



HAND IN HAND

2008/2009
ANNUAL REPORT





What we stand for

- Development should be pro-poor and bottom-up
- Every child in school is a child removed from the labour market
- The active participation of women is essential for equitable socio-economic development
- Knowledge and action will bring true sovereignty to our citizens
- Access to basic healthcare is a fundamental right of every individual
- Local ownership and community participation ensure sustainability
- Long-term success requires coordination with local institutions
- All work must be transparent and accountable.

A year in headlines

- In India, we expanded into Karnataka, Pondicherry, and Madhya Pradesh
- We have started operations in north-eastern Brazil, funded by the Inter American Development Bank (IADB)
- Dutch entrepreneurial development bank FMO, owned 50 percent by the government, financed the training of 8,000 self-help group women
- Norwegian philanthropic foundation Voxtra committed 3m USD for enterprise incubation and development in Tamil Nadu
- We have now opened 1,500 Citizens' Centre Enterprises
- We received Government of India endorsement and financial support for our residential bridge schools
- Over 450,000 women are now part of our self-help groups
- We have created / strengthened more than 248,000 enterprises
- We initiated a new project to train 25,000 women in e-literacy
- We started two banking initiatives: a Section 25 (not-for profit) company and a non-banking finance company to create sustainable microfinance operations
- We launched a Pfizer-sponsored malnutrition programme
- We started the first community-paid medical clinics
- Our solid waste management programme now covers over 85,000 households
- We signed up with Nabard for a 2,500-acre watershed project
- We have now taken our child labour elimination project to urban slums in Chennai
- We created 400-plus fully child friendly villages in Tamil Nadu



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Charity Registration Number: 219/2002

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Our CEO

OUR FIFTH YEAR HAS BEEN ONE OF MAJOR ACHIEVEMENTS, AWARDS AND GROWTH.



We have now entered into exciting new partnerships with large corporate bodies, institutions and governments, all of whose support vindicates our work strongly.

To mention just a few of these: India's National Agro Foundation and the Dutch FMO; Swedish Medical Foundation and CII-MARG; Inter-American Development Bank in Latin America and IBT in South Africa; and SWECO, Sida and Forum Syd.

Norway's Voxtra, Finland's Salcomp and Nokia, and Sweden's Dagens Industri joined our growing band of corporate supporters.

The governments of India and Afghanistan partner our programmes in these countries, while local governments and Panchayat leaders sustain our solid waste and child labour elimination programmes.

Our operations have grown extensively, as the numbers inside will show you.

We were judged best NGO in Tamil Nadu in the SHG-Bank Linkage Programme by India's leading rural development bank NABARD. This recognises one of our core values: we will work to link the poor to government programmes.

Consolidation, contemplation and commitment

The past year has also been one of consolidation (of our activities), contemplation (of where we need to go in the future) and renewed commitment to our core values. We at Hand in Hand believe that our destiny lies in these values, whatever happens in the world economy.

The credit squeeze resulted in difficulties, as we struggled to get bank loans. Building capacity and retaining staff posed significant challenges during the year. Our organisation now has 6,000 people, of whom 2,800 are full-time.

We strive to function as an NGO with a corporate culture not in terms of perks given to top executives but in establishing employee-friendly HR policies with Provident Fund, incentives, global training opportunities, transparency in recruitment, and discipline. Hand in Hand has built a reputation of absolute integrity, and we open our organisation to scrutiny by all stakeholders.



I take this opportunity to thank all our friends and supporters; especially our distinguished mentor, Percy Barnevik, without whose guidance Hand in Hand would not have been able to reach these heights and benefit millions of poor households; Sven Sandström for his professional guidance; Maria Borelius, Roger Hällhag and their teams for sustained and intelligent fund-raising; Donald Terry of IADB who has been a pillar of strength for our South America programme; our Board of Trustees who have always guided and supported us; and our excellent team of executives, staff and volunteers whose dedication has become the talk of many an envious organisation.

We all know of the by-now famous movie Slumdog Millionaire. I was pleasantly surprised when a Member of Parliament recently mentioned in the Rajya Sabha (India's Upper House) that India's millions need not wallow in poverty if there were more institutions like Hand in Hand. Our model has proved that the poor can become masters of their own destiny, and don't need to get lucky to be winners.

Dr Kalpana Sankar

Your beliefs become your thoughts;
your thoughts become your words;
your words become your actions;
your actions become your habits;
your habits become your values;
your values become your destiny.

Mahatma Gandhi

Selvi's story

Selvi, 41, sold flowers from her home for a meagre profit. When she joined a self-help group, she discovered microfinance. With two group loans and an individual loan, she now has a flower shop in the market. During wedding season, a single order can go up to INR 2,000. Her loans are repaid and she is expanding the shop. Says Selvi: "I never knew I had a talent for business."

Our Advisor

A WORD FROM OUR PRINCIPAL ADVISOR



In 1968 I first arrived in India representing the Swedish steel company Sandvik. I already then saw India’s internal potential and the huge possibility for economic growth once the tight network of regulations, high customs duties and government monopolies were opened up to market forces. That happened in 1991 and it was a great experience for an old friend of India to see the GDP jump from an average of +3% per year to +6-7-8% and occasionally up to +10%. I had the honour of advising the then Prime Minister Narasimha Rao and Minister of Finance Manmohan Singh, and I promoted India in European and American business circles.

It was also a great experience to be able to go from ideas to action through the big multinationals I was heading at the time. It was not just a matter of investing in production facilities but to utilise India’s largely untapped potential in research and engineering. Asea Brown Boveri’s automation research centre in Bangalore in the early 80s was a pioneer at the time and AstraZeneca’s tuberculosis research centre and General Motors’ automotive research centre some years later also broke new ground.

While I mainly dealt with top politicians and Indian business leaders in those years, I was increasingly aware of the ‘other India’ – the 700 million people in rural areas, half of whom were living below 1 USD a day, and the slums in the growing mega-cities. We practised CSR (Corporate Social Responsibility) before the word was invented. ABB had programmes for employees and their children in adjacent villages in its 40 industrial sites and we had a national programme with WWF (World Wildlife Foundation). Training programmes for thousands of young students also opened up careers in India and abroad.

But it was in the last decade that I started to be heavily involved with the ‘other India’ – first with my money and then with my time. It originated from a small NGO in Kancheepuram which, in the past five years, under the leadership of Dr. Kalpana Sankar has seen a growth from 30 to 6,000 employees and the addition of 30,000 volunteers.

Three things have in particular surprised me during this exciting journey:

- **that so much business experience of organisation and management also applies to the NGO world.** Concepts like far-reaching decentralisation and individual accountability, clearly quantified goals for productivity, and quality are key components. Low corporate overheads are also important and Hand in Hand Tamil Nadu manages to keep administration costs to 3 percent. Apart from numbers, it is of great importance to create enthusiasm among the employees and a “buy in” to our future vision. Hand in Hand employees have a lot of enthusiasm – as a matter of fact you feel invigorated when meeting them.
- **that women at the very bottom of society, illiterate, poor and often abused, can rise to another life** given proper training and support. I would never have dreamed that in five years we would be able to organise and train more than 400,000 women who started or expanded 220,000 small enterprises. Nothing moves me more than to meet such a proud woman who has lifted herself out of poverty and now runs a successful enterprise. Without this rise in the living standard of families and whole villages, we would be less successful with our education, health, democracy and environmental programmes.
- **that scaling up** is key to reducing world poverty. My experience from aid work around the world is the small scale of the typical project. Fifty street children here, 200 poor women there. At Hand in Hand, we want to help not thousands but millions. If we cannot scale something up, we are not interested in wasting our time and resources. The key to successful scaling up is, like in industry, a good and simple model, high standardisation, and an extreme focus on growth with people marching in the same direction. To harness market forces also helps.

Our Citizens’ Centres are a good illustration. We started with Hand in Hand-owned centres, employees and 100 Citizens’ Centres per year. To cover Tamil Nadu alone would have taken 100 years. We needed a new model. So we transformed the centres into service enterprises owned by trained self-help group women. We now have a rate of 1,000 per year. By 2012 we expect to cover 20 million villagers. Not only are the numbers up – we also see a rapid expansion of applications in each centre. We see the success of new ideas and entrepreneurship.

The past year has been characterised by good growth and focus on quality. Internationally, we have for the first time moved into Latin America with pilot projects. On behalf of the boards, I want to thank all our employees and managers for an excellent performance. I also want to thank all our donors, fundraisers and active supporters in our advisory councils. All of you are needed to take Hand in Hand to new levels of achievements in the coming years.

Percy Barnevik

AT A GLANCE

Inter-American Development Bank has selected Hand in Hand to replicate its enterprise creation model in north Brazil, in partnership with Visao Mundial.



The Hand in Hand difference

Our mission

To eliminate poverty by creating enterprises and jobs.

Our goal

1.3 million jobs by 2013.

Hand in Hand is a development organisation whose objective is to eliminate poverty by creating enterprises and jobs. Our model has proven very successful in rural South India, where we have mobilised and motivated more than 450,000 women into self-help groups and helped create more than 248,000 enterprises. We have taken our model to South Africa, Afghanistan and now to Latin America.

What makes us different:

First, we believe in 'help to self-help'. We don't give away fish but train the poor to use a fishing rod, and lend them money to buy one. We mobilise women into self-help groups, train them, and organise microfinance so that they can set up small enterprises and move out of poverty. We lend only to women, and we ensure that the loans are used for investment and not consumption.

Second, we have a high-impact business model, unique in the aid world. We set

clear goals, measure productivity and track progress. We are transparent, efficient and have low administrative costs. We do not run a large 'western' organisation, and all our employees are local experts.

Third, Hand in Hand is a grassroots organisation that works closely with village leaders, NGOs and local governments to fill in development gaps rather than create parallel structures. We create methods and ultimately the local community takes over and manages them.

Our approach

We use a holistic development approach. We have five pillars that work together in five areas that we believe are vital to the poor. Together, they strengthen the community and help them come out of poverty. These five pillars are:

Self-Help Groups

We motivate and mobilise women from poor and disadvantaged communities to form self-help groups. We give them intensive literacy, financial and enterprise training. This makes them confident to apply for micro loans and set up small businesses. We support these enterprises with market linkages, capacity building etc. We have so far created or strengthened over 248,000 enterprises.

Education

We believe strongly that education eliminates future poverty. We work to eradicate child labour and get children back into schools. So far, we have brought more than 47,000 children into school. We run 6 residential bridge schools, 51 transit schools and 737 evening tuition centres under our Child Labour Elimination and Education Programme.

Health

We believe that without basic health, hygiene and sanitation, development is impossible. Our Health programme promotes health checkups and awareness camps. We have set up community-paid primary clinics. We have helped build more than 2,307 lavatories, and have touched the lives of over 120,000 people with medical camps and programmes.

Environment

Environmental degradation affects the poor most, and they are the most powerless to fight it. We run Solid Waste Management and Natural Resource Management projects. We plant trees, clean ponds and tanks, create check dams, build biogas plants, hold awareness camps etc. Our solid waste management programme has so far reached over 85,000 households.

Citizens' Centre Enterprises

We believe that the future of rural India lies in access to information and information technology. Our 1,500 Citizens' Centre Enterprises are not just a source of revenue for rural entrepreneurs, but are also the hub from where citizens can access information about government and civic society.



Our team

To do all this, we have a 6000-strong team that consists of some of the best people in the microfinance, rural development, education and enterprise training sectors. We also have an army of volunteers working in the villages.

Our CEO is Dr Kalpana Sankar, a microfinance and women's development expert. Our Board of Trustees consists of leaders from the development, corporate, banking and administrative sectors.

Our Advisor is Dr Percy Barnevik, former CEO of ABB and one of the world's leading corporate figures.

We have several global partners who have invested in our concept: corporations such as Salcomp, H&M, Nokia, Pfizer and Virgin; many European entrepreneurs and philanthropists; the Dutch, Swedish and Indian governments; large development organisations including Sida, SWECO and Nabard. In February 2009 Hand in Hand International became partners with the United Nations Office for Partnerships.



A growing international presence



India

Hand in Hand's highly successful method of integrated development through microfinance and enterprise creation was created five years ago in Tamil Nadu in southern India. The headquarters are in Kancheepuram, a district famous for its silk

weaving industry, and there is a city office in Chennai. We now work in three other Indian states as well: Karnataka, Madhya Pradesh and Pondicherry.

We have now created or strengthened over 248,000 enterprises, and have disbursed over INR 2,400 million in microcredit. More than 450,000 women are in our self-help groups.

We have enrolled over 47,000 children into school, and set up over 700 tuition centres. We have declared more than 400 Panchayats as 100% child-friendly.

Our Health pillar has reached over 120,000 beneficiaries through medical camps and awareness programmes. More than 2,000 toilets have been constructed.

We have set up 1,500 Citizens' Centre Enterprises, and have reached 52,700 women with our e-literacy programme. Our Solid Waste management project reaches over 85,000 households.



South Africa

Hand in Hand South Africa, based in Johannesburg, began operations in July 2008. We had initiated the Jobs for Growth (JfG) Programme in 2006, under which more than 1,000 beneficiaries, trainers and government officials were trained, and Hand in Hand SA emerged from this. Percy Barnevik is a member of the Advisory Council to the President of South Africa and the South African government supports Hand in Hand here.

Besides JfG, other private partners here have expressed keen interest in our model. The Impala Bafokeng Trust (IBT) has signed an agreement to implement a multi-million rand project in Bojanala Platinum District Municipality in North West Province. This will see the creation of at least 50,000 jobs in five years. The project is being piloted in the Rustenburg Local Municipality.

The Self-Help Group (SHG) model is also being implemented in Free State Province by Mangaung University Community

Partnership Programme (MUCPP), which has formed over 100 SHGs with support from the local municipality and Hand in Hand India. The organisation also supports SHG programmes of community-based organisations in other provinces.



AT A GLANCE

Finnish telecom company Salcomp has not only financed the total 'greening' of two villages, it places orders for 2,000 USD worth of products each month from an entrepreneur's bakery.



Eswari's story

When Eswari, from a traditional embroidery family, joined a self-help group, it gave her access to training and loans. With a loan of INR 15,000, she and her husband were able to buy their own embroidery frame for the first time in their lives. Today, they earn more than INR 5,000 a month. The loan is repaid and they want a second frame.

International

We continue to work closely with our supporting partner Hand in Hand International. A registered UK charity based in London, Hand in Hand International works in Europe and North America on fundraising / international strategy and marketing for the Hand in Hand family. Partnerships have been created with the United Nations Office for Partnerships, clothing retailer H&M, Virgin Group, the Dutch Government through FMO, and Norwegian foundation

Voxtra. Advisory Council meetings have regularly been held in the UK, Norway, the USA and Sweden, and some 70 advisors are now on board.

In 2008, Hand in Hand USA was started, and is currently being registered with US tax authorities. The board of trustees has been extended and new partnerships are currently being initiated among communities of larger foundations, companies, governments and individuals.

Sweden

We have had a continuous and close cooperation with our support organisation Hand in Hand Sweden. It is registered as a non-profit NGO, with Giro Account Number 90 00 91-0. The 90-series is granted to not-for-profit fundraising and complies with strict standards of auditing and transparency.

Hand in Hand Sweden’s purpose is to make the work of Hand in Hand in Tamil Nadu well known, mould public opinion in favour of the integrated development model, and seek funding for Hand in Hand activities. Individual and corporate donations, as well as some public development assistance funds,

are channelled through Hand in Hand Sweden. It also establishes fundraising partnerships with schools, foundations and development support organisations willing to provide support for the help to self-help group model through one or all of our five pillars.

Over the past year, some important organisations have been mobilised for funding and partnerships by Hand in Hand Sweden, including Swedish Medical Aid, Dagens Industri, Anders Sandrews’ Foundation, Radiohjälpen, SWECO and Sida, as well as several individual and family donors.

Brazil



The IADB (Inter-American Development Bank) is financing a pilot project in the poor rural parts of North Eastern Brazil where Hand in Hand is the consultant. This pilot project was started recently.

Afghanistan

Hand in Hand Afghanistan is based in Mazar-e-Sharif with a liaison office in Kabul. It started work following a request from HE President Hamid Karzai to Percy Barnevik in 2006, and we have adapted our Tamil Nadu self-help group model for job creation here.

In 2007, with the World Bank’s help, the Afghanistan Rural Enterprise Development Programme (AREDP) was officially launched by President Karzai. This aims to create more than two million jobs in at least 70 percent of villages in 10 years. The budget is 580m USD. The World Bank has started preparation funding, and several countries have expressed interest.

We create pilot projects and supply practical knowhow to AREDP. Sustainability is the main focus. Hand in Hand Afghanistan hires locals as far as possible, and its exit strategy is to create cluster associations of community groups, and link them and the micro-entrepreneurs to banks, private investors and service providers.

In 2007, Hand in Hand Afghanistan started a pilot in Balkh, and 3,000 beneficiaries in two districts have been mobilised into community groups and trained in group dynamics, bookkeeping, savings and business basics. Microfinance methods used are Sharia-compliant. The target is 7,500 beneficiaries by end-2009, and 10,000 jobs by end-2011.

In Badakshan, an existing SHG project is being fine-tuned with the support of AfghanAid. The aim is to create 750 new jobs by June 2009. Hand in Hand also heads a consortium working to develop small/medium enterprises here. With the help of the World Bank, a Horticulture and Livestock Programme has been started to improve the quality and output of farmers across the country. So far, 40 farmers’ groups have been mobilised, and 400 training sessions held.

The main purpose of the pilots is to help lay the foundation and get experience for the big AREDP programme.



AT A GLANCE

We won the SHG-Bank Linkage Programme first prize awarded by the National Bank for Agriculture and Rural Development (Nabard), India, for 2007-08.



Gajendran’s story

Gajendran was in school till 10, when his father forced him to drop out and get a job. He spent a year in odd jobs like cycle repair and tailoring. Then our staff persuaded his father to send him back to school. First a bridge school, then regular school, and now Gajendran at 14 dreams of becoming a doctor. “We will be a happy family again,” he says.

Future directions

Self-Help Groups and Microfinance

We will stay focused on job creation, and aim to achieve 1.3 million jobs by 2013-14. We are now replicating our model in Brazil, South Africa and Afghanistan through partnerships with institutions like Visao Mundial (a project of Inter-American Development Bank), and the Indian, Afghan and South African governments. We aim to work through similar partnerships in other poor areas of the globe. We will run a non-banking finance company to increase the reach and depth of our microfinance activities, while staying focused on reaching the lowest layers of the economic pyramid. Our strength has been our credit-plus approach with a strong emphasis on training. We will continue this through training in the areas of financial and functional literacy, enterprise development, vocational and group dynamics training. For bigger enterprises, we will use business coaches and consultants.

Child Labour Elimination and Education Programme

Our aim is to reach an increasing part of Tamil Nadu with our CLEP programme. We are also working on taking the model to other parts of the country and around the globe, where it can be customised to local conditions. We will focus on creating 100% child-friendly villages.

Such unique, focused partnerships with companies will continue to be our strategy. We will also expand support to government schools, with some 6,000 schools in our present area of work. We will continue to expand tuition centres from the 700 we have now.

Citizens' Centre Enterprises

We will have reached 2,000 Citizens' Centre Enterprises (CCEs) in the coming year and

aim to establish 7,500 CCEs in 18 districts by 2013. The CCEs will then cover some 20 million villagers. At least 50 CCEs will be State Bank of India correspondents within the year. We will have provided accredited IT courses to at least one million people by 2014, ensuring their employability. At least one million people will have been reached by our citizen awareness programmes.

Health

We aim to train our self-help group women in basic hygiene, health behaviour and healthcare so that they can ultimately form an army of 25,000 barefoot doctors to serve 500,000 women in basic hygiene, reproductive and child health, anaemia, malnutrition, etc. We will work to reduce the Infant Mortality Rate and the Maternal Mortality Rate to WHO standards.

Environment

We aim to reach 100,000 households through our solid waste management programme in the coming year. About 30 percent of our current projects will be handed over to the local bodies on establishing sustainability. We will continue to implement watershed and natural resource management programmes through partnerships. We plan to start a consultancy model, where we can offer our expertise to other NGOs and government agencies in environment protection activities. Biogas units will be set up in all the anganwadis (day care centres) of the villages under the Village Upliftment Programme.

Our two-year Village Upliftment Programme or VUP is a model where interventions across all five areas of work are simultaneously applied in the villages concerned. This approach is being field-tested in about 50 villages, and we hope to scale it up to 100 villages in the next couple of years.



Nasima's story

As Nasima works alongside her husband in their new cycle shop, she is proud of her new role as entrepreneur. She was a housewife until she joined a Hand in Hand self-help group. She got vocational training and a INR 12,000 loan, which she used to set up a cycle shop. Says Nasima: "It feels good to earn money."

How to get involved

Our activities have expanded rapidly over the past few years and so has our need for funding and support. If you would like to help us with funds or by volunteering, we welcome any support.



Donations

Our commitment to transparency and accountability ensures that the end-use of funds is clearly identifiable in all activities and at all times. Attention to productivity, using mainly local employees and our 30,000 volunteers has helped us to keep our costs very low. We have also limited our overhead costs to 3 percent in India. For instance, the average cost of creating one job in India is 50 USD; the cost of training one woman in entrepreneurship is 18 USD, and the cost of running a transit school for one year is 5,000 USD.

India

Both Hand in Hand Trust and SEED Trust have permanent registration numbers under the Foreign Contribution Regulation Act, allowing us to receive funds from outside India.

All donations within India are tax-exempt under Section 80 (G) of the Income Tax Act.

Account Name: Hand in Hand Tamil Nadu Trust

Account Number: 20217

Bank and Address: Canara Bank, Gandhi Road, Kancheepuram District 631501, Tamil Nadu, India

Swift Code: CB CNR BIN BB MFD ABN AMRO AMSTERDAM ABN ANL ZA

Authorisation code: 0240345-9000009

UK

Account Name: Hand in Hand International

Account Number: 07226063

Bank and Address: Coutts & Co, Commercial Banking, 440 Strand, London WC2R 0QS, UK

Sort Code: 18-00-02

Sweden

Hand in Hand Sweden has been accredited with the following 90 account:

Account number: 90 00 91-0.

USA

Hand in Hand USA is currently being registered for tax exemption, and will be operational from summer 2009.

Donors in the USA can make tax-deductible donations through Give2Asia. For more information, please visit www.give2asia.org.

Online

If you wish to make a donation online using a credit card, please visit our website at www.hihseed.org.

Volunteers

Hand in Hand welcomes volunteers in almost every field. If you have a skill that you would like to share, we would be delighted to hear from you. Together, we will create a project to suit you that will benefit some of the work we do. We have the same flexible and professional approach to volunteers as we do to partners.

In 2008, for instance, Göran Thorstenson, co-founder of Springtime, Sweden's leading PR agency, did a three-month project with our team in Tamil Nadu. His considerable business experience was of great value to Hand in Hand.

If you are interested in volunteering with Hand in Hand, please send in your résumé to volunteer@hihseed.org.



AT A GLANCE

Dutch entrepreneurial development bank FMO finances the training of 8,000 self-help group women in veterinary and vegetable farming.

Internships

Every summer, Hand in Hand offers a four-week Global Leaders Internship Programme focused on well-defined projects and deliverables. We welcome Masters and PhD students from universities around the world to apply to the programme. We are especially interested in graduate students in the fields of development economics, sustainable development, economics, entrepreneurship and business.

Hand in Hand provides room and board during the interns' stay in Tamil Nadu, India, as well as local transportation. Hand in Hand cannot bear the cost of international airfare.

To participate in Hand in Hand's Global Leaders Internship Programme, please send a full application, including a résumé/CV, a cover letter stating your motivation and two letters of recommendation to internship@hihseed.org.

The people behind Hand in Hand



India

Board of trustees

Kalpana Sankar – Managing Trustee

P. Shankar – former Central Vigilance Commissioner

R. Venkat Reddy – Social Worker

P. Kottaisamy – IT Consultant

Arun Vasu – Honorary Consul General to Sweden

K.N. Krishnamurthy – former GM, Ashok Leyland

N. Srinivasan – former Chief GM, Nabard

S. Chinnappan – Executive Director, Kalvi Kendra

Mangala Ayre – Educationist

K. P. Kasturi – M.D, Helping Hands Microfinance & Services

Kalyani Rajaraman – Project Director

Amuthasekaran Nachiappan – Project Director

K. Thiayarajan – General Manager, Administration

Key executives

Kalpana Sankar – CEO

Dr. N. Jeyaseelan – COO and Project Director, SHG

Kalyani Rajaraman – Project Director, Child Labour Elimination & Education

Amuthasekaran Nachiappan – Project Director, Environment

K. Deepamala – Project Director, Citizens’ Centre Enterprise

Ashwin Kumar – Project Director, Health

G. Parthasarathy – Chief Financial Officer

Vaishna Roy – Director, Communications

Veena Manian – Director, HR

B. S. Srinivasan – Director, Monitoring & Evaluation

HIH International

Maria Borelius – CEO

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Lars Bryntesson



Profiles of our Trustees

Kalpana Sankar

Dr Sankar is the managing trustee of Hand in Hand Tamil Nadu and has been involved in the women’s self-help movement in Tamil Nadu for the last 12 years. Her special areas are participatory assessment of self-help groups, participatory rural appraisal, and gender differentiated impact. Dr Sankar worked as Monitoring and Evaluation Officer for International Fund for Agricultural Development (IFAD) in Tamil Nadu. She has been consultant on gender and microfinance to UNDP, UNOPS, Christian-Aid, and Wetlands International.

K.N. Krishnamurthy

Mr. Krishnamurthy is a former general manager and special director in automobiles major Ashok Leyland. With over 38 years of experience in the manufacturing industry, Mr. Krishnamurthy has also served with Confederation of India Industries (CII) in various capacities. He won the Mother Teresa Award for outstanding contribution to society, given by the Institute of Economic Progress.

S. Chinnappan

With long experience in gender, microfinance, and self-help groups issues, Mr Chinnappan founded the Tamil Nadu-based NGO Kalvi Kendra in 1982. He also edits Muttram, a government-sponsored monthly magazine for self-help groups. He has worked in the policy-making team for Dutch development organisation Cordaid and conducted numerous courses on gender sensitisation, self-help movement, and microfinance.

Mangala Ayre

Ms Mangala Ayre is an educationist with over 30 years of experience, specialising in kindergarten and pre-school teaching. In 1988, Ms Ayre established Inner Harmony Holistic Learning Centre for children in the 2-5 age group. She is a frequent lecturer and counsellor for teachers and parents, and has developed various alternative teaching methods using music, storytelling, and dance

R. Venkat Reddy

Head of MV Foundation, Mr Venkat Reddy is famous for his advocacy of child rights. His organization has built alliances with NGOs and government officials in Madhya Pradesh, Chhattisgarh, Orissa, Tamil Nadu, Maharashtra, and Assam, as well as Nepal and Morocco. MV Foundation today works in more than 6,000 villages. More than 300,000 children have been enrolled into schools under his leadership

P. Kottaisamy

Mr Kottaisamy holds a graduate degree in Electrical Engineering and a master's degree in Business Administration. He works as IT Advisor and Consultant and was earlier Deputy Manager at UTI Bank. Mr Kottaisamy worked for six years in microfinance at Dhan Foundation (Development of Humane Action)

K.P. Kasturi

Mr Kasturi is a Director on the Board of Hand in Hand Microfinance Ltd. Formerly with the Reserve Bank of India and with National Bank for Agriculture and Rural Development (Nabard), he has a profound understanding of the Indian microfinance sector, both macro and field-level. His specialities are finance, monitoring, development planning, and policy-formulation in microfinance.

Amuthasekaran Nachiappan

At present the Project Director of Environment at Hand in Hand, Mr Nachiappan is a postgraduate in Sociology. He started his career with the Indian social-service organisation Vivekananda Kendra. His experience spans grassroots action, education, monitoring and evaluation. He has worked on watershed management, renewable energy for rural areas, and rural development issues.

Kalyani Rajaraman

At present the Project Director of CLEP at Hand in Hand, Ms Rajaraman holds a Masters in Psychology and a postgraduate degree in Guidance and Counseling. She has worked with children's education, abolishment of child labour, and advocacy issues. She started the first school for disabled children in Kancheepuram and went on to establish three similar schools in Thoothukudi.

P. Shankar

Mr Shankar retired as Central Vigilance Commissioner in September 2006, after nearly four decades in the Indian Administrative Service. He is now an Independent External Monitor in Integrity Pact, a joint initiative of the Central Vigilance Commission and Transparency International India. He also chairs a government Task Force on public policy, governance and development.

N. Srinivasan

Formerly Chief General Manager of Nabard, Mr. Srinivasan is an expert in microfinance and livelihood development. He has worked with World Bank, IFAD and UNOPS on various projects. Mr Srinivasan is founder-member of Alliance for Fair Microfinance, and chief author of the State of the Sector Report 2008 on microfinance

Arun Vasu

The Honorary Consul General for Sweden in Chennai, Mr Vasu is grandson of the famous industrialist T.T. Krishnamchari. He runs various companies, such as TT Travels, TT Enterprises, TT Services, TT Holdings and Services, and TT Insurance & Broking Services.

A look at our donors

This is a small cross-section of the wide community of donors around the world who so generously support our activities. They include individuals and families, schools, powerful businesses or development organisations. They all recognise that we offer a model that offers millions of people a clear way to move out of poverty.



Voxtra

Norwegian foundation Voxtra has allocated 3m USD for a three-year project, which will take Hand in Hand to four new districts in Tamil Nadu. The funding enables Hand in Hand to reach 90,000 poor and disadvantaged women, assist them in building over 40,000 small enterprises, 200 or more medium-sized enterprises, and provide adult literacy training for 30,000 women. It also funds the development of vermi-compost enterprises and Citizen Centres in these districts.

The programme will have a significant and sustainable impact on the lives of entire communities. Says Pål Dalle of Voxtra Foundation: “We at Voxtra believe in funding programmes that empower individuals to get themselves out of poverty; and by so doing to

have a broad, sustainable impact on entire communities. Hand in Hand’s approach to aid complements our thinking exactly. More important, we found Hand in Hand to be a highly professional, pragmatic and delivery-oriented organisation with strong management and reliable systems, giving us at Voxtra the confidence that they have the ability to deliver.”

WE BELIEVE IN FUNDING PROGRAMMES THAT EMPOWER INDIVIDUALS TO GET THEMSELVES OUT OF POVERTY



Virgin Group

Virgin United selected Hand in Hand as a partner for Virgin Atlantic’s onboard Change for Children appeal, where passengers donate loose change and foreign currency for supported projects around the world. Change for Children is at the centre of a network of local and global social investment programmes that enables Virgin Atlantic to give something back to communities in the destinations to which it flies. The Change for Children campaign raised more than 90,000 USD in January for Hand in Hand’s Village Upliftment Programme in India.

Sorcha Homes

Sorcha Holmes born in Dublin, Ireland has entered into a partnership with Hand in Hand to help spread our highly successful enterprise-creation model to two other Indian states and to support further activities in Tamil Nadu.

Says Percy Barnevik, Advisor, Hand in Hand: “At the request of their governments, we have now started work in the neighbouring states of Karnataka and Madhya Pradesh. Sorcha Holmes’ generous donation played a major part in enabling us to take up this invitation and we are pleased to report that work has already begun to help change

the lives of the poorest of the poor in these states.” Her generous donation has also helped Hand in Hand increase its activities in all five pillars in Tamil Nadu.

WORK HAS ALREADY BEGUN TO HELP CHANGE THE LIVES OF THE POOREST OF THE POOR

Sunningdale School

In September 2008, a preparatory school in Berkshire, UK, held a fundraising dinner and auction for Hand in Hand. A wide variety of items was auctioned, ranging from cases of wine to stays in holiday apartments in Paris and the South of France. The event was a huge success and raised over 9,000 GBP

The money raised was used to support the Evening Tuition Centres run by Hand in Hand in Tamil Nadu. These centres form

a key part of Hand in Hand’s Education and Child Labour Elimination programme. We run 1,000 Evening Tuition Centres offering activity-based learning to help first-generation learners cope with school work.

A big thank you to the parents and friends of Sunningdale School for helping Hand in Hand make a difference to the lives of so many children in India.



AT A GLANCE

In partnership with Pfizer, we have now brought more than 1,500 children out of malnourishment.



Supriya’s story

When Supriya was 11, her grandmother forced her to stop school and do the housework. When Hand in Hand volunteers found her, she had been a drop-out for three years. Her parents were persuaded to send her back to school. First coached in a residential bridge camp and then mainstreamed into government school, Supriya today is in Class X and dreams of becoming a nurse someday.



FMO



In 2008 Hand in Hand was able to launch an innovative agrarian micro-entrepreneur training programme thanks to the generous support of the Netherlands Development Finance Company (FMO), a Dutch development bank co owned by the Dutch government and various banks.

The Indian middle class is growing fast, family incomes are rising and consumer patterns are

changing. The traditional rice and vegetable diet is becoming more varied. Although dairy, fruit and vegetable farming are major sources of income for small farmers in Tamil Nadu, few families manage to make enough money to sustain a livelihood.

This project, costing 1.4m USD, and partly funded by the FMO, aims to train 4,000 dairy farmers and 4,000 fruit and vegetable farmers so that they can increase yields, develop consumer friendly products, and sell directly to the new supermarkets. The farmers will also be trained as entrepreneurs, taught about insurance against natural disasters and introduced to microcredit so they can invest in new knowledge and make their business grow.

The project will run over two years in five districts in Tamil Nadu.

The Hamrén-Larsson family

Eva Hamrén-Larsson explained why her family decided to support Hand in Hand's women's programme: "We wanted to make a difference to the lives of children in India and we believe the key to this is the women. Empowering women creates a powerful force for change within the family. As a result, it is possible to get children out of the workforce and back into education – and an education is the best way to secure a better future.

"We went to visit the projects in Tamil Nadu this year and were very impressed with the progress. We would like to encourage other potential donors to consider supporting this well-run and efficient organisation."

Bruce Grant

This year, Hand in Hand was able to increase its core operations thanks to the generous donations of US businessman Bruce Grant and his management consultancy firm Applied Value.

"Time and again, Hand in Hand has shown that the integrated community development project works," says Bruce. "It delivers real and sustainable change to the lives of the poorest of the poor. It relies on five interconnected pillars – self-help groups and microfinance for enterprise creation, child labour elimination and education, basic health, sanitation and environment, and bringing

IT DELIVERS REAL
SUSTAINABLE CHANGE
TO THE LIVES OF THE
POOREST OF THE POOR

access to information technology and information on governance to villagers."

Bruce decided to support Hand in Hand because of our proven track-record of combining our holistic programme with a sound business philosophy.

God My Silent Partner Foundation



Aidan Clegg

Aidan Clegg decided to do something different for Hand in Hand International. He raised just under 20,000 GBP by doing a sponsored climb of the Matterhorn.

Asked why he decided to take on such a challenge, Aidan explained: "As an economist,

The village of Keel Sirunaiperugal has changed dramatically over the past 18 months, thanks to the generous donation from God My Silent Partner Foundation, set up by the Sachdev family.

Keel Sirunaiperugal is now a 'child labour-free' village. What is more, Hand in Hand's integrated approach means that changes have taken place in many other areas too – strengthening of schools, socioeconomic development of women, enterprise development, basic health and personal hygiene, computer literacy and environmental protection.

A representative from GMSPF says: "What appeals to us about Hand in Hand is its integrated and results-focused approach that has helped to transform this village. It seems to balance being hands-on while reinforcing local ownership, empowering the local community to lift itself out of poverty."

AT A GLANCE

We have launched our first transit schools for urban slum children in Chennai.



Anjalai's story

Anjalai, 33, was an uneducated farm labourer when she joined a Hand in Hand self-help group. Today, she runs a successful vermicompost unit. She learnt to read, got vocational training, and a loan of INR 22,500. The loan is repaid. Anjalai works fewer hours, earns more, and dreams of giving her children a better education.

Consolidated Statements

Hand in Hand and SEED

Balance sheet

	INR	INR
	As on 31 March 2009	As on 31 March 2008
Liabilities		
Initial Contribution	7,127	7,127
Reserves & Surplus	27,788,166	14,279,660
Corpus Fund	444,173,162	444,173,162
Interest on Corpus Funds	74,899,021	16,963,970
Grants		
Capital Grants	72,586,791	54,091,065
Revenue Grants	145,592,125	192,114,516
Loan funds		
Secured loans	224,071,936	249,219,419
Unsecured loans	40,299,517	7,500,000
TOTAL	1,029,417,845	978,348,919
Assets		
Fixed assets		
Gross block	79,814,336	52,797,012
Less: Accumulated depreciation/ amortisation	(13,304,561)	(7,589,482)
Net Block	66,509,775	45,207,530
Capital work in progress including capital advances	7,246,451	4,467,111
	73,756,226	49,674,641
Current assets, loans and advances		
Cash and bank balances	656,260,383	667,936,449
Loans and advances	303,603,942	259,987,337
Other current assets	13,060,679	2,125,386
	972,925,004	930,049,172
Less: Current liabilities and provisions		
Current liabilities	13,423,916	1,374,894
Provisions	3,839,469	-
	17,263,385	1,374,894
Net current assets	955,661,619	928,674,278
TOTAL	1,029,417,845	978,348,919

Income statement

	INR	INR
	1 April 2008 to 31 March 2009	1 April 2007 to 31 March 2008
Income		
Grants	245,770,002	113,492,737
Interest on loans to self-help groups	36,314,014	11,590,086
Other income	32,370,671	20,039,898
Donations	91,659	178,716
Interest on loans to Citizen Centre Enterprises	1,912,255	426,005
Income from Solid Waste Management user fees	6,522,810	693,921
TOTAL	322,981,411	146,421,363
Expenditure		
Programme expenses	241,468,829	109,825,791
Administrative and other expenses	10,611,950	4,666,265
Gratuity and consultancy charges	5,525,995	
Grants to other Trusts	7,225,000	7,350,000
Depreciation / Amortisation	6,075,195	4,754,717
Interest Charges	37,218,742	12,172,608
TOTAL	308,125,711	138,769,381
Excess of Income over Expenditure before tax	14,855,700	7,651,982
Provision for tax:		
- Current tax	-	-
TOTAL	14,855,700	7,651,982

Auditor's report: Hand in Hand



Sonia's story

Sonia's parents are both farm labourers. When Sonia was 10, they made her stop school and look after her two younger sisters. Hand in Hand staff met Sonia's parents and explained the importance of schooling. Finally, Sonia was allowed back into school, along with both her sisters. Sonia's favourite subject is Tamil and she wants to become a teacher when she grows up.

To the Board of Trustees of Hand in Hand Tamil Nadu:

- 1. We have audited the attached balance sheet of **Hand in Hand Tamil Nadu** ('the Trust') as at March 31, 2009, and also the income and expenditure account and the cash flow statement for the year ended on that date annexed thereto, prepared in conformity with accounting principles generally accepted in India. These financial statements are the responsibility of the Trust's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2. 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 materials 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 statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3. As more fully discussed in Note C (l) to Schedule 19 of the accompanying financial statements, during the year the Trust has entered into a consultancy agreement with Helping Hand Micro Finance and Services ("Helping Hand" or the "Company") in which a substantial interest of the Company's Share Capital is held by the Managing Trustee of the Trust. We understand that the consultancy work under the agreement is still in progress, and the Management of the Trust is in the process of obtaining such work completion reports. Based on Management's estimates, Rs.18,761,175 out of the total amount has been charged to Income and Expenditure Account, and the balance Rs.3,509,825 is being carried as advances as at March 31, 2009. We are unable to comment on the appropriateness of the amounts of expense and advances recorded in the financial statements.
- 4. We report that:
 - i. Subject to matter referred to in 3 above, we have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purposes of our audit; and
 - ii. Subject to matter referred to in 3 above, in our opinion, and to the best of our information and according to the explanations given to us, the said accounts of the Trust, give the information required under accounting principles generally accepted in India, in the manner so required and give a true and fair view :
 - a) in case of the balance sheet, of the state of affairs of the Trust as at March 31, 2009; and
 - b) in the case of the Income and Expenditure account, of the excess of income over expenditure for the year ended on that date.
 - c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For Arockiasamy & Raj
Chartered Accountants

Per A Nagarajan
Partner
Membership No.20680
Place : Chennai
Date : August 21, 2009

For S.R.Batliboi & Associates
Chartered Accountants

Per S Balasubrahmanyam
Partner
Membership No. 053315
Place : Chennai
Date : August 21, 2009

Auditor's report: SEED

To the Board of Trustees of Socio Economic and Educational Development Trust (SEED)

- 1. We have audited the attached balance sheet of **Socio Economic and Educational Development Trust** ('the Trust') as at March 31, 2009, and also the income and expenditure account for the year ended on that date annexed thereto, prepared in conformity with accounting principles generally accepted in India. These financial statements are the responsibility of the Trust's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2. 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 statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3. As more fully discussed in Note C (l) to Schedule 17 of the accompanying financial statements, the Trust had advanced loans aggregating to Rs. 21,000,000 during the previous year to certain mutual benefit trusts. The above loan balance is still outstanding as of the year ended March 31, 2009. Management of the Trust is currently in the process of recovering the above loan balances and is confident of recovering the same. We are, therefore, unable to comment on the adjustments, if any, that are required to be made to these financial statements.
- 4. We report that:
 - i. We have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purposes of our audit;
 - ii. Subject to matter referred to in 3 above, in our opinion, and to the best of our information and according to the explanations given to us, the said accounts of the Trust, give the information required under accounting principles accepted in India, in the manner so required and give a true and fair view:
 - a) in case of the balance sheet, of the state of affairs of the Trust as at March 31, 2009; and
 - b) in the case of the Income and Expenditure account, of the excess of income over expenditure for the year ended on that date.

For Arockiasamy & Raj
Chartered Accountants

Per A Nagarajan
Partner
Membership No.20680
Place : Chennai
Date : August 21, 2009

For S.R.Batliboi & Associates
Chartered Accountants

Per S Balasubrahmanyam
Partner
Membership No. 053315
Place : Chennai
Date : August 21, 2009

AT A GLANCE

We now have seven community-owned paid clinics where villagers pay a nominal amount for treatment but in turn get a weekly clinic in their own village.



Nirmala's story

From INR 2,500 to INR 5,000 a month – that is how much Nirmala, 38, has improved business. As a self-help group member, Nirmala enrolled in an enterprise development programme. This and a loan of INR 5,000 allowed her to scale up her beauty parlour, and profits increased. She has now taken a second loan of INR 10,000 to help her move into a larger shop.



HAND IN HAND

www.hihseed.org