individual wishing to take an active part in the economic and social development, those living in poor, rural areas have very little exposure to computers and risk remaining computer illiterate throughout their lives.

Hand in Hand's Citizens' Centre Project aims to facilitate poor and rural communities' access to information and communication technology, create awareness about the roles and rights of citizens, enable economic integration with nearby urban areas, and improve living and knowledge standards. We are currently promoting three different models under the project: citizens' centre enterprises, computer-aided enterprises, and computers for educational purposes.

The citizens' centre enterprises are based on an entrepreneurial model; each centre functions as a commercially viable, small service-business. They are run by entrepreneurs and offer services such as e-learning facilities, internet café, and a small library. Additionally, assistance is also given in obtaining a passport, birth certificate, and driver's license, registering for voting, writing petitions, etc. Hand in Hand is also providing loans to micro-enterprises to invest in a computer. The micro-enterprises use the computer as a tool in their business, e.g. desktop publishing, screen-printing, and mobile phone services. Lastly, Hand in Hand gives microcredit to private households for educational purposes.

To strengthen grassroots democratic participation, Hand in Hand mobilises civil society to form Good Governance Rights Protection Committees (GGRPCs). The committees work to safeguard good governance practices in the local administration, encourage democratic participation, and increase the villagers' awareness of and engagement in various socio-political issues. The GGRPCs also function as monitoring agencies; they ensure that student-teacher ratios are kept healthy, that ration shops are functioning according to government regulations, and that village health centres are run properly.

### Health

In order that the poorest and most marginalised groups of society have better access to healthcare, we organise regular medical camps in the intervention areas. In these camps, all members of the community, especially women and children, with varied health conditions avail of consultation, clinical examination, and basic treatment. Women seeking antenatal care and post-natal care are monitored separately. If necessary, people with serious medical



conditions are referred to the nearest government health facilities for better diagnosis and treatment. To reinforce the importance of sanitation, we also facilitate short-term loans for the construction of household toilets.

With malnourishment being one of the critical areas needing immediate attention, we also conduct micro-nutrition programmes for children who are severely to mildly malnourished. The growth of such children is monitored to ensure that they do not relapse into malnourishment. To supplement the activities of the government in child development, we provide material and upgrade and refurbish existing child welfare centres (Anganwadi centres) run by the government.

We also organise activities that mobilise the community and generate awareness through the Information, Education and Communication (IEC) approach that tackles various health, hygiene and sanitation issues. This is done through the village-level Health Mobilisers who conduct awareness programmes every Saturday, undertake daily visits to beneficiaries' homes, and organise regular meetings of village health volunteers.

### Environment

Hand in Hand sees the state of the local environment as key to the development process. Poor and marginalised people lack the resources needed to reduce the negative effects of a degraded environment. Conversely, they are usually directly dependent on their natural environment for daily survival. Thus, damaged ecosystems will hit the most vulnerable groups of society the hardest. In this light, the link between environmental change and human development is an important priority for Hand in Hand.

Our solid waste management project includes segregation, collection, transportation, and processing of household waste. Inorganic waste is segregated and sold to industry, while biodegradable waste is processed in vermicomposts. The manure is marketed and sold to farmers to promote organic and sustainable farming, as against conventional farming with pesticides and synthetic fertilisers. Through the solid waste management project, marginalised groups are offered employment opportunities while the natural environment in poor villages is improved and the soil rejuvenated. All our solid waste management initiatives are conducted





in close cooperation with the concerned panchayat (grassroots governance).

The increasingly dry climate and the drastically reduced groundwater levels across India can be limited or even reversed by managing water correctly. The purpose of Hand in Hand's watershed management project is thus to conserve both water and soil. This is done by digging out water tanks and harvesting rainwater, building terraces in hilly areas, turning wasteland into cultivatable land, and forestation. As a result, we are able to improve possibilities for irrigation and avoid erosion of the thin top-layer of soil while preventing the groundwater levels from sinking further. Major watershed projects are financially backed by the National Bank of Agriculture and Rural Development (NABARD) and the Ministry for Agriculture. We are also implementing smaller watershed projects funded by private donations.

### **The Village Upliftment Programme**

To strengthen Hand in Hand's Integrated Community Development Project, we have launched the Village Upliftment Programme, which focuses on implementing activities in all five focus areas in one village. A typical village selected by Hand in Hand for the Village Upliftment Programme has a population of 1,000-3,000 people and is remotely located. The village has poor infrastructure with a lack of facilities or poor maintenance of schools and government day-care centres. Due to the remote locale, such villages have limited access to medical services and public transport. Awareness about environmental, health and educational issues is also low.

Through the Village Upliftment Programme, Hand in Hand strengthens education, provides medical camps, forms SHGs and facilitates microcredit for enterprise. It also offers vocational training, establishes Citizens' Centres, and forms community-based committees to address issues of education, good governance, and health. Besides this, the programme increases awareness about environmental issues and leverages government subsidies to install household toilets.

Hand in Hand supports villages like these for a minimum of two years in order to give the community an opportunity to create a long-term change in the attitude and mindset of the people.

# A Village of Heroines

SIX MONTHS AGO, my husband and I decided to make a donation to Hand in Hand. Inspired by one of Mr Percy Barnevik's enthusiastic speeches that we heard in Stockholm, Sweden, we set our minds on sponsoring one of the 682 villages that surround the town of Kancheepuram, just west of Chennai in Tamil Nadu in southern India. Tamil Nadu has become the centre of micro-finance where several NGOs are creating history with their success in initiating rural, illiterate, and poor women into entrepreneurship through education, funding, and teamwork.

Sitting in a small SUV on the way to "my" village, with a group of friends, all involved in Hand in Hand as employees, sponsors, or potential donors, I recalled the impressions of the last two days: the experiences and the encounters we had had with the village women involved in the programme. When you sponsor a village, you create an opportunity for Hand in Hand to implement their Integrated Community Development Project, which works on the five pillars of microfinance and jobs for women, education and eliminating child labour, health and hygiene, environmental protection, and supporting democracy.

Already, we were all impressed by the dedication of the women. They had proven that given the opportunity, they knew how to invest their money wisely in economically-sustainable, income-generating activities. They had repaid their loans with an al-

▼ Leni Söderberg has funded one village as part of the Village Upliftment Programme.



most 100 percent repayment rate (99.7 percent). Their motivation was to become the masters of their own future without the interference of their men. I was impressed; we were all very impressed. Every night we discussed our experiences, amazed by the powers and strengths a woman and a mother, no matter how poor, can display. Now, I was on my way to see how much progress had arrived in a village that had recently received help from some of the 1,800 skilled staff of Hand in Hand.

As the car stopped at the village school, we noticed a large group of women and men dressed in the most colourful saris and veshtia, with flowers around their necks and wrists. We stepped out into the heat and were greeted with garlands of flowers, presented the "holy fire", and had our shins marked with a dab of sandalwood and our foreheads with red vermilion. Quite surprised, we moved towards the centre of the schoolyard only to find the most precious little girls dressed in silk saris, with beautiful hairdos, ready to dance and sing for us. All the other uniform-clad schoolchildren gathered around, staring at us with the curiosity and shyness only a child can exhibit. It was all new and exciting for us.

After the dancing and singing, we walked deeper into the village and were led to a bright green building. Here, scissors were placed in my hand and I was given a ribbon to cut. The inauguration of the new play-centre for small children had been completed. I noticed my family name on a colourful sign next



▼ Girls performing a traditional Indian dance for the guests.



to the entrance door. Next, I planted a medicine tree and then we were off to the village square where the women's Self Help Group sat waiting.

We talked to the group and it was obvious that they were as interested in us as we were in them. The women told us about their ambitions – they wanted to learn more about tailoring, buy sewing machines, and start a small-joint tailoring business. Most of them were making a living by running small shops, farming, or making biscuits. They hoped their incomes would improve if they worked together. Only five of the 30 women could read, but most of them had joined up for Hand in Hand's adult literacy evening programme, which taught anybody to learn how to read and write in 150 days.

Today was also the day of the doctor's visit. When we asked what kinds of diseases or injuries they had, they replied like children, pointing to their stomach, back or head. They had no words for any illness, but could only point to where the pain was coming from. The retired doctor, who volunteers for Hand in Hand, told us the most common problems were infections, body pains due to hard work, and malnutrition among the babies. It was comforting to hear that Hand in Hand had just started a project where all babies are given nutrients for healthy growth.

Our last stop was the embroidery hut. A group of young women of various ages sat on the floor with a piece of colourful material stretched on a frame on which they stitched pearls and trinkets with a speed that could only impress. They did not even have to look at what they were doing, which showed us the long hours they must have spent doing this task, over and over again.

As we walked back to the car, we were followed by giggling, dancing children and shy but persistent adults. I was suddenly completely certain that I had done the right thing. In this village in the middle of nowhere, a spring of entrepreneurship and expectations had emerged. With one donation, we enlightened the spirit of so many, giving hope to women nobody had ever before given any hope to, helping them to prove to the world that they are the true heroines of rural advancement. They build the future for their children by being the grassroots of a developing India as it struggles to move out of poverty. 🌸

LENI SÖDERBERG

# The Hand in Hand Group

*Within a short time, Hand in Hand has grown from a small NGO with a handful of staff, fighting child labour in Kancheepuram, into a leading global development organisation. Our focus has also broadened from child labour to include entrepreneurship, microfinance, democracy, health, and environment. However, it is still through our co-workers on the ground, who work with the people in Indian, Afghan, and South African villages, that change is brought about and lives altered.*

All our development activities are executed through the Hand in Hand Trust and the Socio Economic and Education Development Trust (SEED). Both organisations are active in the Indian states of Tamil Nadu and Pondicherry. They share the same vision and mission, have the same management with Dr Kalpana Sankar as CEO, and hold joint board meetings. From an operational point of view, it is one organisation, which we call "Hand in Hand". We implement three out of our five pillars under SEED, namely Citizens' Centres, Health, and Environment.

The rapid expansion of our Self Help Group (SHG) and Microfinance Project requires an uninterrupted flow of credit. Hence, Hand in Hand Microfinance Ltd was registered as a company with limited liability in December 2007 to cater to the financial needs of SHGs. We are currently waiting for our licence to conduct the business as a Non-Banking Finance Company from the Reserve Bank of India, which is expected to come soon. Hand in

Hand Microfinance Ltd is under the overall control of the Managing Trustee of Hand in Hand. With this "special purpose bank", we can better supply our SHGs with microcredit.

Hand in Hand started off in a few villages in the district of Kancheepuram in Tamil Nadu. In the last few years, there has been a substantial expansion both geographically and in terms of development intervention. The initial projects focused solely on child labour elimination but have since evolved into a comprehensive and holistic five-pillar programme for poverty reduction. Today, we are active in 13 districts in Tamil Nadu as well as in Pondicherry, and are setting up offices in three neighbouring states, namely Andhra Pradesh, Karnataka, and Madhya Pradesh. Two years ago, we also started work in South Africa and Afghanistan and we have plans to launch projects in other countries as well, including Brazil, Ghana, and China.

Today, some 2,000 employees, 2,400 part-time teachers, and 17,500 volunteers are engaged in our

work, many of whom come from the communities in which we work. We are moving towards a matrix organisation where we will strive to build an effective local/regional network (village, block, district, state, national, and global) that will also have strong pillars/divisions. Each division management has global responsibility for strategy, training, and expertise. The matrix is most pronounced in the SHG and Microfinance Project, which has the biggest geographical spread.

Horizontal integration is another important organisational feature and Hand in Hand has adopted a holistic approach where the five pillars support each other. During the last year, we experienced how an integrated approach can create new and innovative projects and methods as well as generate spill-over effects. A good example of this is the vermi-compost enterprise, an environmentally sound and commercially viable micro-enterprise that has evolved from both solid waste management and microfinance. The newly launched Village

Upliftment Programme is another important illustration of horizontal integration. Village by village, all five pillars are being implemented simultaneously: SHGs are formed, micro-enterprises are started, the village school is improved, a Citizens' Centre is set up, health activities are conducted, a vermi-compost unit is started, and so on.

Naturally, creating an efficient and effective matrix organisation where individuals work and learn within as well as across divisions is a challenging and ongoing process. During the last few years, we have taken our first steps to becoming a learning organisation characterised by curiosity, openness, and teamwork.

### Executives

**Kalpana Sankar**, CEO and Managing Trustee – Sankar holds a PhD in natural science and has been involved in the women's self-help movement in Tamil Nadu for the last 12 years. She has been a consultant with UNOPS, UNDP, Christian Aid, and Wetlands International on gender and micro-finance issues. Sankar has also authored several books on microfinance and women's empowerment and is at present pursuing doctoral studies in women's studies at the Mother Theresa Women's University, Tamil Nadu, India.

**Kalyani Rajaraman**, Project Director, Child Labour Elimination and Education – Rajaraman holds a Masters in Psychology from Madras University and a Postgraduate Diploma in Guidance and Counselling from Annamalai University. Between 2001 and 2004, she was responsible for conceptualising and establishing schools for special children in Kancheepuram and Thoothukudi districts.

**Karuthoviyar Venugopal**, Project Director, SHGs and Microfinance – Venugopal is an agricultural engineering graduate from Tamil Nadu Agricultural University, Coimbatore. He started his development career with Professional Assistance for Development Action. He has worked at the grass-roots level in microfinance and natural resources management, including conservation of irrigation tanks and watershed development.

**C Meenakshisundaram**, Project Leader, SHGs and Microfinance – Meenakshisundaram holds mas-

ter's degrees in both Commerce and Sociology and has more than 20 years of experience in the development sector. He started his career with the Association for Sarva Seva Farms and moved on to become Managing Director for their microfinance and livelihood programme. Before joining Hand in Hand, he was Manager of the Tsunami Relief and Rehabilitation Programme at the Adventist Development and Relief Agency.

**Pejman Altafi**, Project Director, Citizens' Centres – Altafi has a rich business/entrepreneurial background. He has been involved in starting up, developing, and running several small companies in Sweden and Iran for the past ten years. He holds a master's degree in Mathematics from Stockholm University and he is fluent in English, Farsi and Swedish, and has a working knowledge of Arabic.

**Ashwin Kumar**, Project Director, Health – Kumar has an M Phil in Economics from the University of Madras and has been involved in social research, especially public health and reproductive child health, for the last seven years. He started with the ORG Centre for Social Research in Chennai and then moved to Social and Rural Research Institute in New Delhi. He has rich experience in working with rural communities across the country and has handled several projects for a variety of clients.

**Amuthasekaran Nachiappan**, Project Director Environment – Nachiappan is a postgraduate in Sociology. Nachiappan has project experience in watershed management, promotion of renewable energy such as biogas, solar and wind energy in rural areas, natural resource development, and personality development projects.

**Murugan**, Project Leader Operations, Village Upliftment Programme – Murugan holds a degree in Rural Industries Management and Economics and has over 20 years of experience in various community-based development activities, especially in the field of SHGs, training and capacity building, watershed projects, and research and evaluation. Before joining Hand in Hand, Murugan worked as Sector Officer at MYRADA.

**Sofia Nilsson Altafi**, International Coordinator

– Nilsson holds a master's degree in Business Administration and Economics from the Stockholm School of Economics. Before joining Hand in Hand, she was Advisor in economic and social issues at the Delegation of the European Commission to the UN. She has also worked as Project Coordinator on the Middle East at the International Council of Swedish Industry and as a Research Assistant at the Stockholm School of Economics.

**Shinu Singh Trikha**, Project Coordinator, Documentation – Singh completed her master's in International Development from MIT and her bachelor's degree in Urban Planning from the University of California. Singh has worked with various non-profit organisations in the US, India, and Australia.

**Hemantha Kumar Pamarthy**, Managing Director, Hand in Hand Microfinance Ltd – Pamarthy has extensive experience in finance, micro-enterprise development, sales, and marketing. Before joining Hand in Hand, Pamarthy was Chief Operating Officer at Sarvodaya Nano Finance Ltd. He has also worked as General Manager, Marketing at Lookman Electroplast Industries Ltd, as Associate Vice-President at SREI International Finance Ltd, and as Senior Branch Manager at Apple Credit Corporation Ltd.

**K P Kasturi**, Director, Hand in Hand Micro Finance Ltd – Before joining Hand in Hand, Kasturi was Deputy General Manager in the Department of Supervision at the National Bank for Agriculture and Rural Development (NABARD) in Tamil Nadu. He has also been functioned as Assistant General Manager, Investment Credit Department, at the NABARD head office, and Assistant General Manager of District Development.

### Trustees Hand in Hand

Kalpana Sankar	S Chinnappan
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### Trustees SEED

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K Thiagarajan	





## Hand in Hand in South Africa

Hand in Hand has been contracted to assist the Government of South Africa to conceptualise the Accelerated and Shared Growth Initiative for South Africa (Asgi-SA), which focuses on the “second” economy, that is, the National Programme for Creation of Small Enterprises and Jobs.

Since January 2006, Hand in Hand has trained more than 1,000 development workers and key staff members of the Independent Development Trust, the Department of Agriculture, and the Central Technical Unit, which are the main drivers of the programme. As a result, the Government of South Africa has engaged 13 community-based organisations to implement the SHG model. Hand in Hand has also started a pilot project with the Mangaung University of the Free State Community Partnership Programme (MUCPP) to bridge critical links for the success of the SHG model.

## Hand in Hand Afghanistan

When the Afghanistan Rural Enterprise Development Programme (AREDP) was presented as a presidential initiative by HE Mr Hamid Karzai in October 2007, it was a proud day for Hand in Hand. After 1.5 years of trainings, workshops, lobbying, and support to the Government of Afghanistan, our initiative had resulted in a national programme that aims to create 2.2 million jobs in 70 percent of the rural villages over a ten-year period. AREDP has been budgeted at USD 580 million, and World Bank funding is expected to commence during the next financial year.

With AREDP in place with full Afghan ownership, the role of Hand in Hand has changed. During 2007-2008, we have focused on practical support of a speedy implementation in the field. Activities have included:

- Six-month training of business development trainers in seven of the provinces where the AREDP is planned to start
- Involvement in a project analysing value chains and creating business plans for SMEs in the Balkh province
- Consolidation/expansion of the existing Self Help Group project in the Badakshan province
- Mass-mobilisation into entrepreneurship in the Balkh province. The first AREDP pilot project is implemented under an MoU between Hand

in Hand Afghanistan and the Ministry of Rural Rehabilitation and Development with funding from the Government of India

## Hand in Hand Sweden

We have a continuous and close cooperation with our support organisation Hand in Hand Sweden. Hand in Hand Sweden is a non-profit NGO accredited with account number 90 00 91-0. 90-series accounts are granted for not-for-profit fundraising and complies with strict auditing standards.

The main purpose of Hand in Hand Sweden is to make the work of Hand in Hand Tamil Nadu well-known, mould public opinion in favour of our self-help development model, and seek funding for Hand in Hand Tamil Nadu. Individual, corporate, and public development assistance funds are channelled through Hand in Hand Sweden. Hand in Hand Sweden also establishes fundraising partnerships with schools, foundations, and development support organisations willing to promote the Hand in Hand model.

### Board Members

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Susanne Tägtström	Leni Söderberg
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## Hand in Hand International (UK)

Hand in Hand has a continuous and close cooperation with its support organisation Hand in Hand International (UK), a UK-registered charity. The organisation was founded in 2006 and functions as a bridge to the fast-growing Hand in Hand Tamil Nadu and Hand in Hand Afghanistan. The UK-based organisation works with fundraising, marketing, PR, partnerships, and strategy development. A team for international marketing strategy has also been formed under the leadership of Göran Thorstensson, founder of PR agency Springtime.

The Chairman of the Board of Trustees is Percy Barnevik. Barnevik is one of our most important donors and advisors. Barnevik's career includes having been President and/or Chairman

of Sandvik, ASEA/ABB, Skanska, Investor, and AstraZeneca. Presently, he is on the board of General Motors and plays an advisory role to several governments and companies. Our other trustees are Eric Drewery, Marguerita Rakus, and Annie Fitzgerald.

## Advisory Councils

In 2007-2008, we formed Advisory Councils in Sweden, Norway, the UK, and the US. The councils consist of donors as well as individuals from the business sector, researchers, journalists, and philanthropists. The councils contribute to marketing and fundraising efforts. They are open and ad hoc in shape, as we want to extend our network as much as possible. People who participate want to help us as best as they can with whatever expertise and networks they have.

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# Fighting Child Labour with Swedish Radiohjälpen

**T**HANKS TO A USD 40,000 grant from Swedish Radiohjälpen, Hand in Hand has been able to open a much-needed residential school in Vellore district for children who have been rescued from child labour. The school accommodates 75 children who have been working or who have dropped out of school, but many more students want to join school. The children are 9-14 years old and some have never been to school before. Instead, they come from the harsh realities of child labour and abuse. The Vellore residential school functions as a “bridge school”, where the children stay for about 6-18 months before they are integrated into government schools.

Vellore district is known for its *beedi* industry, a small cigarette rolled in a leaf, which employs a large number of women and children. Many children are pledged by their parents to the contractors and forced to work from dawn to dusk, with the parents having no right to question the contractors until the loan is repaid. A trained child makes INR 22 (USD 0.5) for every 1,000 *beedis*. Apart from *beedi*-making, children in Vellore graze cattle, work on fields, in stone quarries and looms, or as domestic servants. These children do not go to school and are victims of oral abuse or even physical and sexual assault. They are punished for coming late, for gossiping, for sleeping during working hours, or for working too slowly. The hard work leaves lasting marks on their young and developing bodies, and on their minds.

Hand in Hand faces many obstacles in its attempt to get these children to come to school. The parents fear economic problems if their child goes to school instead of contributing to the family income. There may also be cultural issues, since girls are not expected to talk to boys or even leave their homes in



▼ Children who have been out of school are learning using alternative and innovative methods.



some cases. Hand in Hand mobilisers have to talk to the parents to persuade them about the need to let children study, and to reassure them that their children will be well protected in the school.

When 13-year-old Thirupathi came to the Hand in Hand school, it was the first time he was stepping inside one. He used to help his family by herding goats and doing agricultural labour. Today, he has no time to think about goats, as he is busy learning Mathematics, his favourite subject, and playing his favourite game cricket. By getting an education, Thirupathi can now become a “big man”, as he puts it.

Ms T. Elamathi is one of the five teachers at the school. She tells us that the reaction in the nearby

community has been very positive; people are happy to have the school. “The children now learn how to read and write, they have access to a library and a computer, and it is obvious that they will have a brighter future, thanks to this school.”

Elamathi and the other teachers use special methods to teach children who have never been schooled before. In the first few days, the child plays freely and gets used to being in the school environment in a natural way. When the child begins to feel at home, the teachers use activity-based learning techniques with ladder cards to teach Maths, Science, Tamil, English, and Social Studies. Starting at level zero, these cards have lively logos on them to indicate both the subject and the level of the card. The

entire system is designed to be self-directed from start to finish. Formal textbook learning would only put these children off learning, or worse, intimidate them. Given that these children are on the campus all day, the teachers get plenty of opportunity to give individual time to each group, and to conduct learning reviews every evening.

Radiohjälpen is the fund-raising branch of the Swedish national television and radio stations. The foundation has earlier funded the Hand in Hand-run Mahatma Gandhi Primary School in Kancheepuram as well as Poongavanam Residential School for children who have been working. 🌸

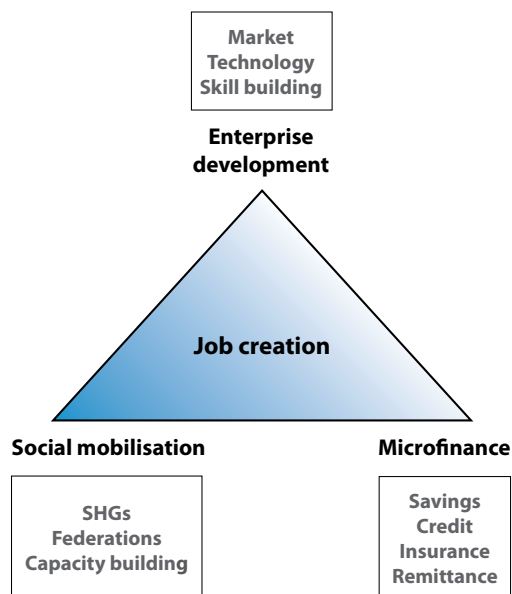
ERICA STRÖM



# Creating Jobs and Empowering Women

*Hand in Hand's strategy for creating jobs and empowering women consists of an integrated multi-dimensional approach with three components – social mobilisation, microfinance, and enterprise development. Our model stands out because of its firm focus on entrepreneurship, capacity building, and training.*

Improved access to microfinance along with social mobilisation and support in enterprise development can help the poor to get out of negative debt cycles, manage consumption, and handle risks better. It also helps them to build assets, develop new, and improve existing, income generating activities, and thus achieve a better life. Microfinance services combined with enterprise development have a strong impact on reducing the intensity of poverty and on specific socio-economic variables



such as children's schooling, household nutrition, and women's empowerment.

## Social Mobilisation

Social mobilisation is an approach that empowers people to participate actively in the development process – through their own local initiatives and through well-informed and constructive dialogue at various levels. The approach emphasises community action and ownership by involving the people in achieving development goals through self-reliant efforts and by taking into account their needs. The idea is to empower individuals and groups for action so that the joint effort can transform development goals into societal action.

Hand in Hand uses social mobilisation to organise women into Self Help Groups (SHGs). An SHG typically consists of 12-20 women who have come together from a homogenous socio-economic group. We target the most disadvantaged, marginalised, and poor sections of society, that is, women with a household income of less than USD 2 per day. Networking within a group increases the women's self-confidence and self-esteem, broadens their powerbase, and creates a strong sisterhood. The groups and clusters of groups hence function as platforms where women are able to critically analyse their problems and identify ways to overcome them. Through the groups, women get increased access to and control over economic, social, and political resources in both the family and the com-

munity domain.

The first step is to select a leader/animator and decide on the group bylaws and code of conduct in a democratic manner. All members agree to make regular savings that are converted into a common fund. When the pool of resources is large enough, individual members are able to take small interest-bearing loans based on group decisions. This first stage helps us reinforce the importance of a savings-driven microfinance process. Hand in Hand also stresses the need for financial management/discipline and banking skills, and an important step is for the group to open up a formal bank account. However, it is worth noting that the SHG savings are not kept in the bank account but allowed to rotate among the group members as loans, and the books of accounts serve as proof of the group's total savings and financial conduct.

Hand in Hand's training and capacity building programme includes adult literacy training, financial and entrepreneurial training, and vocational training. The high level of illiteracy among SHG women makes adult education very important. Hence, Hand in Hand offers an intensive, 150-day literacy and arithmetic course to all illiterate women. We familiarise the members with banking procedures such as interest rates and loan repayment, and the women also receive training in book-keeping, accounting, and insurance, as well as the principles behind the SHG approach with meetings, minutes, and bylaws.





## Microfinance

Microfinance is the provision of a range of financial services such as savings, loans, and insurance products to poor and low-income households and their micro-enterprises. These financial services have been recognised worldwide as critical to poverty alleviation and employment generation. It is often the lack of access to credit that deters the poor from utilising opportunities of income generation, as they cannot afford the required investment. Similarly, the absence of savings reduces their capacity to handle consumption issues and emergencies. In a difficult situation, the poor can turn only to usurious financial operators, thereby being pushed into a debt and poverty trap. Neither do the poor have any risk cover, which means they are unable to sustain businesses in the face of mishaps. They are forced to abandon their enterprise at the slightest hint of trouble, almost never to return to it again.

Within three months of formation, every SHG is assessed on various parameters such as group solidarity, governance issues, attendance at meetings, or financial transactions within the group. If the group gets the required rating points, Hand in Hand facilitates the provision of small loans – either directly from Hand in Hand or indirectly from a bank – for starting new, or expanding existing, family-based micro-enterprises for one-third of the group members. Credit is thereafter provided to remaining members in a phased manner.

It is important to stress that neither Hand in Hand nor the banks ask for any collateral from the group members. Instead, the SHG serves as the guarantee that the group will save, take loans, and repay on time. In addition, external loans from Hand in Hand or a bank are not given to individual group members but to the SHG as a whole. The members are jointly responsible for the repayment; experi-

ence shows, there will be peer pressure if one of the members defaults. Hand in Hand strives to ensure that 80 percent of the SHG women have their own enterprise within 18 months of group formation. The repayment rate is extremely high with credit losses a mere 0.5-1 percent.

## Enterprise Development

Access to credit is not enough if women are to be empowered at all levels. In order to promote and strengthen micro-enterprises, we aim to build the capacity of the entrepreneurs as well as provide direct business support services to improve profitability.

Today, Hand in Hand promotes two kinds of enterprises, family-based micro-enterprises and medium-sized enterprises. The former are those economic activities that are owned and operated by individual households with labour largely supplied by the concerned household. These enterprises require low investments of less than INR 50,000 and target the local market within the neighbourhood and the nearby town. The major role of Hand in Hand here is to provide/facilitate credit for start-up and scaling up as well as to support the enterprise with technological know-how through training and capacity building.

Medium-sized enterprises are those owned and operated by a group of four to 20 women with their own labour, occasionally, they can include 50-70 people. Here, the investment required is above INR 50,000. The support includes identifying an entrepreneur, motivating the group to start an enterprise, choosing an enterprise, providing/facilitating credit, training the group in production, marketing and management, and facilitating backward and forward linkages. Hand in Hand handholds the business until the group gains confidence to continue on its own.

Entrepreneurial training focuses on basic things such as cost calculation and pricing, marketing and distribution. Hand in Hand consultants train micro-enterprises in production and quality control as well. In addition, Hand in Hand provides members with intensive training in certain vocational skills so that they can start enterprises. These skills could be garment making, baking, beauty care, jewellery making, paper conversion, dairy farming, vegetable cultivation, fashion design, etc. Presently, more than 300,000 women have started or expanded 161,000 family-based micro-enterprises and 600 medium-sized enterprises.

# Wriggling out of Poverty

**F**AR AWAY FROM nowhere, in Kancheepuram district of Tamil Nadu, is a village called Thirupukkuzhi. You probably cannot even pronounce it but it is an important village for social workers because of the way in which its spirited women are using entrepreneurship to claw their way out of poverty.

Take the case of Ms D Jyothi, 33 years old, who has taken the support of Hand in Hand to set up a vermicompost business. Her husband is a contract worker for the Electricity Board. Unfortunately, his employment is sporadic and the income never enough to support the family. Jyothi tried to eke out some supplementary income by working in her parents' fields during cropping season and by using her tailoring skills, but even so, her family found it difficult to make ends meet.

Jyothi had been a member of a Self Help Group (SHG) in her village but when the NGO that set it up withdrew from the village, the SHG disintegrated. Meanwhile, she heard about Hand in Hand and its work from her friends in the village and other field officers. When she found that Hand in

Hand not only monitored group activity but also provided training and capacity building aid, she was encouraged to form another SHG with the women from her previous group. The coordination and support that Hand in Hand extended, the loans it gave for entrepreneurial activity, and the educational opportunities available for children of SHG members were other aspects of the new relationship that interested this mother of two children.

Formed in early 2006, the SHG was trained in group functioning and governance, leadership, and entrepreneurship. This facilitated interaction and dialogue within the group. Jyothi learnt about the various income generating activities she could be engaged in and became interested in assessing the opportunities open to her, based on her skills. She was helped in this by Hand in Hand staff and peers from the group.

She decided that the vermicompost business would be profitable since it required minimal investment and there were no running costs. The cow-dung used as compost raw material could be sourced locally without her having to pay for it.

Besides, being a farmer's daughter, she realised the potential of such an enterprise. In September 2007, Jyothi set up a vermicompost unit at a cost of INR 30,000, and she has been running it successfully since. Of this, INR 22,500 was extended as a Hand in Hand loan and INR 2,500 was her own investment.

The investment went into buying material for the construction of the unit. This split of initial investment ensures the loan-beneficiary's commitment to the project. Hand in Hand had to restructure its loan policy to accommodate Jyothi as a special case, as the investment was higher than the usual Grameen loan of INR 5,000-10,000 extended to micro-enterprises. Hand in Hand also trained Jyothi in producing vermicompost manure. She was taken to existing vermicompost units and shown how they functioned.

At Jyothi's unit, there is a shed that has pits filled with organic waste that is processed into manure by earthworms: simple and inexpensive. The shed design and construction were laid out for her by Hand in Hand's field coordinators. The 15 kg of earthworms required to start the compost unit were

▼ Hand in Hand has developed the V-Compost brand to help promote the sale of vermicompost manure.



bought from Hand in Hand at INR 200 per kg.

She works for around an hour and a half in the mornings and about half an hour in the evenings. This leaves her ample time to engage in other economic and household activities. Today, she describes the whole process of conversion of waste into organic manure enthusiastically to visitors with the confidence of a successful entrepreneur. She has also started azolla cultivation for cattle feed. This common water weed is high in proteins and increases the milk yield. She has noticed a yield increase of 10-15 percent in her own cows, which she bought using a Grameen loan of INR 3,000 from Hand in Hand.

Since Hand in Hand also wants to make such rural entrepreneurs market-savvy, they are instructed about prospective markets and the methods to approach and tap them. If a market is not available locally, Hand in Hand steps in to provide market linkages. In Jyothi's case, some of the compost is used for her own agricultural needs. The rest is either packed for bulk orders or sold in attractive Hand in Hand cartons from retail shelves, with the profits going solely to the entrepreneur. Jyothi only has to bear half of the transportation costs. On average, she makes INR 800-1,000 a month and she today has stock worth INR 3,000 generated over the past few weeks. She also supplies earthworms to other Hand in Hand owned or supported vermicompost units, and has already sold 45 kg.

Jyothi reminisces about how her husband and his family initially had reservations about her being part of an SHG. They feared she would get fleeced or that it would collapse like her previous experience. But today she smiles as she sees her husband moisten the waste in the pits. She is determined to see her enterprise succeed. When asked whether she can train other group members in the business, she sounds confident in her ability to do so. This primarily stems from her success, but it can also be attributed to her elevated status as businesswoman in the family and in society.

Now, she is making plans to scale up operations and set up another vermicompost unit. Already, she talks of taking Hand in Hand's help to market her organically cultivated vegetables. Jyothi is obviously well on her way to success. 🌸

SARTHAK RAY



# Highlights

## The Village Upliftment Programme

During the last year, Hand in Hand has launched the Village Upliftment Programme in some especially needy Tamil Nadu villages. The initiative involves the simultaneous implementation of all five pillars of our integrated approach for poverty reduction in a single village: child labour elimination and education, Self Help Groups (SHGs) and microfinance, Citizens' Centres, health initiatives, and environmental protection.

Donors from around the world have come forward to generously contribute USD 25,000 each, towards one village. With this amount, we are able to implement a number of projects in each village, e.g. SHG training, literacy training, promotion of family-based as well as medium-sized enterprises, strengthening the government school, setting up a transit school, computer training, health campaigns, sanitation, demonstration plots for biogas plants, and tree plantation. Donors have so far committed to support some 50 villages.

## Evening Tuition Centres

Evening tuition centres are yet another example of how Hand in Hand deepens its engagement to keep children out of work and in schools. Hand in Hand is not satisfied with removing children from a work environment and simply placing them in schools; we aim at helping the students to stay in school until class ten. However, despite high school enrolment rates in Tamil Nadu, graduation rates remain low.

The evening tuition centre is an effort to achieve a higher graduation rate for high-school children, and an indirect way to encourage students to continue in formal schools. The centres welcome children in the age group 8-13 years and offer activity-based learning through an accelerated reading programme called *Padippum Inikkum*, as well as science and arithmetic courses.

For every 30 students, there is one tuition teacher. Not only do these teachers help the children with homework, they also help them develop reading, writing, and speaking skills. The healthier teacher-student ratio allows the children to learn through skits, dramas, dance programmes, and story telling.

## Support from the Pfizer Foundation

In spite of steady progress in various health indicators, more than 36 percent of children below six years in Tamil Nadu are either mildly or severely malnourished. In addition to the efforts undertaken by the state government, Hand in Hand reaches out to children from the most disadvantaged communities to ensure that they receive the benefits of various schemes.

Hand in Hand has received a grant of USD 90,000 from the Pfizer Foundation to fight malnourishment among children in the age group 0-5 years in about 100 villages in Kancheepuram district. The grant aims to reach about 2,100 malnourished children in these villages within one year.

The programme will target both the Anganwadis (government-run day-care and child nutrition centres) and children below six years of age. It will include upgrading Anganwadi centres, awareness programmes, micronutrient supplements, and social mobilisation.

To gain acceptance and momentum to scale up the programme, various community organisations, including the panchayats (grassroots governance), will be involved in the process of advocacy, awareness, and implementation. The project will be monitored closely under the guidelines set by the World Health Organisation.

## Corporate Partnerships

Salcomp and Nordstjernan have agreed to partner with Hand in Hand through its Indian organisation Salcomp Manufacturing India Ltd as part of their Corporate Social Responsibility programme. The partnership will span over a two-year period and include providing soft and vocational skills training to 2,250 people in about 90 batches in order to make them employable in neighbouring Special Economic Zones. The chances of being absorbed by Salcomp and Nokia are also good.

In addition, the programme includes a comprehensive environmental initiative, with solid waste management and biogas plants in two villages of Kancheepuram, a total sanitation project with community participation in two other villages, and renovation support to primary health centres in some



other villages. The project outlay is estimated at USD 200,000.

General Motors has committed to a three-year programme to improve literacy and entrepreneurship among poor women. The company will contribute USD 600,000 to help 10,000 women with adult literacy training and 35,000 women in with entrepreneurial training.

Hennes & Mauritz (H&M) has committed to funding 30 villages under the Village Upliftment Programme over a three-year period. The donation, amounting to USD 750,000, will substantially improve the lives of approximately 70,000 people in terms of living standards, education, health levels, and environmental protection.

### FMO

How do you ensure that the wealth generated in India's middle classes trickles down to the poorer segments of the population? This was the theme of an innovative USD 1.4 million project designed during the year by Hand in Hand and the Netherlands Development Finance Company (FMO).

The Indian middle class is growing fast and, as family incomes rise, consumer patterns are changing and the traditional rice and vegetable diet becomes more varied. Poor and marginalised farmers can cash in on these changes and participate in the increasing flow of money; however, they often miss out.

Dairy farming is a major source of income for small farmers and landless people in Tamil Nadu, but few families manage to make enough money from this to sustain a livelihood. With no education or scientific knowledge, they are unable to manage their cattle well or use effective marketing techniques. Fruit and vegetable cultivation is another large source of income but here too, a lack of knowledge and awareness prevents effective farming and marketing. South India has a large market for vegetarian foods like butter, cottage cheese, and salad vegetables, but small farmers are ignorant about the right products to cultivate to make more money.

The project aims to train 4,000 dairy farmers and 4,000 fruit and vegetable farmers so that they can increase yields, develop more consumer-friendly products, and sell directly to the new supermarkets without middlemen cutting away margins.



The farmers will also be trained as entrepreneurs, taught about insurance against natural disasters, and introduced to microcredit so that they can invest in new knowledge and make their businesses grow. The project will start in 2008 and run over two years in five districts. Hand in Hand will team up with leading academic and commercial partners from Tamil Nadu, who will support this agrarian micro-entrepreneur training programme.

FMO is a Dutch development bank co-owned by the Dutch government and various banks. It works as an active partner in the developing world with both loans and grants, and will support this project with about USD 700,000 in grants.

### **The Swedish Medical Aid**

A partnership project has been signed with the Swedish Medical Aid (Läkarmissionen) to train

13,900 women in Tamil Nadu's Trichy district in entrepreneurship and job creation and thereby linking them to our microfinance project. The programme will also focus on training 1,400 un-/under-employed rural SHG women from various districts of Tamil Nadu in new skills and/or improving current skills, thereby giving them a base to either start their own business in combination with microfinance, or get employment elsewhere.

The partnership uses the tenets of Swedish Medical Aid, whose activities are aimed towards help-to-self-help, clear targets, low overheads, accountability, and transparency.

The Swedish Medical Aid, founded in 1958, is an independent Swedish foundation that supports development projects and humanitarian efforts in direct collaboration with local partners in more than 33 countries. The organisation receives

support from over 100,000 private individuals in Sweden as well as from the Swedish International Development Cooperation Agency (SIDA).

### **Organisational Development**

Catherine Juell is an organisational consultant who focuses on effective collaboration and 'performance cells' that work well and deliver. Her base is Norway, where she works with management level teams of various large European corporations. During the year, she has graciously volunteered to share her expertise with Hand in Hand to help develop the organisation.

Juell combines profiling and interviews to get a clear understanding of the larger objectives of the organisation. Her main role is to combine the right people with the right tasks. Her idea is that in areas where people have natural talent they do a better job and with less stress. She is very good at finding "hidden gems" in an organisation, which creates new pathways and is very motivating for the staff, as they feel seen and appreciated. She has also been keen to create teams within the five pillars, where people complement each other so that the teams become strong and effective in delivery.

Each team must contain different abilities, and have both dynamism and stability within itself to deliver all the way. For instance, a communicative visionary optimist, who easily makes decisions, is a very good professional complement to a detail-oriented, more critical administrator, and together they will create a high performance team. "These people might not initially feel comfortable in each other's company, as they are so different, and that is where I come in," says Juell. "I help them identify and understand each other and team up. That quality is very important for an organisation where demands on growth are large, and people need to make bridges quickly."

She is also an expert in hands-on support for communication where, for instance, the more emotionally charged people get tools to communicate with the more facts- and goals-driven people, and vice versa, to avoid mistakes and confusion when time and resources are tight and deadlines near. "We are blessed to have Catherine's support," says Dr Kalpana Sankar, CEO, Hand in Hand. "Many of her thoughts are eye-openers to us, and have created more effective teams where we can use each individual's talents better."





ACHIEVEMENTS	GOALS
<b>SHGs AND MICROFINANCE</b>	
<ul style="list-style-type: none"> <li>- 304,000 women organised into 21,184 Self Help Groups (SHGs)</li> <li>- 186,046 SHG members availed microcredit (63 percent)</li> <li>- 161,000 women assisted in setting up or strengthening family-based micro-enterprises</li> <li>- 600 medium-sized enterprises started</li> <li>- 76,109 women undergone adult literacy training</li> <li>- Hand in Hand has disbursed USD 25 million of credit; USD 11 million in direct loans and USD 14 million in bank linkages</li> </ul>	<ul style="list-style-type: none"> <li>- During the next 12 months, 150,000 additional women will be organised into SHGs</li> <li>- 75,000 additional family-based micro-enterprises and 700 additional medium-sized enterprises will be set up or enhanced</li> <li>- By 2012, 600,000 enterprises will be up and running, creating jobs for 1.3 million people</li> </ul>
<b>CHILD LABOUR</b>	
<ul style="list-style-type: none"> <li>- 13,941 out-of-school children enrolled into school and retained</li> <li>- 155 panchayats (grassroots governance) made "Child Labour Free"</li> <li>- 11,464 regular school-going children studying in evening tuition centres</li> <li>- 4,595 community volunteers engaged in Child Rights Protection Committees</li> </ul>	<ul style="list-style-type: none"> <li>- By 2010, 40,000 children who are out of school will be enrolled into school and retained</li> <li>- The long-term goal is to ensure that 300,000 children who are out of school in the entire state of Tamil Nadu will be enrolled into school and retained</li> </ul>
<b>CITIZENS' CENTRES</b>	
<ul style="list-style-type: none"> <li>- 790 citizens' centres are functioning</li> <li>- 277 new entrepreneurs identified</li> <li>- 4,084 community volunteers engaged in Good Governance Rights Protection Committees</li> </ul>	<ul style="list-style-type: none"> <li>- During the next 12 months, 1,000 citizens' centre enterprises will be functioning in addition</li> <li>- By 2012, 4,000 centres will be functioning, covering 20 million villagers, and 1.5 million villagers will be computer literate</li> </ul>
<b>HEALTH</b>	
<ul style="list-style-type: none"> <li>- 422 medical camps conducted from</li> <li>- 1,704 toilets constructed</li> <li>- 14 child welfare centres upgraded</li> </ul>	<ul style="list-style-type: none"> <li>- 250,000 people to benefit from medical camps and health awareness campaigns per year</li> <li>- Sanitation loans for toilets for at least 5,000 SHG members per year</li> <li>- 100 child welfare centres upgraded per year</li> </ul>
<b>ENVIRONMENT</b>	
<ul style="list-style-type: none"> <li>- 51,713 households covered in the solid waste management project</li> <li>- 310 tonnes of biodegradable waste processed per month</li> <li>- 78 tonnes of non-biodegradable processed per month</li> <li>- Five big and ten small watershed projects sanctioned and planned</li> </ul>	<ul style="list-style-type: none"> <li>- By 2018, 1.8 million households, or ten million people, will be covered by our solid waste management project with 10,000 employees</li> </ul>



## BUDGET FOR INDIA

<b>Budget for Indian operations 2008-2009</b>	<b>INR million</b>
SHGs and Microfinance	130
Child Labour	30
Citizens' Centres	40
Health	10
Environmental Protection	30
<b>Total</b>	<b>240 (USD 6 million)</b>

The work in countries outside India is not included in the above budget.

## GLOBAL EXPANSION

By 2012, Hand in Hand aims to create a significant impact on poverty in Tamil Nadu, as well as to establish pilot projects in other states of India and in other countries to demonstrate the efficacy of the Hand in Hand model. We want to scale up our model in order to have an impact on global poverty.

In the first phase, we aim to establish pilot projects with workshops locally and in

Tamil Nadu. In the second phase, our consultants train the trainers locally, and they in turn train the beneficiaries. A typical ratio is 20-30 Indians training 1,000 local development workers, who in turn train 300,000-400,000 beneficiaries per year. This way, we are able to leverage the impact of our job creation model. The targets for the second phase in South Africa and Afghanistan are 1.3 million and 2.2 million jobs respectively. The targets in other new countries should be in the same scope. The next country in line is Brazil where a pilot project will start in September 2008, funded by the Inter-American Development Bank (IDB). Discussions are also underway with China and Ghana. We also want to consolidate our Tamil Nadu operations and create adequate capacities to handle expansion within India and abroad.

The work plan for the medium term includes:

- Consolidating and reaching all 30 districts within Tamil Nadu
- Expansion to five Indian states with the Integrated Community Development Project
- Expansion to ten countries outside India by forming key partnerships with governments, NGOs, the private sector, and multilateral and bilateral agencies to promote "jobs for growth" through SHGs, microfinance, and entrepreneurship

Hand in Hand estimates that the expansion strategy will require a funding of about USD 45 million over the next four years, of which close to USD 32 million will have to be sourced from external funds.





# Making Dreams Come True

**E**VERYDAY, THOUSANDS OF farmers sell their land and belongings in order to move to the big cities of India. Few are successful in the new environment, often just becoming part of the urban poor in the sprawling slum areas. The worst off are the women, lowest in the rank of the poor, with no income and no joint family support.

But 44-year-old Chithra, who migrated from her village a decade ago, is obviously different. She is independent and proud of her new situation, and of how her life has turned out. “I have gained respect through hard work and dedication; people come to me for advice and help. I know I am different from most,” she says with a smile.

It all started when Chithra and her husband decided to leave their farming background and settle down in a small village close to the city of Chennai in Tamil Nadu. Leaving her sister, family, and parents was a hard decision to make. Losing two pairs of hands was difficult for the farming family left behind. And yet, the young couple moved to Kattankulthur, with nothing but Chithra's love for sewing and her husband's limited electrician skills.

The first few years were a struggle. To live on the meagre salary of her husband's irregular assignments was difficult for the couple and their two daughters. Chithra decided to start a tailoring unit but found it difficult with no formal training. She was not short on creativity though, and easily picked up new tailoring skills. Slowly, her talent was noticed and people started coming to her.

It was a few years later that she heard about Hand

in Hand's work with Self Help Groups (SHGs) and the support it extended to uneducated women. It sounded like a good idea to her and she signed up, soon to become the group leader. Becoming part of an SHG opens doors to education and microfinance

**Entrepreneur and employer – Chithra**  
▼ working hard in her own company.

loans; however, first comes savings. All members need to show that they are capable of saving money. No matter how much, it needs to be sustainable. Chithra discovered that not only was she good at saving money, she could also inspire others because she was creative and goal-oriented.

She took the first micro-loan that the group was offered and expanded her one-man tailoring busi-



ness, employing two women from the SHG. Her income grew and her self-confidence with it. The other women watched her success and started asking for ideas and support. “It is difficult to advise others,” she says. “I listen to their dreams, see if they are workable, try to discover their talents. Then I try to guide them. They look at me and want to do the same as I have done. But not all of them know how hard I work and how much time I spend on trying to find new opportunities for my business.”

Six months ago, Chithra decided to open a Citizens’ Centre with the help of Hand in Hand. The small shop with three computers, a printer, and Internet connection teaches villagers to use Word and Excel, and allows them to access information on how to vote, register for government schemes, and communicate not only with the world but also to take part in what is happening in their own society.

“Being a part of Hand in Hand’s work in my village has opened my eyes to what is going on around me. Earlier, I was so occupied with my own business, home, and family that I hardly ever got out,” she recalls. “Now, people come to me for information. The key to my success is education. The more I have learned, the greater my success has become. Now, I inspire my children to do what I have done.”

Her 21-year old daughter Gayathri walks into the small shop. She has finished school and dreams of earning an MBA. A skilled biochemist, she is the pride of her parents. “My mother’s success is mine,” she says. “She has inspired me to do even better. My cousins are growing up as farmers and I know how hard their lives are. I feel very fortunate about my situation and I do not want to let my parents down.”

Chithra plans to give the Citizens’ Centre to her daughters. “As soon as my micro-loan has been repaid, I plan to hand over the business to Gayathri and Nischa. I want them to have financial security while I further expand my tailoring business. One more machine is already on the wish list, a new sign above the door, and why not a TV commercial?” she asks with a smile. And that is not all. Chithra dreams of creating her own brand and perhaps even exporting her line. Clearly, the sky is the limit. 🌸

LENI SÖDERBERG



# Get Involved

*Our engagement has grown rapidly in the last few years, as has the need for funding. In order to continue our successful development, we now seek your partnership. All donations – no matter what size – are welcome, and will make a difference.*





Both Hand in Hand Trust and SEED Trust have permanent registration numbers under the Foreign Contribution Management Act (FCRA), allowing us to receive funds from outside India. Contributions are exempt from tax under Section 80 (G) of the Income Tax Act.

Our central administration costs for 2006-2007 were a mere three percent of the total expenditures, and our commitment to transparency and accountability ensures that the end use of funds is clearly identifiable in all activities and at all times. As a donor, you can earmark your donation and choose from different programmes. Given below in the box are some examples.

#### Examples of earmarked donations

USD 15	Adult literacy
USD 15	Entrepreneurial training
USD 50	Getting one child into school
USD 50	Vocational training
USD 4,000	Running one transit school
USD 25,000	Village Upliftment Programme
USD 25,000	One mini-watershed project
USD 45,000	Starting one residential school

#### US and Canada

Donors in the US and Canada can make tax-deductible donations through Give2Asia. For more information, please visit [www.give2asia.org](http://www.give2asia.org). Please note that online donations from Canadian donors are tax-deductible only if contributed by cheque. The administrative fee for maintaining a donor-advised fund with Give2Asia is automatically covered, thanks to a contract with one of our donors. Thus, 100 percent of the donation goes straight to the project in question.

#### UK

Donors in the UK can donate to our UK-based charity:

Account name:	Hand in Hand International
Account number:	07226063
Sort code:	18-00-02
Bank and address:	Coutts & Co, Commercial Banking, 440 Strand, London WC2R 0QS, UK

The administrative costs in the UK are covered thanks to a contract with one of our donors. Thus, 100 percent of the donation goes straight to our operations in Tamil Nadu.

#### Sweden

Our Swedish support organisation, Hand in Hand Sweden, has been accredited with the following 90-account 90 00 91-0. The administrative costs in Sweden are covered thanks to a contract with one of our donors. Thus, 100 percent of the donation goes straight to our operations in Tamil Nadu.

#### Worldwide

Donors all over the world are welcome to donate to our Indian account:

Account name:	Hand in Hand Tamil Nadu Trust
Account number:	20217
Bank and address:	Canara Bank, Gandhi Road, Kancheepuram District 631-501, Tamil Nadu, India
Swift code:	CB CNR BIN BB MFD ABN AMRO AMSTERDAM ABN ANL ZA
Authorisation code:	0240345-9000009

If you wish to make a donation using a credit card, please visit our website at [www.hihseed.org](http://www.hihseed.org).

# Consolidated Statements – Hand in Hand and SEED

## Balance Sheet

	INR	INR
	As on 31 March 2008	As on 31 March 2007
<b>Equity and Liabilities</b>		
<b>Equity</b>		
Initial Contribution	7 127	7 127
Capital Grant: Corpus Fund	461 137 132	210 000 000
Capital Grant: Fixed Assets	54 091 065	36 320 130
Revenue Grant	192 114 516	90 815 317
Reserves and Surplus	14 279 659	7 483 339
<b>Total Equity</b>	<b>721 629 499</b>	<b>344 625 913</b>
<b>Liabilities</b>		
Secured Loan	12 969 419	19 800 000
Current Liabilities	4 235 396	2 772 807
Unsecured Loan	243 750 000	25 000 000
<b>Total Liabilities</b>	<b>260 954 815</b>	<b>47 572 807</b>
<b>Total</b>	<b>982 584 314</b>	<b>392 198 720</b>
<b>Assets</b>		
<b>Fixed Assets</b>		
Gross Value	54 429 358	28 012 448
Less Depreciation	-4 754 717	-1 969 994
Net Value	49 674 641	26 042 454
Financial Investments	513 537 605	227 139 577
<b>Current Assets</b>		
Advances	10 229 437	7 471 725
Inventories	2 125 386	
Loans to SHG members	252 618 401	36 943 047
Cash and Bank Balances	154 398 844	94 601 917
<b>Total</b>	<b>982 584 314</b>	<b>392 198 720</b>

## Income Statement

	INR	INR
	1 April 2007 to 31 March 2008	1 April 2006 to 31 March 2007
<b>Income</b>		
Revenue Grants	113 492 737	50 417 050
Interest on SHG Loans	12 016 091	1 685 606
Other Income	15 607 775	4 560 822
Bank Interest	5 304 760	1 935 628
<b>Total A</b>	<b>146 421 363</b>	<b>58 599 106</b>
<b>Expenditure</b>		
Administration Expenses	4 559 526	3 917 270
Programme Expenses	122 112 850	46 183 606
Depreciation	4 754 717	1 969 994
Grant to SEED Trust	7 000 000	
Grant to MVF	350 000	
<b>Total B</b>	<b>138 777 093</b>	<b>52 070 870</b>
<b>Excess of Income over Expenditure</b>		
<b>Carried to Balance Sheet (A-B)</b>	<b>7 644 270</b>	<b>6 528 236</b>



# Auditor's Report – Hand in Hand

*To the Trustees of Hand in Hand Tamil Nadu,*

We have audited the attached Balance Sheet of Hand in Hand Tamil Nadu as on 31 March 2008, and also the Income and Expenditure Account of the Trust of the year ended on that date, annexed thereto. These financial statements are the responsibility of the management of Hand in Hand Tamil Nadu. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards, generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statements presentation. We believe that our audit provides reasonable basis for our opinion.

And report that,

1. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
2. In our opinion proper books of account as required by law have been kept by the Trust so far it appears from our examination of such books.
3. The Balance Sheet and Income and Expenditure Account dealt with by this report are in agreement with the books of account.
4. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give a true and fair view.
  - a. In the case of the Balance Sheet, of the state of affairs of the Trust as at 31 March 2008, and
  - b. In the case of the Income and Expenditure of the excess of expenditure over income for the year ended on that date.

Chennai, 22 May 2008

For Arockiyasamy & Raj, Chartered Accountants  
A. Nagarajan, F.C.A.  
Partner  
Membership No 20680

# Auditor's Report – SEED

*To the Trustees of the Socio-Economic Educational Development Trust (SEED),*

We have audited the attached Balance Sheet of the Socio-Economic Educational Development Trust (SEED) as on 31 March 2008, and also the Income and Expenditure Account of the Trust of the year ended on that date, annexed thereto. These financial statements are the responsibility of the management of the Socio-Economic Educational Development Trust (SEED). Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards, generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statements presentation. We believe that our audit provides reasonable basis for our opinion.

And report that,

1. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
2. In our opinion proper books of account as required by law have been kept by the Trust so far it appears from our examination of such books.
3. The Balance Sheet and Income and Expenditure Account dealt with by this report are in agreement with the books of account.
4. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give a true and fair view.
  - a. In the case of the Balance Sheet, of the state of affairs of the Trust as at 31 March 2008, and
  - b. In the case of the Income and Expenditure of the excess of expenditure over income for the year ended on that date.

Chennai, 22 May 2008

For Arockiyasamy & Raj, Chartered Accountants  
A. Nagarajan, F.C.A.  
Partner  
Membership No 20680

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