



HAND IN HAND



ANNUAL REPORT 2009-2010

SOCIO ECONOMIC AND EDUCATION
DEVELOPMENT TRUST



Our Vision

To alleviate poverty through job creation and integrated community development.



Our Mission

To work for the economic and social empowerment of women, and thus of society, by creating enterprises and jobs. To follow this with an integrated development programme that creates sustainable communities.



Our Five Year Goal

To create 1.3 million jobs.



HEADLINES

We work for the poor in India, Afghanistan, South Africa, Kenya, Sri Lanka...



NRM TO BEGIN WORK IN KARNATAKA STATE

Apart from Self-help Groups (SHGs), we also launched Natural Resource Management (NRM) activities and Citizens' Centre Enterprises in Karnataka. Page 12.

56,193 BORN AGAIN KIDS AND COUNTING...

The Child Labour Elimination Programme (CLEP) today runs over 60 transit camps, evening tuition centres as also Residential Bridge Camps and Schools to address gaps in the educational system. Today, thousands of children, earlier forced into child labour, are getting an education, and many more have got jobs in towns and cities. Page 22.



CATCH 'EM YOUNG

'Give to Asia' and the Caterpillar Foundation will support Child Labour Elimination projects in India and in Afghanistan this year.

Now, Sri Lanka, Kenya...

We launched foundation work for expansion of HIH in Sri Lanka and Kenya in partnership with government and partner organizations; we have also been invited to six Latin American countries in partnership with the Inter American Development Bank and World Vision. Page 38.

US CONGRESS FELICITATES DR KALPANA SANKAR

Hand in Hand CEO Dr Kalpana Sankar was felicitated by the US Congress as one of



the top 10 Women Social Entrepreneurs in the world. She was also awarded the TRIUM EMBA scholarship recently.

NABARD AND HAND IN HAND

NABARD will fund watershed projects in Tamil Nadu and Karnataka through HIH's Natural Resource Management Programme.

Growth...

HIH-SEED now has 136 branch offices (including NBFC Belstar) with over 3,000 employees and thousands of volunteers and friends...



STANFORD SCHOOL OF BUSINESS CHOOSES US

Stanford Graduate School of Business has chosen Hand in Hand as a Case Study to be studied by its students and made it a part of its curriculum

Srijan: HIH among top 5

Hand in Hand was listed as one of the top 5 Microfinance Institutions in India in client centric/product services by Srijan, a National-Level Microfinance Platform.

SWM: WEALTH FROM WASTE

Our Solid Waste Management Programme has covered 21 SWM projects, covering a population of about 162,123 households in various parts of Tamil Nadu. Go to page 24.

UNINOR INKS PACT WITH HIH

UNINOR will support Citizens' Centre Enterprises (CCEs) of Hand in Hand in Tamil Nadu

CONTENTS



How CCEs are transforming the lives of the poor in rural India



The growth of self-help groups (SHGs) and the future of microfinance



A brief look at some of our donors



90A, Nasarathpettai Village, Little Kancheepuram, 631 503, Tamil Nadu, India
Phone: +91-44-272 670 65 / 672 713 73 • Fax: +91-44-272 693 01
E-mail: info@hihseed.org
Web: www.hihseed.org

For further information please contact:
Abi Murali (abi.murali@hihseed.org)

COVER: SHG women; PHOTO: India Today Images
Financial statement reported in this Annual Report are up to March 2010, and achievements have been updated as per latest information

Charity Registration Number: 219/2002

Advisor's message	06
Trustee voice	08
CEO's note	10
Natural Resource Management	12
The FMO project	14
Health	20
Child Labour Elimination	22
Solid Waste Management	24
Government	28
Village Upliftment Programme	30
Water and Sanitation	32
HIH: Across the World	34
Country Briefs	36
Madhya Pradesh	38
Karnataka	40
Testimonials	42
Board People	44
Belstar	46
Financial Statements	50
Donate to us	53

THE POOR CANNOT WAIT

Message from our principal advisor Percy Barnevik

ANOTHER YEAR AND ANOTHER set of great achievements from Dr Kalpana Sankar and her fine team. Particularly outstanding is the growth of the Self-help Groups programme. By end of September 2010, some 609,027 poor women had been organized in 42,169 Self-help Groups. More importantly, about 539,094 small enterprises had been added or expanded, out of which 6,170 are medium-sized. While there are many thousand MFIs (Micro Finance Institutions) in the world, probably none can show this high level of entrepreneurship on this scale. The reason is our extensive training and coaching programme. The expression "success breeds success" and the record number of 700-800 enterprises per day is an illustration of that.

It is also great to see the Hand in Hand (HIH) model spread inside India, including among the poor people of Madhya Pradesh and Karnataka. Outside India, Usha Somasundaram has completed a pilot project to illustrate how the Help to Self-help model can work in war-torn Afghanistan too. The Indian government has been financially supporting us for the last two years in Afghanistan. In South Africa, the country manager, Sazini Mojapelo, has started to expand operations into the neighbouring countries of Namibia and Swaziland. HIH India has trained and technically supported people in South Africa for the past four years. Finally, an Indian team is bringing the HIH model to Brazil through the cooperation of global NGO, World Vision.

After the success story in India we also have a winning recipe for global success. It is a tripartite effort with a strong local management and a Trust in each major country, such as South Africa and Afghanistan, with the technical support and training expertise from HIH India, and support with funding with big donor contracts from HIH International and HIH Sweden. In fundraising and in external recognition, HIH International and HIH Sweden have done a great job. The global 10-year target is 10 million jobs, directly and indirectly, and this will impact the lives of some 40 million people.

In India, the help to Self-Help programme acts like an "ice-breaker" for the other four pillars – Health, Environment, Citizens' Centre Enterprise and Child Labour Elimination Programme. With a gradually higher living standard among families and whole villages, this facilitates the programmes for Education, Citizens' Centre Enterprise, Health and Environment. These pillars have shown good progress. Finally, the new bank-like entity, Belstar, is gradually coming on stream, to facilitate supply of credits to the women entrepreneurs. IFC/World Bank are among our other important partners.

It would be useful to briefly look at our Help to Self-help model in the global context. There are about three billion poor people (living under \$2/day) in the world. Out of them are 1 billion extremely poor who live under \$1.25/day, the so-called "bottom billion" (300 million of the bottom billion live in India). So why are people so poor? One answer to this question is that they lack productive jobs they can live on. In the poorest areas of the world, unemployment or underemployment reaches 50 per cent. And 250 million new jobs may be required to pull the "bottom billion" out of its misery. Hand in Hand's experience of how much it costs to establish a job is \$20 in the big scale with highly-efficient operations in Tamil Nadu. The other extreme is Afghanistan with \$400/job and South Africa somewhere in the middle. A conservative global average may be \$200/job.

Where will these jobs come from? Only marginally from the public sector and the big industry; the overwhelming majority must come from micro enterprises and small-and medium sized ones, and, new ones and expanding old ones.

Would not the cost of creating so many jobs be enormous? 250 million jobs multiplied by \$200 (for each job) means \$50 billion. If it is done over 10 years, it means \$5 billion per year. Annual total aid is \$110 billion. Thus, the present aid must be increased by 5 per cent or 5 per cent of the existing aid must be reallocated to 'Help to Self-Help'. No dramatic change in existing aid is needed.

You may ask: Is it not necessary also to invest in infrastructure, like water, electricity, roads, hospitals and schools? Of course, but it took industrialized countries over 100 years to build a modern infrastructure. And it will not be faster for Mozambique or other countries. But the poor people cannot wait. They need jobs now.

The HIH model and similar initiatives is the way to eliminate extreme poverty within a reasonable time and at a reasonable cost. HIH's long-term target of 10 million jobs is ambitious and important. But even more important is to influence world aid activity in the direction of Help to Self-Help. We do that primarily by illustrating the action on the ground in all continents.

I wish to thank the board members, managers and all employees of the Hand in Hand family. I also want to thank our donors, fundraisers and supporters in the Advisory Councils. Together, we have achieved something important in our common fight against poverty. You all will be needed in our continuing exciting journey with new and higher ambitions in the future.



THE WAY AHEAD

Transparency, trust and partnership are guiding principles to manage inter-organizational relationships, says P Kottaisamy



P. Kottaisamy is a Hand in Hand trustee. He is also an IT consultant and microfinance expert.

Hand in Hand (HIH) is one of the finest organizational innovations where, by design, two inter-related groups of entities work in tandem to achieve the shared objective of poverty reduction by creating employment for the poor. The first group of entities are fund-raising organizations such as HIH International and HIH Sweden with their core expertise of fundraising and donor relations management. The second group of entities are national-level grassroots programme implementation organizations, prominently HIH India, while HIH South Africa and HIH Afghanistan are taking shape among other such initiatives in various countries.

HIH India's pioneering development model "Five Pillars" programme has been delivering exceptional performance each year, including the current year in terms of reaching out to more people, creating jobs, enabling access to information, eliminating child labour, improving health and promoting a clean environment. The SHG programme is a fine example of scale, which has managed to reach out to around 5,50,000 families in Tamil Nadu in the last 4-5 years. Whenever a new job is created, or existing one strengthened in each one of these families, HIH India not only helps the family lead a quality life, but transforms the family in its entirety through the accompanying programmes like health, information access, natural resources management and education either through direct or indirect support.

Over the years, the HIH model proved that thousands of jobs can be created or strength-

ened in a year, especially in the rural jobs market, by ensuring availability of finance, sufficient levels of skills training and unfettered focus on nurturing rural entrepreneurship in poor families. In HIH India's integrated development model, though it encompasses many programme components, scale and the synergy among these programmes are great achievements by any standard.

The last few years of collective experience of HIH India provides us with a number of insights on managing a complex developmental organization of this scale and also managing the stakeholder relations better despite a few conflicts and differences of opinions which happened many times not on the "why" part, but to a great extent on the "how" part of managing programmes, relationships and people.

Here, I wish to highlight a few areas where HIH should focus on in the current and coming years.

First, in the area of global expansion, as HIH spreads its footprints in newer territories like South Africa and Brazil, the already stretched programme resources of HIH India need to be deployed smartly and creatively to support crafting strategies and approach as per the local context of these countries. With the involvement of HIH International, HIH India and newer organizations in these countries, the facilitating team should develop sound implementation guidelines and monitoring parameters. In essence, global expansion needs to be implemented and monitored carefully.

Second, with respect to the programmes, the microfinance programme in India is at a crossroads where commercialization is spreading its roots faster and deeper. The reasons given for the commercialization route of microfinance organizations that of "availability of capital" and the "progressive legal framework" in the form of NBFCs at best only reflect the partial story. Genuine issues such as cost of microfinance loans and reaching the poorest at the bottom of the pyramid, are yet to be completely embraced by many of these organizations. Hand in Hand's SHG programme should continue to address the twin issues of offering credit at reasonable and responsible interest rates and covering the poorest segment. Making the poorest bankable and strengthening their livelihoods to fetch sufficient incomes is the challenge HIH must take head on.

Third, as an organization, HIH has always strived to build 'differentiation' in whatever services it offers to the communities. It is clear that HIH is truly following an integrated approach towards development, and within that there is a sharper focus on employment creation. Since, the development model of HIH is unique; it offers great scope for further differentiation. To name a few, Citizens' Centre Enterprise (CCE) can be transformed as a company which may offer franchisee-based knowledge solutions to the village communities. This model may prove to be ideal because inherently these centres need nurturing support through solutions, services, products, branding and vision. There is a strong need for central knowledge leadership and direction. The village development programme requires sharper focus and clarity in terms of terminal objectives, especially in the areas of mechanisms to enhance village governance, facilitation to bring collaboration among various functional groups of the village beyond ensuring self reliance of village panchayaths.

Fourth, one of the long-term challenges is to make every HIH programme financially self sustainable. All HIH programmes have the potential to become at least partially self-reliant in the medium to long term, however, programmes like Child Labour Elimination

need continued supply of resources. To begin with, the SHG programme and CCE must be targeted to make them operationally self sufficient. The SHG programme must cover all of its expenses, including loan loss provisions in the medium term. However, there is a clear need for promotional costs to expand these programmes in existing and new areas as per the strategic plan estimates, which require continued core and programme funding from HIH International, HIH Sweden and other institutional and individual donors.

Fifth, Human Resource Development is emerging as one of the critical areas. Recruiting and retaining the right people with the right attitude and skills is a challenge not only for HIH, but also for the sector itself. Since the head count is increasing in HIH projects day by day, there is a need to put in place a system where people have enough space to grow and contribute. Our staff, communities and all stakeholders should have freedom and interest to express their opinions openly to serve the best interests of the organization. The second line leadership must think in strategic terms cutting across programmes and central departments and their contributions should be judged not only in their primary responsibility area, but also their contribution to overall organization in terms of strategy and implementation.

The creative partnership among HIH International, HIH Sweden and HIH India needs to be nurtured carefully to bring synergy in terms of strategic priorities, strategy formulation, resource allocation, and information sharing and programme implementation

Sixth, with respect to corporate governance in HIH, in the last few years, the Board got strengthened significantly due to the additions of Mr P Shankar, Mr N Srinivasan and Dr H Sudarshan. They bring with them tonnes of expertise in areas of SHG and health programmes, government programmes management, monitoring and strategy implementation. As part of further strengthening corporate governance, the sub committees on Social Audit, Financial Audit, HR and Programmes Management must be made functional this year.

Finally, the creative partnership among HIH International, HIH Sweden and HIH India needs to be nurtured carefully to bring synergy in terms of strategic priorities, strategy formulation, resource allocation, and information sharing and programme implementation. Transparency, trust and partnership should be the guiding principles of managing inter-organizational relationships. While the organization grows, the complexities and grey areas also grow along with it. With greater levels of trust and appreciation of each other's opinions, perceptions, working style and culture, HIH can overcome these challenges in the larger interest of poor communities and development at large.

CEO'S NOTE

We must continue to deepen our services to make sustainable impact on the lives of the deprived and avoid mission drift while working for the base of the pyramid

“Change will not come if we wait for some other person or some other time. We are the ones we’ve been waiting for. We are the change that we seek.”

— US President Barack Obama

Hand in Hand India made tremendous strides last year, with projects showing growth in both reach and quality. A feather in our cap was the acquisition of BelStar, the Non Banking Finance Company. The SHG and the microfinance component of Belstar will thus provide the platform and the social and financial base for other pillars to implement various developmental activities. This process will not only strengthen the social capital of the poor, but will raise the living standards of the poor. Hand in Hand and Belstar will work closely complementing each other's role and we will try to emulate Professor Muhammad Yunus, the Nobel Prize Winner, whom we have chosen as our role model.

By the end of September, we reached 609,027 women, and expanded to more states in India, including Madhya Pradesh and Karnataka. About 539,094 enterprises have been strengthened or started, which means roughly 839,491 jobs created so far, as Hand in Hand India steadily moves towards its goal of 1.3 million jobs by 2013-14. Of the enterprises, almost 6,170 are micro enterprises with an investment of over INR 50,000. A handbook too was launched to document their achievements.

Hand in Hand India strongly believes that poverty must be tackled by integrated development. Our five-pillar programme is the answer, providing access to education, information, healthcare and a clean environment to the poor, along with access to jobs. More than 62,554 children have been enrolled into school, while 4,037 children have been brought out of malnourishment. More than 170,930 women and children have benefitted from basic e-literacy training from more than 2,415 Citizens' Centre Enterprises (CCEs), while more than 162,123 households are now covered by Hand in Hand's Solid Waste Management (SWM) programme. Besides, nearly 3,468 toilets have been constructed so far in rural and semi-urban areas, while the Natural Resource Management (NRM) project was extended to Karnataka this year.

New concepts were explored; 10 paid clinics were started, where the poor pay as little as INR 15 to get access to basic healthcare in their own villages. Volunteers mobilized by CCEs lobbied with the government for various kinds of solutions and

innovations. A unique three-year impact study was launched by the Centre for Micro Finance Research of the Institute for Financial Management and Research (IFMR). Through Randomized Control Trial methodology, it strove to study and analyze the impact of HIH methodology on poor communities.

Hand in Hand India took its model to Brazil, where the first self-help groups, called GoL-Ds, started operations. In war-affected Afghanistan, Hand in Hand India facilitated a grant from India's Ministry of External Affairs to strengthen the existing project. It also extended training to both the Afghanistan and South Africa teams.

Different departments of the organization, including Human Resource, Monitoring and Evaluation, and Finance were revamped, with recruitments and new systems were put in place. In India, we were able to raise roughly INR 100 million as grants and interest income to support operations. We are poised for greater outreach, with more Indian states, while we are also poised to enter countries ranging from Sri Lanka to Latin America nations. The next year promises to be even more exciting with the extension and outreach into the states of Orissa and Maharashtra, and the adoption of Government-run "Primary Health Centers" in partnership with Padma Shri Awardee Dr. Sudarshan in under-served areas and tribal habitations of Madhya Pradesh.

Felicitation by the US Congress as a "Woman Leader from India" and being awarded a scholarship for the prestigious TRIUM EMBA program have been very big milestones in my life.

All this has been made possible because of the enabling policies of the Governments of India and Tamil Nadu, governance and guidance of the Board of Trustees and last, but not the least, the funding and guidance of Dr. Percy Barnevik and the funding support from Hand in Hand International and Hand in Hand Sweden. My message on behalf of my wonderful team and volunteers, who have toiled day and night to make our dreams come true, is this: We must continue to deepen our services to make sustainable impact on the lives of the deprived and avoid mission drift while working for the base of the pyramid. As Mahatma Gandhi said, before each one of us takes any decision, we must think of the poor people who will be impacted by the decision and take only those which would be of benefit to that person.

Dr Kalpana Sankar





REVIVAL

A brief report on the activities of Hand in Hand's Natural Resource Management Programme

In the past 100 years or so, the role of the State has been critical to the changes in the ecological chain in India. While rapid urbanization has cast its shadow over traditional water sources and farm lands, the role of the local communities in managing natural resources has decreased. Simultaneously, there has been a growing dependence on surface water and groundwater, and less on rainwater and floodwaters. This has not only led to a decline in groundwater tables and agricultural yields, but led to more areas becoming highly degraded throwing millions of poor farm people out of jobs. Finding ways to harvest and store rain water in rural India as well as to involve communities in the management of natural resources has become the challenge.

The Natural Resource Management Programme (NRM) of Hand in Hand was launched in October 2006 with the major objective of reviving a degraded environment and involving local people in its management. The way to do this was to forge partnerships with government agencies and local organizations to fund projects that would not only protect natural resources and revive agricultural activities, but more importantly, by undertaking the restoration of watersheds, the poorest of the poor in rural India would gain employment and improve their living standards. This would check ecological imbalances, promote clean living and green farming and create avenues for new marketing mechanisms.

Today, nine micro watersheds have been taken up for regenera-

tion till now in three districts of Tamil Nadu - Kancheepuram, Thiruvannamalai and Cuddalore - and Chamrajanagar district in Karnataka, directly benefiting over 2,500 poor people, and generating nearly 10,473 man days of work. The NRM activities form a part of the Environment Pillar of Hand in Hand - one of the five Pillars of the organization, which along with Self-Help Groups and Microfinance, Health and Citizen Centers Pillars - are working towards the goal of creating 1.3 million jobs to eliminate extreme poverty and strengthening livelihoods among impoverished communities.

Adimoolam, who has a tiny agricultural land in Arapedu, Kancheepuram, Tamil Nadu, has benefitted from the integrated watershed management approaches of Hand in Hand. The small loose rock check dams and stone outlets have enabled the retention and proper flow of water in his farms. These structures have also helped increase soil fertility because of the retention of the moisture in the soil and also checked the velocity of water during heavy rains. "Hand in Hand initiatives have helped recharge wells in the area. We are able to store water almost throughout the year and yields too have gone up," says Adimoolam. Today, thousands of poor people such as Adimoolam as well as those who were involved in the watershed restoration activities have reason to smile.

Now, other states too want to be part of the Hand in Hand NRM programme. For instance, Karnataka has invited Hand in Hand to implement similar watershed initiatives. In collaboration with the Vivekananda Girijana Kalyana Kendra (VGKK), a local NGO, Hand in Hand will implement two projects, the NABARD-funded watershed programme, and, WADI, an orchard development programme for tribals in Chamrajanagar district of the state. Moreover, two proposals - with the National Bank for Agriculture and Rural Development (NABARD) to implement watershed programme in two districts are in the pipeline.

Methods and Approach

The Arapedu watershed comprising four villages and three hamlets-covers an area of 1,092 hectares. It was planned at a cost of Rs 96 lakh, with financial assistance of Rs 85 lakh from NABARD, and the remaining amount was mobilized from community contribution. The watershed activities are based on traditional harvesting technologies pioneered by people for centuries and localized to suit the environment and its inhabitants. For instance, water absorption trenches were constructed along the foothills of the mountains to hold and regulate the flow of water from the hills. And digging ponds, contour trenches and supply channels enabled and augment the water flow.

The mammoth task involved over 3,200 members who are part of the water associations in four villages, and they take collective decisions to implement the watershed activities. Hand in Hand helped in the formation of Watershed Associations and enabled them to elect members to the Watershed Committee, who are involved in the restoration and management of watershed activities. The Watershed Committee works in close coordination with different stakeholders including the panchayats - village-level democratic institutions. "The watershed initiatives have had a positive impact on the village," says R Rajendran, vice-president of Arapedu village. Crop yields have doubled in the area, he adds.

Moreover, the organization is also making innovation the key to widen the scope of its activities. For instance, the NRM organized workshops and field training for farmers to take up organic farming. Today, many farmers such as Jayaraman in Murukeri village in Thiruvannamalai district have switched over to organic paddy cultivation. "Earlier, our input cost was high because of the use of pesticides and fertilizers. But after switching over to organic farming, we use less expensive (natural) inputs. This has increased the net profit," says Jayaraman. Hand in Hand is in the process of evolving a marketing mechanism to make such products viable in different markets.

Simultaneously, the organization has undertaken several confidence-building measures to motivate poor farmers. It took a six acre degraded land about 80 km from Kancheepuram on a five-year lease in December 2008. Here, it has constructed two ponds in the area and leveled the fields to do horticulture plantation.

In the adjoining villages it has adopted different approaches in the reclamation of land. In Murukkeri for instance - a tiny hamlet located in Thiruvannamalai district - the organization involved local people in the clearing of *Prosopis juliflora*, a wild weed and used machines in leveling the land and promoted agricultural activities. In Vilangadu village in the same district, this strategy has reclaimed over 100 acres of degraded lands.

The NRM activities of Hand in Hand connect us to the ecological journey ahead of us, one of the ways to realize the potential of our poor rich planet.

Thousands of farmers such as Adimoolam (below) have gained from the activities of the NRM programme. Agricultural yields have gone up; so has household income levels. "This is due to the water initiatives of Hand in Hand," says Adimoolam.



GIMME MORE!

The FMO I project of Hand in Hand gave a new thrust to dairy and agricultural businesses and promoted successful entrepreneurs in rural Tamil Nadu. This year, the poor in Madhya Pradesh too will stand to benefit from FMO II

About a year ago, Rajeshwari came home armed with books and literature after attending a training programme of the FMO project, much to the amusement of her household — her husband, two school-going kids and aged grandparents, who live in Kaduganur, a tiny hamlet located 80 km from Thiruvannamalai town, Thiruvannamalai district, Tamil Nadu. Rajeshwari could hardly hide her enthusiasm when she narrated to her household members how she had gained new skills and knowledge about a profession her ancestors have been practising for more than half a century now — dairy farming. The elders in her locality watched in amazement how she began strengthening the support structure — growing cow feed, buying salt cake, creating a cooperative mechanism and insuring the animals. Today, her business has witnessed a profit of over 20 per cent.

Rajeshwari is one among over 8,000 women in the four districts of Kancheepuram, Thiruvannamalai, Vellore and Villupuram in Tamil Nadu who have benefitted from Hand in Hand's FMO project, whose objective is to bring more people out of poverty in the agricultural and dairy farming sectors that have witnessed a rapid decline in the past few decades across many states. Simultaneously, there is a growing demand for various types of high-quality agricultural and dairy products in the markets. The FMO Capacity Building Programme of Hand in Hand has been underway for more than two years, and it has been designed to benefit women entrepreneurs by imparting training in management, marketing, technical and knowledge skills so that they can reorient their businesses in a profitable way.

The FMO project is the brainchild of Hand in Hand's advisor, Percy Barnevik, who co-funded the FMO I project. The major funding partner is the Dutch entrepreneurial development bank FMO. FMO invests risk capital in companies and financial institutions in developing countries. The FMO II project is being co-funded by Jonas af Jochnick, founder of cosmetics major Oriflame.

The uniqueness of the project is that it has added value to the agro and dairy sectors through awareness and capacity building and trained poor people to re-adapt themselves to changing weather patterns and market requirements. The programme activities have filled knowledge gaps and promoted products and processes to increase productivity and profit margins. The project has triggered an informal cooperative movement leading to the creation of new-age agricultural and dairy value chain enterprises.

The project is being implemented through Self-Help Groups (SHGs). Village clusters are identified and mapped to update modules to suit the local require-

ments. After explaining the idea and its components, meetings are planned to identify target groups and people. Training on modules is given to project team members, who then take the entrepreneurial development programmes (EDP) to the target population. The FMO project has designed and evolved a number of training programmes and modules to suit local contexts, and on a range of subjects, including awareness building, financial instruments, techniques and methodologies.

Field visits are a vital part of FMO projects, as agricultural and veterinary experts are engaged at field locations to provide on-the-spot advice and guidance. Thurkei, who hails from Thethurai village in Thiruvannamalai district, Tamil Nadu, says she was encouraged to start a pro-tray nursery, where different kinds of vegetables and plants are grown in controlled environments and then sold to farmers. "We used vermin-compost and other organic techniques to produce high-quality and high-yielding plants," she says. This initiative has proved to be a huge success and farmers from neighboring villages are now queuing up to Thurkei. "We were also taught about cropping patterns, use of organic manure and the process of grading of vegetables. But most importantly, they imparted marketing skills that have enabled us to become smart agriculturalists," she says. The microfinance component of the programme is through the Self-Help Group Pillar that offers various loan options and provides working capital to poor people to buy milch animals or use the loan amount for procuring materials to do various kinds of farming activities.

It is significant that a study team from the International Crops Research Institute for Semi-Arid Tropics (ICRISAT) found that 'the key impact of the FMO project was to push 75 per cent of beneficiaries from concept awareness to comprehension stage, which logically led to the adoption and adaptation and thus led to the creation of productive assets'. To monitor the progress, cluster groups regularly hold meetings to discuss problems and these are then taken up in meetings with the training coordinators. The use of experts helps understand and provide solutions to individual problems and makes the process interactive and transparent. The success of FMO I has led to the implementation of FMO 2. It has a target of providing intensive skills training to 14,000 women by 2012 — 10,000 in Kancheepuram, Thiruvannamalai, Vellore and Villupuram districts in Tamil Nadu, and, 4,000 in Indore, Dewas and Dhar districts in Madhya Pradesh. Thanks to the FMO, thousands of women like Rajeshwari are re-discovering the art of doing traditional businesses and making profitable beginnings in life.

The FMO project is the brainchild of Hand in Hand's advisor, Percy Barnevik, who co-funded the FMO I project. The major funding partner is the Dutch entrepreneurial development bank FMO. The FMO II project is being co-funded by Jonas af Jochnick, co founder of cosmetics major Oriflame.



CITIZENS' CENTRE ENTERPRISE

It is past seven in the evening in Kililanur, a tiny village in Tamil Nadu's Villupuram district, and a few farmers have managed to reach the market area after walking for over six kilometers. They are employed under the Central government's Mahatma Gandhi National Rural Employment Generation Act, and get paid for renovating ponds and water bodies in the area. The farmers have come to withdraw money at the Citizens' Centre Enterprise (CCE), an initiative of Hand in Hand, which has forged a partnership with the State Bank of India (SBI) as a service provider. It is past normal banking hours, but the CCE in-charge, L. Vijayalakshmi, is happy to accommodate them, guiding them step by step through the fingerprint technology.

Vijayalakshmi activates a small machine connected to the computer and inserts a smart card. This action automatically connects the computer to the main SBI server. A choice of fingerprints of the beneficiary is stored in the database for identification. As soon as the match is found, the beneficiary's photograph and banking details appear on screen. After the transaction, the machine prints two receipts, one for the beneficiary, and the other is kept by Vijayalakshmi. After a few minutes the farmers get their dues. "We needed the money for our evening meals," says one of the farmers.

Banking revolution

Welcome to what looks like an emerging banking revolution taking place in rural areas of India, where Hand in Hand has set up over 2,415 Citizens' Centre Enterprises to fill critical needs of the rural community. The new partnership between Hand in Hand and SBI signed in December 2008 has set in motion a new wave of banking systems for the poor in rural India. About 20 CCEs of the 2,415 CCs have implemented the SBI banking operations till now, but over 100 CCEs will get activated through the SBI rural banking programme popularly called 'kiosk banking' this year.

Consider the facts: With over one billion people, India has just over 300 million bank accounts. The bottlenecks to make banking inclusive in rural India are many. So if it is credit worthiness of the poor or problems of reach and illiteracy, the social imperative of reaching out to the poorest of the poor has become critical. Thus, CCEs are spaces where the poor can use various banking services, including cash transactions - deposits and withdrawal, insurance, various loan options. The poor are flocking to new technology and



VIRTUAL REALITY: Electrolux donated computers to us

banking options like fingerprinting and smart cards that are easing the problems of illiterate people.

Since most of the CCs are located in rural areas, SBI got a head start to introduce their rural banking programme of recruiting HIH staff as Business Correspondents. This addressed the problem of reaching out to poor people living in inaccessible areas. The partnership is significant as hundreds of Self-help Groups formed by Hand in Hand in project areas have become the first customers of the new initiative. The loan options - for education, farming, etc - have given the rural masses the opportunity to gain economic mobility, but importantly, it has provided rural people access to various technical and knowledge skills. "The partnership has brought banking to the doorsteps of villagers. It is contributing to the social objective of

bringing about 'financial inclusion' of unbanked and under-banked villages. SBI has plans to open many more kiosk banking outlets in Tamil Nadu and Puducherry, and welcomes Hand in Hand to participate in this expansion in a big way," says Rajaraman K R, AGM of State Bank of India.

New-age entrepreneurs

Simultaneously, thousands of poor women are becoming part of the Hand in Hand model and have started successful enterprises to increase household income levels. Vijayalakshmi, for instance, was initiated into the self-help group movement by Hand in Hand more than six years ago. She is part of the Kaveri Self-Help Group, and along with 16 members, she started to learn the finer points of group building and economic mobility. The group also started an inter-loan facility where members dipped into their savings during a crisis. When Hand in Hand launched the Citizens' Centre Enterprise, she was one of the first to get a loan of Rs 30,000 to buy a new computer. That was four years ago. Her husband's shop in the village became the make-shift space to start the enterprise. She voluntarily chucked her regular job at Ponds India Limited and began making detailed sketches to start her own enterprise - the Citizens' Centre Enterprise in Kililanur village. "Along with a drive to work for the community, I had a desire to learn the computer language and become a part of the virtual world," she says.

Today, her CCE has not only given her a new purpose in life, but she has been able to strike unique partnerships with poor people and impart knowledge about banking systems. She meets and interacts with an average



SMILES: Vijayalakshmi (left)

of 500 people per day - a far cry from the 10-odd curious people who used to come to her centre in the beginning. About 10 months ago, she became Business Correspondent for the State Bank of India (SBI) and this partnership has infused new life in her enterprise. "My satisfaction in life has been through Hand in Hand," she says. The partnership with SBI has won her more people. Far from running the place on a no-profit-no-

loss basis, Vijayalakshmi makes a cool profit of over Rs 2,500 each month.

But there is more to the CCEs than just banking services. From getting widows long-overdue pension funds through the Good Governance Rights Protection Committee (GGRPC) or helping village youth learn various computer programs or helping poor villagers to get loans through various schemes, CCEs are redefining grassroots democracy. For instance, in Alisoor village in Kancheepuram district, more than 100 poor lower caste families used the Right to Information to get lands originally allotted to them by the government, thanks to the efforts of the GGRPC (see box). At other centers, CC entrepreneurs have helped poor people get ration cards and other government benefits.

Significantly, CCEs will make an entry this year into two states where Hand in Hand has set up the social base to take up developmental activities - Karnataka and Madhya Pradesh. For instance, the organization in partnership with the Hubli-based Deshpande Foundation will launch 100 CCEs in two districts - Davanagere and Haveri in Central Karnataka. The Citizens' Centre Enterprise-SBI linkage initiative of Hand in Hand is empowering poor people in rural India. Awareness and economic mobility have transformed people, who have made CCEs vibrant metaphors of change. In many ways, the CCEs can be seen as a shining example of a people's movement for growth and change in rural India.

VILLAGEREPUBLIC

ALISOOR'S POOR ARE SMILING TODAY. BECAUSE DREAMS TURNED REALITY!

Irony doesn't get any more ironic. In 1998, the Tamil Nadu Adi Dravidar Housing and Development Board allotted small housing plots to about 100 poor families belonging to a very backward community residing in a tiny hamlet called Alisoor, 45 km from Kancheepuram, Tamil Nadu. The lowest in the social ladder in India are called Dalits, and they have been historically discriminated by various sections of society. So in this case too, the transfer of the land never took place. Efforts by local people and several representations to the district administration yielded little result. The poor families began to believe that they had been taken for a ride. The allotment of lands existed only on paper.

That has changed. One of the significant changes brought about by Hand in Hand was to bring justice to the doorsteps of poor families. The Good Governance Rights Protection Committee (GGRPC) formed here as part of the initiatives of the Citizen Center Pillar was to work on a campaign mode and used the Right to Information Act (RTI) to engage with local people and officials to arrive at a consensus. So in a well-coordinated move that involved sending memorandums and meeting several top officials, the administration was soon put into action. The Kancheepuram Collector Santhosh K. Misra even visited the village.

The handing over of lands was a well-covered event. National media took notice of the event. India's most respected daily, *The Hindu*, flashed the news on its front pages with a headline NGO Initiative: Dalit families get land (June 22, 2010). "It is a sheer miracle. We had almost lost hope. But it is only when Hand in Hand representatives stepped in and provided the momentum, the process got underway," says A. E. Murugan, member of the panchayat.



SCRIPTING VICTORY: Members display their newly-acquired land documents

Hand in Hand has forged an exciting partnership with SBI to make banking services accessible to the poorest of the poor in rural India

THE TRICKLE DOWN...



A STITCH IN TIME

*With millions joining the microfinance movement, what will be its impact on the poor?
Justin Oliver presents the bigger picture*

HIH SHG DIGEST

■ New Self-Help Groups formed during the year 2009-10 was 9,559 SHGs, which exceeded the target of 8000 new SHGs for 2009-10. ■ Loans disbursed by HiH during 2009-10 was Rs. 1,081.67 million, as against Rs. 628.37 million in 2008-09, a growth of 72 per cent over the last year ■ Loans facilitated through Bank linkage increased from Rs. 330.9 million in 2008-09 to Rs. 545.13 million in 2009-10, a growth of 65 per cent over the last year ■ SHG portfolio of HiH has grown from Rs. 237 million as of March 2009 to Rs. 416 million as of March 2010, a growth of 75 per cent over the last year ■ Repayment rate remains at 99.9 per cent ■ Introduced Branch Grading Tool and Branch Monitoring Tool, which enables Branch Managers to monitor the 10 key indicators of the branch and benchmark with region and mix benchmark ■ A SHG quality audit conducted in March 2010, which found that 3564 SHGs (9.5% of total of 49,760 members) were identified as non-performing and defunct and 274 weak SHGs. Follow-up actions are being taken up for review.

With more than six crore poor people in India participating in microfinance, both through the Self-Help Group Model and through Joint-Liability Groups, millions more are added each year. It's clear that the expectations of microfinance, and the demand for microfinance services, are overwhelming. Surprisingly, there has been little agreement in the academic community about the impacts of microfinance over the short or the long term. Some have suggested that, based on changes in poor clients' incomes over a period of time, receiving a high-interest microfinance loan has greatly improved their incomes.

Others have explained that this analysis is flawed, because those who were analyzed were already likely to see their incomes grow even if they hadn't received credit. Still others wonder whether economic growth is not better achieved through factories and industrialization that provide stable jobs, rather than through micro-enterprises supported by microfinance. In results released in 2009, a CMF study in partnership with Spandana and MIT researchers found that availability of joint liability group micro-credit in an urban setting had small positive effects on business creation over the short term, and important changes in how households invested money.

The most common form of Indian microfinance, however, has been the community-based SHG model, for which the question of how it affects households' overall well-being is still outstanding. CMF is very excited to be working with Hand-in-Hand Tamil Nadu in a three-year study to understand how the Hand-in-Hand SHG

model affects household consumption, income, savings, business profits, investments, health and education expenditures, child labor, and other outcomes.

In addition to examining overall impacts of the model, CMF is also working with Hand-in-Hand to better understand how providing intensive entrepreneurial training affect members' business and household outcomes. While many microfinance organizations focus solely on supplying credit to women, assuming implicitly that the beneficiaries they target have the entrepreneurial skills needed to run businesses effectively, a few organizations like Hand in Hand invest significant cost and effort to provide complementary training along with financial services, believing it critical to the success of micro-entrepreneurs' efforts. The study seeks to understand if entrepreneurial training provided along with micro-credit is effective - and cost-effective-- in improving household and individual level indicators of welfare like income, expenditure, health and education.

Understanding and being able to communicate clearly how interventions like microfinance and business training change the lives of poor people is essential to ensuring that the most productive efforts to decrease poverty and improve the lives of the poor get support and recognition needed. I applaud Hand in Hand for having the vision and forethought to value this knowledge highly, and for working steadfastly to further the cause of economic and social development in India and beyond.

— The author is executive director of the Centre for Micro Finance Research of IFMR, Chennai

THE ROTI MAKERS

The story of Jagadeshwari Self-help Group, Davanagere district, Karnataka

It is six in the morning and five women in Basaweshwara, an urban slum located on the outskirts of Davanagere, have already begun work. Everyday, they make hundreds of rotis, the traditional Indian bread. The roti they make is wafer-thin and large. They belong to a SHG called Jagadeshwari, comprising 12 members, which was formed in September 2008. By noon, the women would have made 1,500 rotis, which are then packed and sold to a dedicated network involved in the trade at a cost of Rs 1.25 per piece. "When we came in contact with Hand in Hand, we sensed an opportunity to overcome our poverty-ridden lives," says Gowriamma, a member of the group.

The inexpensive rotis are popular among the vast migrant populations in the state, more so because the packaged rotis can be stored and eaten even after two months after it is made. The traditional small business has also become a source of livelihood for thousands of people in the state, most of them with poor literacy. "The critical aspect is to find link markets for women involved in the trade," she says. The enterprise has encouraged another SHG in the area to take up the activity.



BREAD OF LIFE: SHG women make world famous bread

Each member earns Rs 400 every week. "Earlier, we made only Rs 200 because we did not have proper infrastructure. But a loan of Rs 60,000 (six members got Rs 10,000 each) enabled them to pool their resources and buy cylinders and gas equipment," says Kamalamma, another member of the group. The SHG members now plan to expand their enterprise by involving more members in their group activities. They use their weekly meetings to discuss strategies as well as to meet different people who can help them in their business. One of their strategies is to sell their product directly to shop owners and not depend on traders. This they say will not only increase profit margins, but involve more women in the self-help group movement.

PRESCRIPTION TO TREAT THE POOR

Innovation holds the key to delivering primary health care to the poor in rural areas. Thillai Rajan writes on a unique project of Hand in Hand and the Indian Institute of Technology, Madras

About two years ago, some of my colleagues and I from the Indian Institute of Technology (IIT), Madras, started working on an ambitious project that involved conceptualizing and testing innovative channels for primary health care delivery. IIT, Madras, provides support to select 'Socially Relevant Projects' proposed by its faculty members, and our project was supported under that programme.

In recent years, there has been a greater penetration of infrastructure facilities and services even in remote rural areas. Village road networks have been significantly strengthened leading to better connectivity of poorly-accessible villages with the State and National Highways. Most villages are now connected with the electricity grid. The same holds true for telecom - even those villages that did not have fixed telecom connectivity, are covered under the mobile telephone coverage network. Entertainment has permeated through the cable TV network, and in some of the villages where we travelled, the percentage of households having TV are more than those having access to a radio.

Healthcare facilities in rural villages, however, have not expanded in the manner that can be seen in other sectors. There are still several villages that are miles away even from a primary healthcare facility. Nobel Laureate Amartya Sen recently indicated that, "India needs to invest more on providing basic healthcare services, especially in rural areas and backward states. There is not enough public service provision in healthcare. The situation in elementary health care is the worst..." Our main objective of the project was to develop innovative channels to take healthcare to the doorsteps of disadvantaged villages that do not have easy and or proximal access to healthcare facilities. In doing so, the innovation aimed to strengthen the "last mile" connection in primary healthcare services.

The last mile

While conceptualizing our thoughts, we also simultaneously started discussions with potential partners for implementing our project. Our discussions with Hand in Hand led to a fruitful partnership between the two organizations.

So how do you achieve the last mile in primary health care? First, we conduct a conceptual mapping of various healthcare facilities used by villagers with regard to their convenience and treat-



LEND ME YOUR EAR: Doctors with Hand in Hand bring modern healthcare to remote poor pockets

ment capabilities. It was felt that there was a strong need to create healthcare facilities that seek to address the twin issues of accessibility as well as capability. To address this challenge we partnered with Hand in Hand and contributed to the setting up of "Kai Raasi" (which when translated from Tamil means good fortune) clinics. Kai Raasi clinics are currently operational on a pilot basis in some village panchayats in Kancheepuram district of Tamil Nadu. The average distance from many of these villages to the primary healthcare centre is about seven kilometers.

The objective of this innovation was to ensure the last mile availability of basic healthcare to these remote villages. These clinics function in the identified villages at a specified time that is convenient to the villagers. The village panchayat provides the space for the clinic and also monitors their performance. Each clinic is run by a team of healthcare professionals that includes a qualified

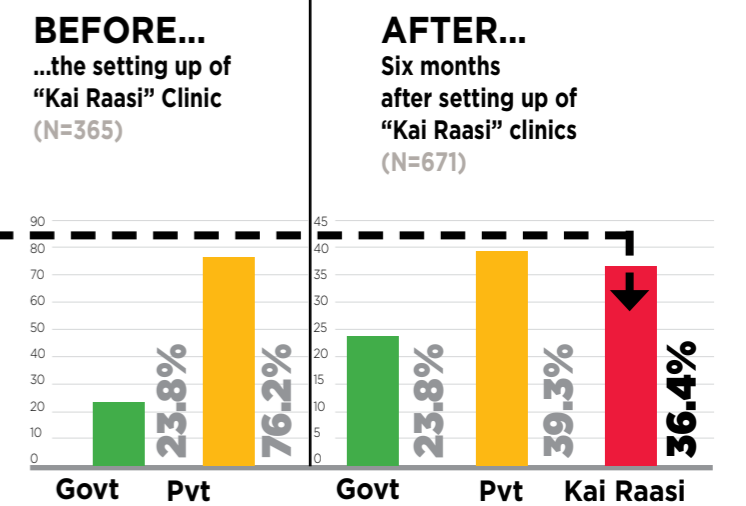
medical doctor, a trained paramedic/nursing assistant, a health assistant, along with other support staff.

Grassroot innovations

Our surveys indicate that the Kai Raasi clinics have done admirably well in meeting the project objectives. The graph below (*The Kai Raasi Effect*) presents the results of a study on healthcare behavior in Kilar and Ozhaiyur villages, which are just two of the several villages where the clinics are operational. That the residents in these villages have moved away from private clinics to Kai Raasi clinics underline the relevance of these clinics. Among those who visited the Kai Raasi clinics, 54 per cent are from families that had a monthly income of less than INR 1,500. The comparative percentage in the same income level for those who visited government and private clinics are 40 per cent and 31 per cent respectively. This

THE KAI RAASI EFFECT

After the introduction of Kai Raasi Clinics, 36.4 per cent poor people gave up on government and private health care



Source: Kai Raasi Clinics, IIT, Madras & Hand in Hand, 2009

indicates the success of Kai Raasi clinics in delivering healthcare to the most disadvantaged sections in the village society. The patronage for Kai Raasi clinics has been encouraging and the results clearly support the need for such innovative mechanisms to deliver primary healthcare. In the coming months, we plan to engage a broader set of stakeholders in government and private sector to explore opportunities for scaling up this initiative. Such innovations can be highly effective in many developing countries too.

Our experience of visiting some of the remote villages and interacting with the residents in these villages has been a personally fulfilling experience. As they say, he who has health has hope, and he who has hope has everything. By contributing to the well-being of rural society, we feel that we have in our own small way, contributed to the renaissance that we need to achieve in rural India for the long-term economic growth of the country.

— The writer is Associate Professor, Department of Management Studies, Indian Institute of Technology, Madras



PASSPORT TO EMPLOYMENT

Transit schools run by Hand in Hand are transforming the lives of underprivileged children, writes Neeraja Raghavan

Teenage years are critical in more ways than one. It is during this phase of one's life that critical decisions are taken, and sometimes, irreversible turns of life take place. Children from poorer families often drop out of schools, discover addictive habits or slip into bad company during their formative years. Such deviations, if nipped in the bud, may well reverse what would otherwise become a wasted life. While most non-governmental organizations have abundantly shown interest in primary education, teenaged children are seldom their focus of interest.

The Child Labour Elimination Programme (CLEP) of Hand in

Hand has tried to address such gaps in the educational system by establishing 68 transit schools in four districts of Tamil Nadu. These schools now comprise about 1,632 students between the ages of 13 and 20 years. These children had either dropped out of school or needed special assistance while writing the Class 10 Board Examination. During the course of the year, most students move on – from having no hope of employment to having the minimal qualification for a job: a certificate for passing Class 10!

In 24 of the 62 schools, Hand in Hand has utilized the methods developed by the Murugappa Group to enrich the teaching-learning process. For instance, to make sure teachers have a sound grasp of

the fundamentals of each of the five subjects that is to be taught, Hand in Hand has invested in a computer software called Sumvit. It covers content for X Board Examination in five subjects, and has exhaustive questionnaire sessions not just for students, but also for teachers to enhance educational experiences.

Take the case of 20-year-old M Illakya and a final year student of a Diploma Course in Computer Engineering. One of Hand in Hand's former transit school students, Illakya had to drop out of Class IX when she fell sick with "something like typhoid". Having missed far too much of school during her illness, she could not get education. "I thought I had lost my way in life," she says. When one of her neighbours told her about Hand in Hand's transit schools, Illakya jumped at the idea of a finishing school. She later passed her Class 10 exams successfully. "I am grateful to my transit school teacher Muthulakshmi, who she says was extremely patient and 'repeatedly explained everything to her without ever taking any rest'," says Illakya.

Illakya is not the only one with an inspiring story. Dusky and soft spoken Janani is about 20 years old; her father is a tailor and her elder brother, a welder. When her mother had to undergo hysterectomy and needed Janani to take care of her, the young girl displayed rare courage than most youngsters of her age. She dropped out of school when she was in Class IX to nurse her mother, and, she was at home for more than three years. But events would gradually change her course in life.

Her younger sister took charge and began to nurse her mother and Janani came to know about Hand in Hand transit schools from her friend, Satya. In 2007, Janani got enrolled in a Hand in Hand's transit school. With disarming candour, she admits to feeling scared when she walked into the classroom on the first day. But in a class of 15 students, and with a gentle, caring teacher, Muthulakshmi, she sailed through her exams in just one year and emerged as a successful X Pass Student. "I scored 252 out of 500," she says, with pride.

Armed with a minimum qualification, Janani quickly applied for a job. One of her friends in the transit school informed her of an opening in a company where he had worked earlier. And so Janani applied for the job and went through the interview process. Janani has been working for three years now. From nine in the morning to six in the evening, she checks car parts. This job fetches her three and a half thousand rupees a month. "I get leave on Sundays," she says. Janani wants to pursue higher studies, and she is currently pursuing her second year in graduation in eco-

nomics through distance education.

"I owe my success to my transit school teacher," she says with a smile. Till today, Janani is in touch with her teacher, who has now become her friend. And if there is one person Janani can never forget, it is her friend, Satya: "For it is she who told me of the existence of the transit schools," Janani admits. "When I am a rich and successful lawyer, I will help orphan children."

Mageswari's story is also significant. She has been working as an operator in Nokia for about two years now. Looking at this gentle girl, you can't imagine her working at mobile shop from two in the afternoon to after 10, for six days of the week. But that's exactly what she does. Her mother goes to pick her up from the bus stop at 11 pm every night, and she gets her weekly off on Sundays. Mag-

Hand in Hand has tried to address gaps in the educational system by establishing 68 transit schools in four districts of Tamil Nadu. These schools now comprise about 1,632 students who have gained not just from path-breaking learning processes, but got employment too.

eswari's father sells small eatables (like appalam, flattened rice and vetthal) out of a basket that he carries with him. Her mother is a housewife. Her 18-year-old brother could not get through his Board Exams, and is currently enrolled in a Hand in Hand transit school. In fact, Mageswari, too, did not succeed in her Board Exams, when she first attempted it as a student of a government school. So she spent two years at home and joined a tailoring class, which allowed her to join an export company as an operator. When she was working, she heard about Hand in Hand transit schools. She quit her job to join a school and wrote her exams again. In a brief period of six months, Mageswari passed her exams and joined Nokia at a salary of Rs 4,000 per month.

After visiting Hand in Hand transit schools, English poet Thomas Gray's lines spring to one's mind, even as stories of Mageswari, Janani and Illakya keep ringing in one's ears: "Full many a flower is born to blush unseen and waste its sweetness on the desert air."



INSPIRATIONAL:
Transit schools enabled (from left) Illakya, Janani and Mageswari to find new beginnings in life



NOTHING GOES WASTE: Green friends hold melons grown at the compost park at Kundrathur, Chennai, India

SOLID **HIT** MANAGEMENT

The solid waste management initiative of Hand in Hand offers a simple message. With a little bit of awareness and the participation of local people our environments can become much cleaner.

The culture of disposing waste has often factored the growth of many civilizations throughout history. Cultures that did not know how to deal with waste often perished. Take the case of the ancient cities of Edo in Japan and Rome and how they treated waste. The people of Edo stayed close to the rivers; they learnt how to peacefully co-exist; and did not pollute the river by dumping their waste. They covered their waste in closed dump pits far from their settlements and lived in clean and healthy environments. The Romans, on the other hand, lived far away from the rivers and

used expensive aqua ducts to transport their waste and dumped it in the rivers. They drank the river's waters and fell ill.

The Roman example comes close to the Indian mindset, and the way we deal with waste. We dump our waste in our rivers, ponds, lakes and in open garbage pits. Our expensive, yet inefficient sewage system uses huge amounts of water to transport waste from households into water sources. We then use expensive common effluent treatment plants (CETPs) to clean up our rivers and ponds. But most CETPs are not able to take the load and are not functioning properly. Most hospitals in India

do not properly treat hospital waste, so toxins and syringes find themselves in garbage dumps endangering the life and health of workers. Worse, India has become a waste destination, with rich countries dumping their waste, including scrap ships and e-waste in the country for 'safe' disposal. Emerging technologies to dispose waste are yet to make an impact or are too expensive to be implemented on a large scale.

The Hand in Hand difference

One of the first initiatives of Hand in Hand's Environment Pillar was to take up solid waste management projects to fill a critical need of the community. As of September 2010, it has implemented 21 SWM projects, covering a population about 162,123 households in various parts of Tamil Nadu. Most of the project areas did not have a waste management system in place and are located in semi-urban and peri-urban areas that are witnessing rapid growth. Various awareness generation activities were taken up in the project area; mass cleaning drives were also undertaken. A redeeming factor has been the active support and positive attitude of the local governments or panchayats, who are also partially funding the projects.

Hand in Hand's experiences in SWM have shown that despite inherent problems, there is always a way out. It is also significant that in many cases, Hand in Hand has handed over the project to local people, after putting in place waste management systems. The SWM activities have raised awareness levels and this has led to a cascading effect on neighboring areas, where similar activities have been taken up by government and local people. Here are some stories of change...



TOUGH JOB: Green friends collect and segregate waste throughout the day

TOWN TRAVAILS

SEVILIMEDU'S RESIDENTS ARE SLOWLY WAKING UP TO THE PROBLEM OF WASTE

Sevilimedu, a town panchayat in Kancheepuram district, Tamil Nadu, India, lives with its own share of irony. It houses the offices of the district headquarters of Kancheepuram and many top officials, including the collector and police chiefs, reside here. Till about two years ago, the town, comprising around 6,000 households, did not have a waste management system in place. Once every week, the panchayat used to employ workers to collect waste littered on the streets or garbage thrown by households at dumps. The waste would be transported on tractors to a large dump yard located on the outskirts of the town. "The town used to literally swim in waste," says Lakshmi, a resident of the town.

But that was then. Today, the town wears a much cleaner look. Thanks to the Solid Waste Management (SWM) project started by Hand in Hand in September 2008, there is greater awareness about environment and sanitation. About 23 Green Friends collect 1,800 kgs of garbage each day from over 3,350 households. They segregate the waste while collecting and use tri-cycles to transport waste to the transit point, where the waste is either sold for recycling or is directly taken to the dump yard. Biodegradable waste is brought to the main compost park, where it is treated and then sold as manure.

Waste materials such as metals and bottles are neatly packaged at the compost park and sold. Hand in Hand looks after the financial and human resource management and works closely with the panchayat members to implement the project.

The Green Friends of Sevilimedu go beyond their usual routine. Says Pushpa, who has been working in the project for two years: "We collect waste garbage even from households who do not pay for the services. And this attitude has resulted in more people joining the project. A large number of households even offer gifts and food to us and make us feel at home."

WEALTH FROM WASTE

THE STORY OF KUNDRATHUR

She deals with something we only talk about, and yet do little. She visits over 200 households each day - from six in the morning till later afternoon and along with her co-worker - pushing a tricycle collecting and segregating waste in Kundrathur Town Panchayat, located 25 km from Chennai, Tamil Nadu. Using rubber gloves, she segregates them in two bags at source -- organic and non-organic waste in the tricycle. She further segregates the waste into six or more categories. And at the compost park, she gets into dissection: segregating waste into 12 or more categories.

Meet Sundari, a mother of two school-going kids, who has spent about two years with Hand in Hand's solid waste management project. Sundari is the critical link in the waste chain and the recycling industry, but more importantly, she is one of the reasons Kundrathur is a much cleaner place to live. Today, over 4,500 households in nine wards of Kundrathur Panchayat are covered in the project area. Sundari is part of Hand in Hand's solid waste management (SWM) project at

Kundrathur. "Earlier, roads and pavements were littered with a number of waste materials. Garbage pits used to be cleaned only once in two weeks, and a number of people complained of illnesses," says K Mary, a member of the Environment Protection Rights Committee (EPRC) formed by Hand in Hand. Little wonder then that Kundrathur real estate agents have a terrible time trying to sell property. Often, the reason cited by buyers is poor sanitation facilities and dirty roads. Waste was dumped indiscriminately in open yards and this led to a number of water and air-borne diseases in the area.

The town with a population of 30,000 people had suffered on account of this, but they did not have a proper way to plan and implement a system to dispose and treat the waste.

In early September 2007, local people approached Hand in Hand to help them devise a plan to undertake a project to deal with waste. Soon, town-planners, engineers and other stakeholders came together and devised an action plan. The EPRC was used to monitor and guide the project implemen-

tation. The role of the panchayat was vital as they provided space and also partially financially supported the project. Before the project was implemented, a mass cleaning drive was undertaken to generate awareness among local people. A door-to-door campaign was also carried out to involve more people in the project. This helped in mobilizing public opinion and build capacity for the smooth implementation of the project.

Meanwhile, at the compost park, Sundari and her fellow Green Friends do the most difficult part of their job. Waste is segregated into 11-12 different types, and these include paper, bottles, plastics (both virgin and recycled), rubber products, milk packets and even metals. Scrap dealers are approached for different waste products and sold; organic waste is covered in a pit and it takes about 90-100 days for bio compost and this too is either sold or used in the vegetable garden at the compost park. The project is an example of how proper waste management can bring about a transformation in the living standards of local people.

BORN AGAIN

WASTE MANAGEMENT HAS GIVEN SHOLINGANALLUR A NEW LOOK

About a few years ago, Sholinganallur, a town panchayat located on the outskirts of Chennai, was nothing but a dirty suburb with little infrastructure and a pathetic environment. It was also one of the places where the 2004 Tsunami wreaked havoc and displaced poor fishing families. But the last few years have changed the landscape of the town, thanks to the boom in the IT industry. Multinationals and several IT companies have set up their offices here. The town has transformed itself, and one of the reasons is the efficient solid waste management project of Hand in Hand.

Says panchayat president S Arvind Ramesh, who was invited by Hand in Hand to attend a SWM workshop in Sweden in

November 2007: "After my experience in Sweden, I came back energized to help Hand in Hand implement waste management strategies in the area. Soon, Hand in Hand was called to start a pilot project covering three wards of the panchayat and also to put in place a new management system. With two full-time staff and a number of volunteers and environment rights protection members with the support of senior staff of Environment Pillar, Hand in Hand went on a door-to-door campaign sensitizing them about the benefits of a clean environment. They would organize mass cleaning camps and hold banners encouraging people to wake up to the problem of waste.

Slowly the situation began to change. With 38 full-time Green Friends and 14

part-time workers, the SWM project at Sholinganallur began to cover more than 5,800 households each day. The total waste handled is four tonnes daily. The one-acre compost park, where waste segregation is done, has been provided by the panchayat. The park also has a garden of vegetables and fruits.

At Sholinganallur, about 52 per cent of waste is recycled. Unlike other places, households do not pay for disposing waste as the cash-rich panchayat foots the bill. Hand in Hand handles day-to-day operations, financial and human resource management. Says N. Sitalakshmi, a member of the environment committee: "Before the intervention of Hand in Hand, waste was thrown all over the place, but now there is greater awareness and the place is much cleaner." "Hand in Hand has shown the way. It has helped people to become more aware about waste issues. Now, there is greater coordination and practical application of what is taught in the training workshops," says Ramesh. What's more, many of the women who were displaced by the tsunami have been made Green Friends.

ARE YOU READY:
Green friends gear up for a long day in Kundrathur



Among the various organisations working for development, the foremost and the most indispensable role is that of the Government. Development of a nation, internationally and locally, is the main business of the Government irrespective of the type, form and leadership. The Government's role is not only to envision a path for development of the nation and welfare of its citizens, but to formulate policies, manage resources and implement programmes. The Government is also an agent of change, and has to respond to emerging global and local circumstances and be able to direct change towards positive development. Governments of various nations have to work together to contribute to development at a global level.

Though many local, national and international organisations work for the development of communities, their role can be complete only when they work with the government. But the pace of growth especially of the some of the least developed and developing economies has ensured that governments are now expected to deliver much more than the resources available and hence are now expected to formulate policy and regulatory frameworks for inclusion of many non-governmental players to ensure that the developmental goals are achieved.

Today, we have many non-governmental organisations (NGOs) working towards development, largely in sectors like human and community develop-

ment, poverty alleviation, health, child rights, education and environment. But then they are largely constrained by resources. No matter how large these organisations grow and how many of them join together, they would never be able to command the amount of resources or the size and scale of interventions implemented by the government.

Bridging the gaps

It seems ironical that when the government is investing so much resources and efforts to address developmental issues, the need for NGOs and other developmental organisations is also felt strongly. But then, it is hardly ironical. The government needs feedback of how it is working and also finds means of extending its reach beyond the premises of red tape. It needs innovative ways of designing and implementing schemes so as to reach the poorest of the poor. What it commands, immense power, by way of policy, regulation and control, and resources, are not available to NGOs.

NGOs have a hold at the grassroots, and are able to bring innovative ideas to utilise scarce resources. This creates a case for the government and the NGOs to work together, to complete and complement each other's work to create a deeper impact as well as mutual accountability for quality of service delivery. While the Government can formulate policy, frame regulations and manage resources, NGOs have often come up with innovative, battle-tested programme implementation strategies, to reach the



Hand in Hand believes in the power of the government to deliver development to its citizens, irrespective of the geography. It also believes that it can further the cause of development through its programmes, strategies and grassroots level mobilisation.

HiH is being funded by governments across the world. For instance, the Government of India has funded HiH's poverty programme in Afghanistan, and HiH is the only NGO invited by the Tamil Nadu government to be part of a consortium that will clean up a polluted river

community. NGOs have to collaborate with the government to create sustainable impact for the development of poor communities.

This is one of the core principles at Hand in Hand — to work closely with the Government. While Hand in Hand believes in partnerships across organisations and geographies as keys to development, it values partnerships with various governments and public organisations. That's why Hand in Hand is being funded by the Government of India to run a poverty programme in Afghanistan, and Hand in Hand. The organisation has also been supported by the government of India communication departments to take information technologies to the poorest of the poor in rural India. And Hand in Hand is the only NGO to be invited by the Government of Tamil Nadu to be part of the consortium that will clean up the Cooum river basin.

Hand in Hand has always believed in the power of the government to deliver development to its citizens, irrespective of the geography. It also believes that it can further the cause of development through its strong programmes, strategies and grassroots level mobilisation. Hand in Hand partners government in each of its five pillars. Though Government funding accounts for a large share of total funding, this partnerships extends beyond funding, into knowledge sharing, policy and sometimes providing innovative and sustainable solutions to many developmental problems.

Conscience keepers

While Hand in Hand seeks to increase the partnerships and its work with the government, it also aims at sustainability of its projects in which the local and community stakeholders are thoroughly sensitized to the issue and take ownership of the project. For instance, Hand in Hand implemented and supported its Child Labour Elimination Programmes (CLEP) in 669 village panchayats, which have been declared child-friendly. Now, grassroots bodies, such as the local child rights volunteers, have taken up the responsibility to maintain 100 per cent enrolment and attendance of children in the age group 6-14 years in these areas.

However, Hand in Hand continues to monitor the enrolment and attendance of children in Government schools to ensure that there is no relapse till 100 per cent attendance becomes a habit.

The Environment Pillar has handed over many projects back to the local bodies after sensitizing them to issues of household waste segregation, recycling and its impact on the environment. The capacity of the local bodies has been enhanced to handle community-based Solid Waste Management Projects by Hand in Hand. What could be termed as weakness individually, can be turned into strength jointly. We work with the belief that we can bridge the gaps in government programmes with an aim to attain sustainability. This is the conviction with which Hand in Hand will continue to strengthen its relationship with Governments across the world.

Few NGOs work as closely with the government as Hand in Hand does. Ashwin Kumar writes on a unique partnership

STATE OF UNITY



GOODIES GALORE: Selvakumari (right) along with a SHG member at her shop in Kavanoor Puducheri, Kancheepuram

Change Makers!

You don't need a microscope to witness Kavanoor Puducheri's smooth transformation. The village is slowly rediscovering itself

THERE is never a dull moment in Selvakumari's house. Located about 35 km from Kancheepuram town, Kavanoor Puducheri is home to over 1,000 people, mostly employed in agricultural farms. It is a quiet hamlet, which comes under the Uthiramerur block of the district, and comprises people from several backward class communities. Selvakumari is part of Ambedkar Self-Help Group that was formed by Hand in Hand a few years ago. The SHG has 16 members and members say they have gained from Hand in Hand activities in more ways than one. Selvakumari's house is one of the places in the village that is always buzzing with activity.

Her house doubles up as a petty shop as well as a tailoring unit. Her petty shop was set up with the assistance of a loan from Hand in Hand, and she employs three members of her SHG to run the unit. "We earn Rs 3,000 as profit each month and this income is divided equally among the SHG members who work here.

The tailoring unit came up as a result of the training programme of Hand in Hand that Selvakumari attended a while ago. So on one hand, Selvakumari trains nine members to stitch various types of cloth material, and on the other, she takes on contract jobs from various people and organizations. "At present we are working on an order from the panchayat (village-level democratic institution) to stitch school uniforms for children studying in government school," she says.

Selvakumari has two children, and her husband is a bus conductor. "Hand in Hand has improved our lives - both economically and socially," she says. And you can find similar voices from many people in the village.

Says Annal Arasu, a veteran science teacher at the government-run panchayat school: "Hand in Hand activities have led to a convergence of various developmental activities in the village," he says.

One of the keys to development is motivation of villagers, and Hand in Hand has undertaken various developmental activities and succeeded in generating awareness on a number of issues. There is a cascading effect too. Many SHG women are roping in more women in the village to take up similar initiatives. This reveals itself in Selvakumari's success story. The success of running two enterprises has given confidence to Selvakumari, who now plans to take loan and involve more SHG women to start a small brick kiln enterprise. "Construction business is picking up in the village," she says.

Annal Arasu, who earlier was associated with the INDO-US ILO working as Project Director, says that VUP has provided an umbrella for various pillars of the organization to forge unique partnerships with different kinds of people and "Hand in Hand activities have led to a convergence of various developmental activities in the village." Arasu

is a veteran science teacher at the government-run panchayat school in Kavanoor Puducheri, Kancheepuram. He cites the example of the pond renovation that was undertaken by VUP adjacent to the school premises. "JCB machines as well as local people were employed to renovate the pond area about six months ago. Now there is more storage area in the pond to catch rainwater and surplus water too," he says. "Due to the recharge effect on groundwater, several farmers in the village area have benefitted as the water levels in their farm wells have gone up, thereby increasing agricultural yields," he adds. Some farmers now grow three crops a year. He says the next step is to fence the pond as it is located next to the government school. It is significant that Kavanoor Puducheri has been declared a child labor free village. "This has to do with over 30 awareness campaigns that were conducted on the elimination of child labor," says Pushpa.

DREAM CHILDREN

An orphan with a heart condition shows rare grit to get back to school



CLASS ACT: Ezhilarasan with his teachers at the Middle School in Sankarapuram, Kancheepuram

More than snakes, it is children of snake charmers who have become an endangered lot. It is a dying traditional profession in most countries, including India as protecting endangered species has become the global phenomenon. So children of traditional snake charmers are finding it hard to find their feet. The case of 10-years-old Ezhilarasan, however, is one of rare grit, determination and courage to overcome personal tragedy and a complicated heart condition.

Ezhilarasan belongs to the snake catching community called Irulas, who have traditionally made the southern parts of India their home. Ezhilarasan lives in Sankarapuram, located about 35 km from Kancheepuram, Tamil Nadu, India. When

Ezhilarasan was barely one year old, his mother died due to mysterious health complications. In the course of time, his father found another woman and left Sankarapuram and leaving Ezhilarasan in the company of his grandmother. His grandmother along with Ezhilarasan and his elder brother live on the foothills of the mountains that surround Sankarapuram. Their mud house neither has electricity nor access to water and they live in quiet isolation surrounded by wild bush and rocks. "We were ostracized from the village folk, because we belong to a community whose traditional occupation is to catch snakes," says Ezhilarasan's grandmother, Kanaga, who does odd jobs.

The real test for Ezhilarasan was when he fell terribly ill about a year ago. Doctors told him he had developed several artery blockages and his health condition needed an immediate surgery. "We did not know what to do as we did not have any resources," says his grandmother. Hearing about the boy's predicament, friendly neighbors and school authorities alerted representatives of the Village Upliftment Programme (VUP) of Hand in Hand, who volunteered to provide medical and human support.

Ezhilarasan was operated successfully at a private hospital - SRM Hospital and Research Centre on January 10, 2009. Says Ezhilarasan: "Hand in Hand took care of my medical expenses and staff members regu-

larly visited my home and gave me moral support." The teachers at the Government Middle School were also alerted by Hand in Hand, and they promised to take him back, despite his long absence.

Today, Ezhilarasan is studying in fifth standard and has a smile on his face. "He is good in Math and Tamil, but needs to work on his English," says Sujatha, his teacher at the School. Adds K. S. Shanti, who teaches him Social Sciences: "He is mature and displays rare brilliance in practical assignments." Ezhilarasan wants to become a teacher "because I want to be a role model for others". "Had it not been for the kind people at Hand in Hand, I would not be alive today," says Ezhilarasan.



FULL SUPPORT: Ezhilarasan with his soul mate, his grandmother, at his home

THE WATSAN DIFFERENCE

We sometimes do not realize the importance of having water and sanitation facilities in our homes because we get it anyway. But for the poor in rural India, these critical needs remain unfulfilled. The WatSan programme of Hand in Hand and Water.org is transforming lives among impoverished communities in Tamil Nadu. Here's a report on a silent revolution.

Sandhya is a nine-year-old girl who hails from a village near Kancheepuram, Tamil Nadu. A few months ago, she went for a walk late at night – as others in her house used to do as they did not have a toilet at home – to meet her sanitation needs. But she did not return home. It was only in the morning the following day her parents discovered her absence and located her after an intense search. Sandhya had tripped over a live electric wire and fallen unconscious after getting electric shocks. Her parents rushed her to the hospital, where Sandhya got treatment for shock wounds. Her parents too were shaken, so much so that they approached Hand in Hand and soon became part of the WatSan programme of the organization. Today, they have a toilet inside their home. “WatSan has brought dignity to our lives,” says Sandhya.

The WatSan programme of Hand in Hand was launched in December 2008 in partnership with Water.org with a fundamental goal of providing access to basic necessities of water and sanitation to the poorest of the poor. The way to achieve this was to forge partnerships with different stakeholders in the community and initiate dialogue to address the critical needs of common people through a range of activities, including awareness generation, training, providing economic mobility to fulfill larger goals and sharing the fruits of knowledge and enabling them to have a share in the developmental cake that has so far eluded them for different reasons.

Even after more than 60 years of Independence, only 77 per cent of India's rural population has drinking water coverage, and just 68 per cent of rural population has sanitation coverage, according to latest government statistics. But coverage doesn't necessarily mean access. Independent estimates, on the other hand, suggest merely 55 per cent of rural population have access to sanitation. Far more people in India have access to a mobile phone than to a toilet, according to a recent United Nations study.

That's the WatSan difference. As on September 2010, more than 2,720 water connections have been provided to the poor benefiting 12,247 members households in about 150 villages in Kancheepuram district. They have got access to water and sanitation facilities through the WatSan programme of Hand in Hand and Water.org (earlier called Water Partners International). Now, thousands of people, including children like Sandhya, have gained from WatSan in more ways than one. It is significant that most of the beneficiaries live in rural and peri-urban areas, and more importantly, are first generation beneficiaries getting access to water and sanitation – like toilets in their homes and water tap connection in their backyard. “Government programmes have often been designed to cover poor populations, but the delivery and scale have not been enough; and in many cases insufficient, not scaled-up enough to cover the vast impoverished populations who live on the margins of society. WatSan attempts to address these gaps that exist in planning, implementation and delivery systems and in the process has also widened the scope of public health systems,” says Hand in Hand CEO Kalpana Sankar.

For instance, WatSan programme activities have had a huge impact and marked improvements in the overall developmental indicators in covered areas, including health and hygiene, of poor living in extreme poverty. Better water and sanitation facilities have meant reduced instances of disease conditions diarrhoea, skin and other diseases. This in turn has resulted in reduced morbidity, mor-

tality and improved nutrition status. Moreover, providing water and sanitation facilities have resulted in women spending more time at home, especially with children, in rural areas. They have also found time to earn additional income or sometimes sell surplus water and increase household income levels.

In a sense, WatSan is the critical link for different stakeholders – directly and indirectly – who have joined hands for the greater common good. The strategy was to tap into the vast pool of self-help groups that were formed by Hand in Hand to implement various water and sanitation programmes. Many poor families who could not even afford daily meals have somehow managed to bring water and toilets to their homes through facilities of water and sanitation credit. Delivery is one of the most important indicators of change in such initiatives, and WatSan programme has not let down this major objective. Once a person approaches a representative of Hand in Hand, it takes less than a month to process and provide water or sanitation facility, says Abdul Gaffoor, project director, WatSan.



Sandhya with her mother in Parandur village, Kancheepuram

“Government programmes have often been designed to cover poor populations, but the delivery and scale have not been enough; and in many cases insufficient, not scaled-up enough to cover the vast impoverished populations. WatSan attempts to address these gaps.”

— Hand in Hand CEO Kalpana Sankar

WatSan has been designed to meet global water and sanitation goals through community based-organizations and this includes the role of the government that has reasserted itself and gained the confidence of local people. Many poor families, who would have otherwise not be eligible for tiny loans, have been able to pay back expenses incurred due to construction of toilets and water taps because they got regular employment through various government schemes such as the MGNREGA, and gained economic stability through assured days of work in a year. WatSan has strengthened bonds among those who had lost all hope in institutions, and the initiative has helped touch the lives of the poorest of the poor and renewed their faith in democracy.

Hand in Hand Sweden works to mould public opinion in favour of integrated development, and seeks funds for Hand in Hand activities. Individual, corporate and public development assistance funds are channelled through Hand in Hand Sweden. It also establishes fundraising partnerships with schools, foundations and development support organisations.

AFGHANISTAN

Following a request from Afghan President Hamid Karzai, Hand in Hand launched operations in 2007 with financial support from the World Bank. A pilot project has been completed, and plans are afoot to launch multi-developmental operations in the war-torn country.



UNITED KINGDOM

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. HIH (I) builds partnerships with United Nations, corporates, banks and governments.

HAND IN HAND WORLD

The organisation now works with diverse people and cultures in different and difficult parts of the world. Here's a global snapshot

CENTRAL AMERICA

We have been invited to five countries in Central America, including Guatemala, and various developmental projects. We will be working with partner NGOs in these countries.

BRAZIL

The Inter-American Development Bank (IADB) is financing a pilot project in the poor rural areas of North Eastern Brazil, where Hand in Hand is the consultant. Here, it is working in partnership with local NGOs



SOUTH AFRICA

Hand in Hand South Africa began operations in July 2008. We are working with the South African government as well as with local NGOs to build the self-help group movement and other social and community based poverty alleviation projects.

SRI LANKA

Hand in Hand was invited in 2009 to start poverty alleviation projects in the war ravaged country. Preliminary work has been completed, and operations will soon begin in the poorer provinces of the island nation.

KENYA

Hand in Hand work will soon begin in one of Africa's most beautiful countries, Kenya. Preliminary work to set up the social base for developmental activities in the country is in progress. Operations may begin early next year.

TAMIL NADU

Where it all began; in Kancheepuram, Tamil Nadu, in 2002. Today, we work across the state implementing the five-pillar programme activities, and also the Village Upliftment programme. Tamil Nadu is also the critical learning and resource hub for people not just from India, but from across the world. We have also implemented pillar activities in the neighbouring Union Territory of Pondicherry (earlier called Pondicherry).

INDIA

KARNATAKA
HIH (Karnataka) has quickly spread its SHG operations to many parts of the state. After microfinance, the state unit will work on watershed, IT and governance areas

MADHYA PRADESH
One of the poorest states in India. Hand in Hand has implemented SHG and microfinance activities in six districts of Madhya Pradesh. More pillar activities are on the anvil.

* Map not to scale; indicative only

COUNTRY BRIEFS

Afghan women learn the workings of Self-Help Groups in Khulm district



THE AFGHAN CONNECTION

HiH showed extreme restraint and patience while starting operations in Afghanistan. The initial beginning was a path-breaking process, given the existence of traditional laws and cultural settings. A report by Usha Somasundaram

Hand in Hand Afghanistan started its work in Afghanistan following a request from HE President Hamid Karzai at the 2006 London Donor Conference. Hand in Hand was asked to help adapt and transfer to Afghanistan the Self-Help-Group (SHG) model for job creation being practised by Hand in Hand, India.

After an initial feasibility study, we collaborated with the Ministry of Rural Rehabilitation and Development (MRRD) in the preparation of a proposal for a National Rural Enterprise Development Programme. A major component of this programme was Mass-Mobilisation into Entrepreneurship (MME), an adapted version of the Indian SHG model.

In September 2007, the Afghanistan Rural Enterprise Development Programme (AREDP) was presented by President Karzai. AREDP is a national, community-based, programme that aims to create more than two million jobs in at least 70 per cent of the country's rural villages over a 10-year period. The programme document presented by the President was prepared by the MRRD in cooperation with the World Bank and was budgeted at USD 580 million.

Hand in Hand started field operations in early 2008 under a MoU with the Ministry for a pre-pilot project "Mass Mobilisation into Entrepreneurship" (MME). The Indian Self Help Group model was modified taking into consideration the religious and social

norms of Afghanistan and over 8,000 beneficiaries were trained to set up a home-based income generating activity. The project was rolled out in two districts in Balkh province - Khulm and Nahr-e-Shahee, and men and women groups were formed, with over 65 per cent of the beneficiaries being women. The pre-pilot project was funded by the Government of India and private donors through the Give2 Asia.



Usha (left) with Mr. Jayanth Prasad, Indian Ambassador to Afghanistan, in Kabul in April, 2010

The pre-pilot was successfully completed. Final assessment done by the Government of India found that HiH's poverty programme in Afghanistan was most successful among all initiatives to bring the fruits of development to the war-torn country. "However, HiH has shown extreme restraint and patience in ushering in new beginnings, bringing people from remote corners to form HiH groups - separately for men and women. The initial beginning was a path-breaking process given the existence of traditional laws and cultural setting," says the assessment.

Evaluation reports and lessons learnt during various stages of the project have been shared with the AREDP team. AREDP started the national rollout in three provinces from March 2010. Hand in Hand has been selected to provide Training of Trainers (ToT) for AREDP staff in two provinces. HiH AO is now working with the Ministry of Agriculture, Irrigation and Livestock (MAIL) for a pilot project with a focus on agriculture and livestock production for rural people.

COUNTRY BRIEFS

BRAZILIAN BONHOMIE

Hand in Hand forged an exciting partnership with World Vision to help impoverished communities in North-Eastern Brazil, writes Hemantha Pamarthy



TWIN APPEAL: Hand in Hand India and World Vision, Brazil, have come up with ideas to transform the lives of people

The Multilateral Investment Fund (MIF) of the Inter American Development Bank (IDB) funded the REDES Project to reduce poverty in North-Eastern Brazil. The project was signed in February 2009 and started in April, 2009 with the partnership of Agência Nacional de Desenvolvimento Microempresarial (ANDE), an associate of Visão Mundial (World Vision), Brazil, and Hand in Hand, India. The project will adapt Hand in Hand's Indian model of poverty reduction and employment generation, to improve conditions in impoverished regions of Brazil, by creating a regional network of local grassroots organisations.

As part of the process to fulfill its requirement, Hand in Hand launched a series of training activities in April 2009 that included the Sensitization Programme for seven facilitators and 20 key participants from the Brazilian side in Fortaleza, Brazil, during June 2009. During June-July, 2009 a three-member senior management team from Visão Mundial (World Vision), Brazil, visited India and gained from the experiences of Hand in Hand's Micro Finance and other programmes. This was then followed by a detailed training programme by a two-member team from Hand in Hand in October 2009 to Brazil, followed by an exposure visit by Brazilian facilitators to India during November 2009.

Keeping in mind the rich experiences and exchange of information and knowledge during these visits and to address their future requirements, two manuals were prepared and translated into the Brazilian Portuguese language and these were given to ANDE to further programme activities.

These efforts have culminated in the formation of over 100 Local Units for Income Generating Opportunities (LUOs) named GoL-Ds (Groups for Opportunities in Livelihoods and Development) across Maceió and countryside of Alagoas, Fortaleza of Ceará and Mosoró of Rio Grande do Norte provinces of the North-Eastern Brazil. Apart from helping create these groups, the major contribution of Hand in Hand has been to introduce savings as an important component of poverty reduction.

The programme is nearing completion and evaluation and course correction, if needed, would commence soon.

"The project will adapt Hand in Hand's Indian model of poverty reduction and employment generation, to improve conditions in impoverished regions of Brazil, by creating a regional network of local grassroots organisations."

Three new districts, over 2,500 SHGs, more than 32,000 members, and over 6,500 micro entrepreneurs – Hand in Hand Madhya Pradesh will implement the FMO and the Health projects this year

POURING GOODIES



REAL ENTREPRENEUR: Dev Kanya says Hand in Hand saved her family from extreme poverty

Dev Kanya, of Pratapura Dabya, a tiny hamlet in Dhar district located about 105 km from the most industrialized city of Madhya Pradesh, Indore, took it upon herself to support her family of five children – three girls and two boys, when she realized her husband was not in a position to earn for the family. “I co-opted him to join me in my family-based enterprise – to start a small wooden petty shop,” she says. Dev Kanya belongs to a Self-Help Group (SHG) called Durga, comprising 12 women and formed about a year ago. Each member contributed Rs 500 to fund an inter-loan facility. With a loan from the SHG, she was able to start the shop, which sells potato chips, soft drinks and other items. She also returned the loan amount to the SHG. About a month ago, she took a loan from Hand in Hand microfinance to strengthen her business. The loan enabled her to add value additions to her shop – a public telephone and petrol facility to cater to the different needs of customers. “What we lacked was self-belief, and Hand in Hand has empowered us with technical and knowledge skills to re-orient our business in a profitable way,” says Dev Kanya.

Dev Kanya is not the only one. Over 6,506 micro entrepre-

HEART OF DARKNESS

- The rural population of MP is spread over 52,000 villages, most of them inaccessible.
- Despite efforts, literacy levels (64 per cent) reveal wide disparity across the state.
- For instance, Dhar district has a literacy rate of just 34 per cent.
- The disparity also reflects itself in female literacy, which is abysmally low.
- The state records the highest number of maternal deaths; UNICEF puts the maternal mortality rate at 498.
- Many of the state's remote pockets do not have access to clean water and electricity.

neurs have emerged in the districts of Indore, Dewas and Dhar of Madhya Pradesh, thereby slowly drifting away from their poverty-ridden lives. There are more than 2,533 SHGs formed by Hand in Hand comprising more than 32,125 members. They have been given different types of module training on capacity building and taught finer points of knowledge and technical skills to start micro enterprises. Hand in Hand has also disbursed over INR 38 million as loans to start various types of enterprises. These businesses include starting weaving mattresses or buying a buffalo to increase household income levels. And recently, Hand in Hand Madhya Pradesh began operations in three more districts – Mandsaur, Dindori and Mandla – gradually making its presence felt across the state.

Since the state scores poorly in various developmental indicators, including education and health, the challenges to alleviate poverty are unique. And the problem of evolving a roadmap for Madhya Pradesh is itself a problem as the spread of villages remains a challenge. The rural population of MP is spread over 52,000 villages, and most of them are inaccessible. So when accessibility to poor people becomes the bottleneck, providing even basic necessities like electricity and clean drinking water become difficult, says HiH MP chief G Santhus. Despite efforts to provide education, literacy levels (64 per cent) reveal wide disparity across the State. For instance, Dhar district has a literacy rate of just 34 per cent. This disparity also reflects itself in female literacy, which is abysmally low. And the state records the highest number of maternal deaths – UNICEF puts the maternal mortality rate at 498.

There are other problems as well. Many SHG women neither knew how to sign their names nor had the knowledge to maintain accounts and record books. And to find appropriate staff and train them was one of the focused agendas when Hand in Hand began operations. With a staff of about 70 personnel, Hand in Hand has been able to make significant changes in the lives of impoverished communities of Madhya Pradesh. But the response to Hand in Hand activities has been overwhelming. “I wish to thank the people of Hand in Hand for providing me a means to increase income levels,” she says. “We want to make Durga SHG a vibrant one, where we can share our problems and enable other women to start more meaningful enterprises,” she adds.

WHAT can you do with a loan of Rs 8,000? Ask Noorjahan who believes she is blessed with homespun wisdom. She used the money to start not one, but two businesses in her house, located on the outskirts of Guttal village in Haveri district, Central Karnataka. She divides her time between packaging sunflower seeds and roasted groundnuts, and baking buns in a traditional oven. She sells these products to a local trader who visits her house each week. "I started two business ventures as I did not want to 'risk it in one'", says Noorjahan. Noorjahan belongs to a Self-Help Group (SHG) called Mabu Subani. She says she could not complete schooling as she had to shoulder the responsibility of supporting her father who could not gain proper employment. She roasts the groundnuts and sunflower seeds and after packaging them, sells 10 packets for Rs 50. The bakery too enables her to make additional profit, as she says the market for buns lies only in neighbouring towns. "Being a part of Hand in Hand SHG has given me a new purpose in life," she says.

More than 7,200 women micro entrepreneurs such as Noorjahan have emerged in Davangere and Haveri districts of Karnataka, where Hand in Hand started operations more than two years ago. They are part of about 2,000 SHGs that have been formed here and have an active membership of over 26,000 members. Now, there are plans to expand operations in other districts such as Shimoga, Dharwad and Chitradurga, and also to start pillar ac-

tivities. The success is largely due to a dedicated staff, which has laid the foundation for developmental activities in quick time. This has built confidence among poor people, who are now witnessing a change in their lives. "Earlier, I had too much time feeling depressed. But after the intervention of Hand in Hand, I feel I have found a purpose in life," says Noorjahan.

The SHG groups in Karnataka now plan to expand their enterprises by involving more members in group activities. They utilize their weekly meetings to discuss strategies as well as to meet different people who help them in their business. One of their strategies to raise capital is to sell their products directly to shop owners and not go through traders. This not only increases profit margins, but involves more women in the SHG movement.

Hand in Hand Karnataka aims to generate sustainable livelihoods and create 35,000 jobs by 2012. To achieve this goal, it has begun to forge strategic partnerships with a number of organizations to implement a range of developmental activities. So in collaboration with the Vivekananda Girijana Kalyana Kendra (VGKK), a local NGO, Hand in Hand will implement two projects, the NABARD-funded watershed programme, and, WADI, an orchard development programme for tribals in Chamrajanagar district of the state. Moreover, two proposals — with NABARD to implement a watershed programme in Haveri district, and another, to implement watershed activities in eight districts funded by the Government of Karnataka — are in the pipeline. Jai Noorjahan.

A new wave of developmental activities is sweeping Karnataka. After SHGs, which led to the birth of thousands of micro enterprisers, HAND IN HAND is gearing up to start watershed activities and Citizen Centre Enterprises in the rural parts of the state

SEEDS OF PROSPERITY



SILENT SUCCESS: Noorjahan makes food stuff and sells it in village markets

POVERTY IN IT RICH COUNTRY

Though Karnataka conjures up visions of fast-paced growth and a global hotspot for the IT industry, the state is, in fact, the poorest among all Southern states in India. In an attempt to significantly change the lives of the poorest of the poor, Hand in Hand started operations in Karnataka in May 2008. Within a short period of time, it has formed over 2,000 Self-Help Groups with over 26,000 active members working in two districts, Davangere and Haveri. A loan facility has enabled the growth of over 7,200 small businesses that have helped raise household income levels. "In the course of time, we plan to implement various development programmes, including watershed activities and the Village Upliftment Programme," says K Shivaram, chief of Hand in Hand Karnataka.

Davangere and Haveri districts located in Central Karnataka hold the keys to the development and growth of the state. Compared to coastal and southern districts of the state, where literacy levels are high, the districts score poorly in the various human development indicators. As a result, unemployment levels and migration are high. Loss of productive lands due to various factors, including growing water-stressed areas, has forced poor agricultural farmers to flock to the city without proper technical and knowledge skills. More often, cases of farmer

suicide go unreported.

Poverty levels are stark — rich-poor levels can be seen all across the landscape, especially urban poverty. Little wonder then that Karnataka is the poorest among the Southern states of India — Tamil Nadu, Kerala and Andhra Pradesh, according to latest estimates of the Union government. The poverty gap between Karnataka and the other southern States widened significantly because the head-count ratio for poverty fell much faster in other States. While the head-count ratio in urban Karnataka fell by 24 per cent, in Tamil Nadu the ratio fell by almost 42 per cent, and in Andhra Pradesh it fell by 34 per cent. Urban poverty increased from 28.3 per cent to 41.8 per cent in 2009, according to the Planning Commission.

While the state capital, Bangalore, has become a globalization mascot to the world, its ill-effects are being felt across the state. According to the latest poverty estimates by the Union government, one third of the state is living below the poverty line (calorie consumption benchmark). This is despite Bangalore being known as the IT destination of India. Davangere and Haveri therefore offer the other picture of Superpower India and reveal a higher degree of concentrated poverty levels.

MIKKO KAUKORANTA
Country Manager, Salcomp

OUR PRINCIPAL shareholder Nordstjarnan is committed to philanthropic work and they wanted Salcomp to start a corporate social responsibility programme in India in collaboration with them. Salcomp searched various possibilities in Tamil Nadu and selected Hand in Hand because of its holistic approach to eliminate poverty.

First, the cost-benefit of the work of Hand in Hand is good. Second, Hand in Hand has customised a programme in accordance to our preferences and we have constantly had a warm relationship with Hand in Hand during the project. Together, we have modified the programme to meet the changing conditions and based on experience gained.

We feel touched each time we visit a school; seeing all those smiling children happy to learn and eager to show what they have learned; every visit to a micro-finance enterprise, meeting a self-confident woman; every distribution ceremony of vocational course diplomas, seeing proud and optimistic graduates ready to start their own businesses; every visit to a primary health centre, seeing how much the doctors and nurses can achieve with so little infrastructure.

The first time I visited a residential school, I met two boys who had just attended their first day at school. They looked like 10-year-olds, but they insisted they were 14. Seeing these boys tell their story, changed the abstract knowledge of child labour into something very concrete.



LENDING A HELPING HAND

SPECIAL TO US



MANMOHAN SINGH

THE PRIME MINISTER is happy to know that Hand in Hand (Sweden) Tamil Nadu is bringing out a book titled "Childhood Regained", written by Dr Kalpana Sankar and Mrs. Kalyani Rajaraman, highlighting the problems of the underprivileged in the field of education. On this occasion the Prime Minister extends his greetings to the authors and conveys his good wishes to them for the success of the book.

— S. N. Sahu, Director, PMO, wrote this message on behalf of the Prime Minister on March 1, 2007

SHANTHA SINHA

Chairperson, National Commission for Protection of Child Rights, India



HAND IN HAND had a small beginning with resource persons from M V Foundation giving technical support to the organization. I was impressed with their community mobilization activities and the dedication of the entire staff of Hand in Hand working towards getting every child to school. I know that this work involved talking to employers, parents, members of the Gram Panchayats (village democratic institutions) and convincing them about the rights of children, especially their Right to Education.

My interaction with the children in the Residential Bridge Schools was very inspiring. I was also moved by the members of Gram Panchayats who made their Panchayats child labour free. I congratulate Hand in Hand on its successful accomplishment of the goal to achieve child labour free villages.

ARNDT AND OLIVIER SORET

Founders, Humanium, Geneva

WE FOUNDED Humanium in 2008 in Geneva, Switzerland, with the ultimate goal to eradicate child labour. Humanium very strongly believes in long-term and sustainable development as well as a holistic approach towards developmental works. That's why we started looking for a NGO partner that follows the same principles. After intense research and findings, Hand-in-Hand was filtered as the No 1 NGO to cooperate with! Not only that Hand-in-Hand had clearly marked its goals in published material (website, annual reports), it also attained its targets (and exceeded) year after year! Hand-in-Hand's clear commitment to the poorest children and women marked in itself a holistic approach of Hand-in-Hand as "corporate" organization -and not only of its work and its results, hence there was just no way we could not have contacted Hand-in-Hand with the strong wish to support and to be part of the adventure! We were lucky enough that Hand-in-Hand accepted to partner with us and since two years now we enjoy working more and more together - watering our mutual development constantly!



Following Hand-in-Hand's belief that Humanium shares, poverty alleviation begins by teaching how to fish and not by delivering the animal. Hand-in-Hand does extraordinary and absolute outstanding work when it comes to the systematic analysis of the root-causes of poverty, the implementation of all means in order to help sustainability and follow-up on its programmes for as long

as needed to guarantee a life without poverty. That approach does not only help one person, it helps the entire family and once a family has elevated its living standards, the future generations can do the same! Humanium supports the Village Upliftment Programme (VUP) of Hand-in-Hand now in three villages in Tamil Nadu. Within six months of programme implementation, Sankarapuram village was declared child labor friendly. Parents of poor families have understood that only by putting their children to school and by supporting them whole-heartedly, a long-lasting change can actually happen in their lives.

We can only tell you the best about everybody we have met at Hand-in-Hand. The warmth in everybody's hearts combined with their strong commitment to achieve the goals touches us each time we come here! Somebody we met for a couple of days was Dr. Joe of VUP. Dr. Joe appeared to have not only an exceptional knowledge about VUP and its holistic sum of approaches in general, but displayed an extraordinary knowledge on environmental themes. His enthusiasm about constructing water plants was simply overwhelming. Every time we return to Switzerland, we feel that something within us has touched us deeply. Last time, it was Dr Joe who gave us energy and reason to continue our fund raising work in Europe. He made us understand how life can change when you are supported by Hand-in-Hand!

S. DAMODARAN

Country Director, Water.org, India

Hand in Hand is such a wonderful organization with well motivated and committed staff who are tirelessly working to empower the poor people through their social and economic upliftment programmes. I have found during my field visits HIH has very good rapport among the communities for whom they are working, especially in providing access to water and sanitation facilities.

The vision of HIH is shared not just among their board members but also their field staff, the poor communities and all the stakeholders.

I wish HIH reach more number of people and bring the fruits of development to the poor and the disadvantaged.

HELLO!

Hand in Hand would like you to share your comments and suggestions to help us serve the poor people in a better way...
info@hihseed.org



WHO'S WHO

India

Board of Trustees of HiH/SEED

Dr. Kalpana Sankar — Managing Trustee
R. Venkat Reddy — Social Worker
P. Kottaisamy — IT Consultant
S. Chinnappan — Executive Director, Kalvi Kendra
Mangala Ayre — Educationist
K.P. Kasturi — M.D, Helping Hands Microfinance & Services
Kalyani Rajaraman — COO (Health, VUP)
Amuthasekaran Nachiappan — COO (Environment)
CII Representative

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Padma Shree H Sudarshan — Social Worker
Arun Vasu — Honorary Consul General to Sweden
K.N. Krishnamurthy — former GM, Ashok Leyland
N. Srinivasan — former Chief GM, Nabard

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Dr Kalpana Sankar — CEO
Raghunandan V Dole — Group Chief Financial Officer
Dr. N. Jeyaseelan — Director, Transformation
Kalyani Rajaraman — COO, Child Labour, Health & VUP
Badri Narayanan — COO, SHGs
Amuthasekaran Nachiappan — COO, Environment
K. Deepamala — Project Director, Citizens' Centre Enterprise
Veena Manian — Director, HR
Dr B. S. Srinivasan — Director, Monitoring & Evaluation
K Thiayagarajan — GM (Buildings & Maintenance)
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Krishna Kumar — Director, IT
K S Sudhakar — Project Director, Health
E Swaminathan — Project Director, Child Labour Elimination
Dr Joe, Project Director — Village Upliftment Programme

Shiva Krishnamoorthy — Project Director, SWM
M Mageswaran — Project Director (NRM)
Usha — Project Director (Accounts)
Abi Murali — Chief Communications Officer
G Santhus — Madhya Pradesh
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Srinivas Krishnaswamy, Strategist
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S S Jeevan, Director, Communications

HiH International

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Profiles of our trustees

Board of Trustees of HiH/SEED

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 for the last 16 years. Her special areas are participatory assessment of SHGs, participatory rural appraisal and gender differentiated impact. A double doctorate in physical sciences and women's studies, Dr Sankar worked as Monitoring and Evaluation Officer for International Fund for Agricultural Development (IFAD). She has been consultant on gender and microfinance issues to UNDP, UNOPS, Christian-Aid, and Wetlands International. She is the recipient of INSEAD Business School scholarship to attend INSEAD's Social Entrepreneurship Programme and HBS - ACCION scholarship training strategic leadership for microfinance. She has been felicitated by the US Congress as one of the leading Women Social Entrepreneurs in the world in recognition of her role in providing leadership and fostering economic growth in local communities. She has authored various publications and manuals on child labour, microfinance and self-help groups, and made several presentations on a number of themes at various international and national conferences. She also guided interns from Stanford University, Stockholm School of Economics and students from Indian Universities.

R. VENKAT REDDY

Head of MV Foundation, Mr Venkat Reddy is a 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)

S. CHINNAPPAN

With long experience in gender, microfinance, and self-help group 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, specializing 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.

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.

KALYANI RAJARAMAN

At present, COO (Child Labour, Health and VUP) at Hand in Hand, Ms Rajaram holds a Masters in Psychology and a postgraduate degree in Guidance and Counselling. 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 Thoothkudi.

AMUTHASEKARAN NACHIAPPAN

At present, COO (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.

Advisory Trustees

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.

HANUMAPPA SUDARSHAN

A social worker and tribal rights activist, Dr Sudarshan is the recipient of the Right to Livelihood Award and the Padma Shri. He is also the founder and Honorary Secretary of the Karuna Trust, which works towards rural development.

ARUN VASU

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

K. N. KRISHNAMURTHY

Mr. Krishnamurthy is a former general manager and special director in automotives 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.

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.





BELSTAR

The financial arm of Hand in Hand will provide protection to pillar activities

Belstar is a Non Banking Finance Company (NBFC) and the financial arm of Hand in Hand. Its purpose is to give legal protection, as practising microfinance on a large scale as an "unregulated entity" would be a risky proposition to the organization as well as to all its stakeholders. As NBFCs are regulated by the Reserve Bank of India (RBI), we are entitled to legal safeguards. Since women constitute 48 per cent of India's population and continue to be the marginalized sections in our society, profit maximization has never been, and will never be our objective, when we deal with them.

The SHG and the microfinance component of Belstar will thus provide the platform and the social base for pillars programmes to implement various developmental activities. This process will not only strengthen the social capital of the poor, but raise the living standards of the poor. Hand in Hand and Belstar will work closely complementing each other's role. In Belstar branch areas too, HIH will continue to impart skill training. The skill trainings are perceived by the poor as value addition, as they have the potential of increasing household

income and earning potential of the members. The SHG budget will be reduced to Rs 3 million from the present Rs 7 million after Belstar stabilizes, and we will continue with our mission.

Still, SHG women always have the choice to either opt for Belstar loan or a bank loan. Significantly, HIH continues to encourage bank linkage to its ultra poor and graduated clients so that they can reap the benefit of government subsidies and long-term bank loans. We are probably the only MFIs focusing on SHG savings like SEWA. Due to our efforts, poor SHG members have started bank accounts for the first time, and have even learnt on how to save.

Our programme has helped SHG women save more than Rs 1200 million during the last six years, which would otherwise have been consumed. Microfinance thus is a powerful tool to address poverty if we provide timely access to credit at an affordable cost to the poorest of the poor.

In the event of a proposal to enlarge the share capital of Belstar, Hand in Hand will take necessary steps only to encourage prospective social investors who are aligned with our vision and mission.

Hand in Hand now works with bi-lateral banks, governments, major corporate houses and vital grassroots organizations. They provide critical support by funding projects of the organization in different parts of the world. Here's a few of our many many valuable partners and friends...

BONDS FOREVER!

Voxtra = growth

Voxtra means growth in old Norse language, the language spoken in Norway about 1,000 years ago. Voxtra believes in funding programmes that empower individuals to lift themselves out of poverty. The organization joined hands with Hand in Hand in July 2009 and now the Voxtra Project covers 20 blocks in three districts in Tamil Nadu. The programme activities include a series of activities like formation and strengthening Self-Help Groups (SHGs), conducting literacy programmes and Enterprise Development Programmes (EDP) through various training modules.

These training are followed by identifying and supporting Family Based Enterprises (FBE) and Micro Enterprises by facilitating the credit linkages. Says Pål Dale of Voxtra Foundation: "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 organization with strong management and reliable systems, giving us at Voxtra the confidence that they have the ability to deliver."



THANK YOU: H&M Foundation has adopted several villages to uplift them. (Above) Kids at the renovated day care centre in Chinnamakulam, Tamil Nadu

Flextronics: A humane approach

One of our valuable partners is Flextronics, who as part of corporate social responsibility (CSR) activities, have forged a partnership with us to bring education, health and other poverty alleviation activities to the poor. In the first phase, Flextronics helped build and renovate many child day care centers in Tamil Nadu. And by adopting villages at other places, it has helped implement some of the organization's five pillar activities. For instance, it took care of the operational cost of a transit school run by Hand in Hand for a year. Flextronics wishes to focus on women and children, and beginning April, 2011, it will identify 100 poor women in to promote enterprises. It will also partner with Hand in Hand to bring awareness about health by conducting medical camps in villages.

A CANDLE AND A WING



IQBAL MASIH

1983-1995

Iqbal Masih was a young Pakistan boy who was forced into bonded labour in a carpet factory at the age of four, became an international figurehead for the Bonded Labour Liberation Front at the age of 10 when he escaped and was brutally murdered in 1995 at the age of 12 by being shot in the back with a 12 gauge shotgun.

Iqbal was sold as a child slave at the age of four for the equivalent of 12 USD. He was forced to work on a carpet loom in a small town called Muridke near Lahore, and was made to work 12 hours each day. Due to long hours of hard work and insufficient food and care, Iqbal was undersized. At 12 years of age, Iqbal was the size of a six-year old boy.

At the age of 10, he escaped the brutal slavery and later joined the BLLF (Bonded Labor Liberation Front of Pakistan) to help stop child labor around the world. Iqbal helped over 3,000 Pakistani children, who were in bonded labour, escape to freedom, and made speeches against child labour all around the world.



Every Child Story

I am an unsung hero. Do you know why? I feel like a bird in a cage. When I was barely three-years-old, I began to use the toilet as a hiding place. My father used to come home in a drunken state and hit my mother. I could listen to the screams of my mother and lived with a sense of fear. There were acute financial problems as well. The toilet provided me a shelter to shut off from what was going on.

I once came to know that my father had spoken to his friend about me. He had taken some money and sold me to a handloom owner. My mother never spoke to me about this. So I knew what I had to do. I surrendered to my father's wish.

So from my lovely toilet, I found myself in a new cage - a congested factory weaving all kinds of clothes. Though I had reconciled myself to a new innings in life - of long hours of work and little to eat - there was just one problem. There was no toilet to hide. The one in the factory was visited by a number of children. Each had

their own stories to narrate. I badly needed a place to find a little solace.

I waited for time to provide me with wings. A miracle took place a few months later. My father came to the factory with a lady who said she was here to help me go to school. I thought to myself that I must have done something good to deserve a new life. I said goodbye to my friends at the factory and in the course of time, I joined the Poongavanam Residential School in Kancheepuram. Once I took part in the Global Vote programme activity that was organised by Hand in Hand-SEED and voted for child rights activist Iqbal Masih.

Today, I feel I am flying. Because I love the place - there is no work, only loads of learning - teachers, friends, food and even television. I don't miss the toilet now; the one in the school is out in the open. But it is only when I sleep that my inner most fears fill my heart: will I be able to fly tomorrow?



Consolidated Statements

Hand in Hand and SEED

Balance Sheet

	As on March 31,2010	As on March 31, 2009
Liabilities		
Initial Contribution	7127	7127
Reserves & Surplus	32140700	27558166
Corpus Fund	444173162	444173162
Interest on Corpus Funds	118831941	74899021
Grants		
Capital Grants	69652416	72586791
Revenue Grants	124726461	145592125
Loan Funds		
Secured Loans	411723075	224071936
Unsecured Loans	80780994	40299517
TOTAL	1282035876	1029187845
Assets		
Fixed Assets		
Gross Block	92624834	79814336
Less: Accumulated Depreciation	-21864483	-13304561
Net Block	70760351	66509775
Capital Work in Progress		7246451
Current Assets,Loans and Advances		
Cash and Bank Balances	735547441	656260383
Loans and Advances	506130850	315584690
Other Current Assets	5670798	1079931
Less Current Liabilities and Provisions		
Current Liabilities	25687567	13653916
Provision	10385997	3839469
Net Current Assets	1211275525	955431619
TOTAL	1282035876	1029187845

* All amounts are in Indian rupees unless otherwise stated

Consolidated Statements

Hand in Hand and SEED

Income and Expenditure

	April 2009 to March 2010	April 2008 to March 2009
INCOME		
Grants	239630507	245770002
Interest on Loans from Self Help Groups	52027735	36314014
Interest on Loans from Citizen Centre	2414276	1912255
Other Income	22901603	32370671
Income from Solid waste management	15363785	6522810
Donations	309887	91659
TOTAL	332647793	322981411
EXPENDITURE		
Programme Expenses	264434682	241468829
Interest on term loans	46698945	37218742
Administrative and other expenses	19785788	16367945
Depreciation / Amortization	8575324	6075195
Grants to other Trust	1225000	7225000
TOTAL	340719739	308355711
Excess of Income over Expenditure Before Tax	-8071946	14625700
Prior Period Item		
Legal & Professional Charges	12654480	
Provision for Tax		
Current Tax		
Surplus carried forward to Balance Sheet	4582534	14625700

Note: The Statutory audit of Hand in Hand Tamil Nadu and SEED trust has been conducted by S R Batliboi & Associates, Chennai. The Auditors Report along with the Financial Statements of both trusts are available on our website



DONATIONS

HOW TO GET INVOLVED

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

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 have helped us to keep our costs very low. We have also limited our overhead costs to 8-10 per cent 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 running a transit school for one year is 5,000 USD.

India

Account Name: Hand in Hand Tamil Nadu FCRA Account
Bank Name and Address: Canara Bank, Theradi Branch, Gandhi Road, Kancheepuram
Account Number: 0939101020217
Beneficiary: Swift Field 59
 Swift Code: CNRBINBBID

United Kingdom

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

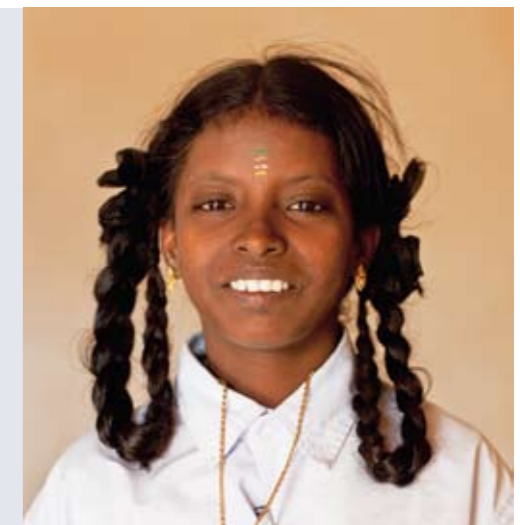
Online

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 Springtimes, 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

Many people forgo a meal each day for many months to support us.

Many corporates are our long-term partners.

Internships

Every summer, Hand in Hand offers a four-week Global Leaders Internship Programme focused on well-defined projects and deliverables. We welcome Master's 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 full application, including a resume/CV, a cover letter stating your motivation and two letters of recommendation to internship@hihseed.org

ANNUAL REPORT 2009-10

EDITORIAL DIRECTORS: PERCY BARNEVIK, KALPANA SANKAR

CONCEPT AND EDITOR: S S JEEVAN

DESIGN: JOSHEPH G SATHISH

PHOTOGRAPHY:

RICHARD LEWISOHN, SANJAY UPADHAYAY,
K SHIVARAM, S S JEEVAN, INDIA TODAY IMAGES,
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EDITORIAL CONSULTANT: SHIV KUMAR

DESIGN CONSULTANT: ARJUN S KARIYAL

EDITORIAL AND PRODUCTION TEAM:

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