



Zardozi
ANNUAL REPORT 2015



Zardozi - Markets For Afghan Artisans

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MESSAGE FROM THE CHAIRPERSON

Mohammad Aqa




I am very pleased to present this Annual Report and the audited financial statements for 2015. This has been an important year for Afghanistan. The Government of Afghanistan has made a commitment to women, showing support for their contribution to inclusive economic growth. During this time of transition, the country faces diminished aid funding, economic uncertainty and political challenges. Delivering on these commitments will require partnership with organisations like Zardozi who have made economic empowerment a reality for low-income and low literate Afghan women. Zardozi and Nisfe Jahan look forward to contributing to the development of national plans and programmes on women's economic empowerment.

Sustainable employment remains a vital need in Afghanistan. Women with formal credentials face significant barriers to obtaining formal jobs, with illiterate women all but excluded. Micro-entrepreneurship in the informal economy is the only option for most low literate women. However, accessing and retaining a steady stream of work in the informal economy is fraught with challenges. On top of everything, women face many constraints within and outside of their homes and, without support, lack the confidence to push beyond them.

Here is the good news: across the country, together Zardozi and Nisfe Jahan are creating space for thousands of poor women to become a legitimate part of the workforce, developing their skill in business and production, and enabling them to contribute meaningfully to their families and communities. With their income, Nisfe Jahan members have purchasing power within their households and a stronger role in investing in their future. Through Nisfe Jahan and partnerships with the private sector, these women have established strong peer networks and enduring market relationships. They stand as resilient and resourceful role models to the next generation of Afghan men and women.

I would like to thank our dedicated team, the Government of Afghanistan and our development partners for their continued support for the Zardozi - Markets for Afghan Artisans programme.

Sincerely,

Mohammad Aqa 
Chairperson
Zardozi Board of Directors

MESSAGE FROM THE EXECUTIVE DIRECTOR

Dr. Kerry Jane Wilson



A decade ago, Zardozi emerged as a local organisation with a mission to address poverty and improve household livelihoods by supporting women to develop micro businesses. Today, Zardozi has established almost three thousand micro-entrepreneurs across four urban centres in the country who not only have marketable skills, but also sustainable market relationships. I am proud to share that we have:

- Supported the growth of Nisfe Jahan, an independent organisation representing women micro-entrepreneurs in Afghanistan;
- Seeded a vibrant network of community business centres across our regions of operation to provide ongoing production and marketing support and access to training and mentorship;
- Provided access to finance and specialised support to growth-oriented women micro entrepreneurs; and,
- Partnered with the private sector to develop market opportunities for women micro-entrepreneurs and to link women to these opportunities.

With the current drawdown in the economy, women micro entrepreneurs need our support more than ever.

Women need specialised support to identify and respond effectively to changing market realities. Through Nisfe Jahan's dynamic and expanding network of Community Business Centres, women can access resources to build the business strategies, skills and confidence they need to succeed.

With deep satisfaction, we have seen women transform their gain in income to personal empowerment in their families and communities. As we move forward, Zardozi will work with Nisfe Jahan to invest in community-based initiatives that strengthen empowerment, rights and opportunities for women and girls.

During 2015, we started working with the National Unity Government in order to strengthen the voice of less educated Afghan female entrepreneurs in the women's economic empowerment debate. As our expertise in women's economic empowerment in Afghanistan continues to grow, we look forward to working collaboratively with the Government of Afghanistan and the development community in the development and implementation of a national women's economic empowerment programme.

Sincerely,

Dr. Kerry Jane Wilson
Executive Director

A handwritten signature in black ink, appearing to read 'Kerry Wilson', written in a cursive style.

MESSAGE FROM THE CHAIRPERSON OF NISFE JAHAN

♦
Saleema



I am glad to be given this opportunity to highlight the impact and success which Nisfe Jahan members have had during the past year. Although because of the situation in Afghanistan most Afghan Women living in rural and urban areas are not empowered, nevertheless women who are members of Nisfe Jahan, are becoming more powerful both economically and socially. All this is thanks to the empowerment activities which Zardozi conducts for Nisfe Jahan members. I would like to mention some of these activities, such as vision and 'psycho social' training, the establishment of the Kadar system (volunteer position), the Nisfe Jahan strategy workshops and the separation of the two regional Nisfe Jahan offices from the regional Zardozi offices.

As a result of the above mentioned activities, Nisfe Jahan has lots of achievements worth mentioning such as signing an MOU between Zardozi and Nisfe Jahan, successfully developing Kadar from Nisfe Jahan members, providing electronic services such as through Facebook and through design CDs, working with women in various business sectors such as beauty parlours, backyard poultry, sheep fattening, retail shops and garment and cooked food production workshops.

I would like to thank the Zardozi team for their continued support for the Nisfe Jahan association.

Sincerely,

A handwritten signature in blue ink, appearing to be 'Saleema', written in a cursive style.

Saleema
Nisfe Jahan Chairperson

Vision, Mission, Values



Zardozi client with sheep fattened for the Eid-al-Adha market

Vision

Afghan women are empowered through earning their own income to organise to address their own needs and the needs of women and girls in their communities.

Mission

Zardozi is working to establish a nationwide network of sustainably provided business support services for female micro and small entrepreneurs.

Values

Respect

We respect and value each other and our clients;

Equality

We do not discriminate between ourselves and our clients and we work to ensure that clients do not discriminate between each other on the basis of income, social status or ethnicity;

Integrity

We follow the highest standards of personal honesty and behaviour, we never compromise our reputation and always act in the best interests of the women we work with;

Accountability

Zardozi takes responsibility for using resources efficiently, achieving measurable results and being accountable to clients, partners, donors and Afghan women;

Creativity

We embrace change and well managed risks in order to develop solutions that work for poor Afghan women;

Practicality

We ensure that all our services and advice to clients is based on a strong understanding of the real situation as experienced by our clients.

1. **Greater Reach;** In 2015, Zardozi - Markets for Afghan Artisans supported the development of over **700** new women micro entrepreneurs, expanding outreach and support to a total of **2,775** active micro entrepreneurs in four regions of the country.
2. **Gaining Empowerment;** Women are using their new roles as micro entrepreneurs to lever their empowerment in their families and communities. An in-depth study this year reveals that many women in the programme are successfully enlisting family support and assistance for their business, starting to shift dynamics of unpaid housework and care work at home, and using their voice and purchasing power to participate actively in family decision making and spending .
3. **Growth in Income;** In 2015, women micro entrepreneurs in the programme on average gained a 400% increase in income over baseline. Of these, **257** dramatically improved their income, showing an almost tenfold growth in their micro operations.
4. **Microenterprise Growth;** In 2015, over 600 women formed 40 ROSCA savings groups and the Zardozi loan fund disbursed over \$66,500 in micro business loans to support growth. Women micro entrepreneurs provided employment opportunities to over **2,600** women restricted to their homes (or 1 per woman employer), a **17%** growth since last year. 43 women upgraded their businesses to a higher level and 24 women graduated from micro to small business owners.
5. **Strong Linkages to Diversified Local Business Opportunities;** Through dynamic regional networks of Community Business Centres (CBC), this year over **700** women completed basic business and skills training in business lines with strong market potential. This year, the unemployment rate within the CBC network was a low **6%**, reflecting the programme's success in sustaining work opportunities for women.
6. **Developing Market Opportunities;** In 2015, Nisfe Jahan held 18 trade events across four provinces in Afghanistan, increasing the visibility, market connections and sales of participating micro entrepreneurs.
7. **Expanding and Strengthening Nisfe Jahan;** In 2015, Nisfe Jahan's membership grew by **20%**. The association now has four active regional executive teams and a central committee, democratically elected by an engaged membership. Leadership development across the organisation is progressing, with over **700** clients now trained in institution building, democratic principles and leadership, and the first cohort of **4** community leaders (Kadar) trained and mobilised in **2** regions.

Microenterprise Support

Over the past five years, Zardozi - Markets for Afghan Artisans has extended microenterprise support to over 4,000 women, 2775 of whom are still working – see map below for details of their regional distribution. In most cases, these women entered the programme with the beginnings of a marketable skill, but no experience running a micro-business. Microenterprise support has involved upgrading women’s production skills, training them in business basics, and providing mentorship through their first phase of business. Support also involves mentorship in organised production and joint venturing to enable women to respond to larger market opportunities.

Map of Afghanistan showing regional distribution of active micro entrepreneurs



DIVERSIFIED SKILLS TRAINING

Zardozi - Markets for Afghan Artisans originally focused solely on tailoring, a major industry that has traditionally afforded flexible work opportunities for women. Since mid-2014, the programme successfully supports diverse business lines across agricultural, services and retail sectors. New business lines are explored by programme staff on an ongoing basis (see Developing Markets). The programme works with women to help them assess their skills and opportunities available in their community and select one or more business lines.

Diversification of business activities enables micro entrepreneurs to work year round and adapt to changing economic conditions. It also prevents over competition and market saturation in any one sector at the community level. Zardozi trains women through skill building courses in the following areas, with numbers as follows:

Fig. 1

SKILL TRAINING

Business Line	Number Trained (Total)	Number Trained (2015)
Tailoring and Garment Work	3,594	718
Poultry	26	15
Sheep Fattening	139	121
Food Processing	18	11
Beautician Services	32	11
Retail Shop	41	17

New business lines under development include mobile repair and ringtone upload, kitchen gardening, taxi driving, seedling production, and snack vending with popcorn and ice cream

Once a small-time tailor, Rizagul now employs 26 women Rizagul has known how to sew for as long as she can remember. During hard times, it was this talent that helped her family survive. And yet there was only so much she could do, earning just about enough to feed her family. That was until she walked into the Zardozi office in November 2012. "I never thought of trying new designs," she admits. "Because I didn't realise there was a market for new and innovative clothes."

The days she spent at Zardozi business centre in Herat taught her just that. She gained key business skill and got the support she needed to be an entrepreneur. "Zardozi not only helped me with purchasing raw material, new design, and marketing, but also developing a business sense I didn't know I had," she says. With loans from Zardozi, Rizagul was eventually able to establish her own tailoring workshop, multiplying her family income as well as creating jobs for women in her community. "My tailoring workshop has been doing so well, that my husband has shut his own business to help me with this," she says with pride.

Rizagul employs 26 women from her village. "Each woman produces about 80 to 100 pieces of clothes every months and earns over 3000 AFN," she informs. Rizagul's own income often crosses 25,000 AFN every month. She has now expanded her business and sells clothes for women and children to other shops in the market as well. "I plan to further expand this business, buy better equipments and set up a shop in the city as well," she shares.

Production Support

Women have access to a sector specialist for ongoing mentoring and hands-on support across all aspects of producing their goods and managing their orders. In 2015:

- 304 clients were trained in order management, which aims to increase awareness of the need to build relations of trust with buyers and suppliers and includes practical examples and stories.
- 187 Nisfe Jahan members started branding products with printed cellophane packets or garment labels available for purchase from their local Community Business Centre.



Zardozi clients learning to use spinning wheels, Dashte Barchi, Kabul

The programme encourages women to expand their production capacity by contracting out to women in their family or community networks. This provides valuable work opportunities for women who do not have the option of working directly with the market because of mobility restrictions placed on them by their families. In 2015, approximately 675 new home workers were added to the network. At the end of 2015, the average number of women employed by each client (both home workers and family labour) is 0.94 (based on a survey of a randomly selected sample).

Accelerating the Production Capacity of Growth-Oriented Micro Entrepreneurs. Zardozi identifies women with growth potential, and provides hands-on production mentorship to new start-ups. Over 2015, 11 clients have established their own garment production workshops bringing the total to 24 employing more than 70 workers.

Business Training and Marketing Support

During 2015, 718 women progressed through a practical training programme that introduced them to how to run a micro business. Business trainings are market-driven and market-integrated; women are trained in current trends and techniques and are given practical experience. This year, Zardozi worked with Harakat to complete a new entry level business training module.

We have developed expertise in developing entrepreneurs from the ground up – by offering women a range of options that allow them to take incremental steps in business growth. Many women start their business activities at a small scale, serving the needs of their own family and selling to their neighbours within their local area. With experience, many women expand their scope of operations and engage directly with the market and local business community.

Zardozi supports this process with advanced business training and support in business expansion for growth-oriented micro entrepreneurs. 333 women received advanced business training in 2015. We track progress in business growth through a system of business categories developed specifically for the Markets for Afghan Artisans programme. In 2015, 38 women moved from selling primarily within their communities (Copper business category) to producing directly for shopkeepers in the market (Bronze business category).

Business Category	Description of Category	Number (2015)	Total number active
Copper	Produce and market products within their community, employ family labour and apprentices	582	1,743
Bronze	Produce and market products directly to the market, employ home workers, family labour and apprentices	130	621
Gold	Produce through workshops, employ home workers, outside labour (male and female) and apprentices	6	97
	Total	718	2,775

Zardozi encourages growth-oriented women engaged in retail and services to consider expansion into home-based shops. During 2015, 15 shops were established, bringing the total number of shops to 28. Managing a shop requires experience, capital and commitment to succeed. Zardozi works closely with clients to help them assess their capacity and needs, develop skills and market effectively in their communities

Business Training and Marketing Support

Fareha's beauty parlour pulled her family out of poverty

Fareha lives in an affluent village in Herat but her surroundings are not representative of her daily struggles. Thirty-seven years old and mother of three, Fareha's husband is disabled, making her the sole support of her family. But Fareha never gave up - over the years, she involved herself in several small businesses, but with little success. In 2014, Fareha found Zardozi; never one to miss an opportunity, Fareha reached out to Zardozi for support. After much review, Zardozi offered Fareha beauty and business management training. Fareha found the perfect market for her newly-honed skills within her neighbourhood. With a loan of 10,000 AFN from Zardozi, she set up her own beauty salon in her village. In the first month, she only made 1,500 AFN, but that didn't deter this enterprising woman. She worked harder and focused her energy on building her salon. Gradually, over the next few months, her income rose to 9,000 AFN per month. Today, Fareha can not only support her family, but also send her children to school and afford small luxuries for them.



Business Transition Support: From Micro to Small Enterprise

Over 2015, Zardozi engaged growth-oriented micro entrepreneurs across four regions in focused discussions of business growth potential, to better understand their support needs. Women requested more training on record keeping and accounts, design and market-led fashion training, information on business registration and tax payment and access to larger loans. Going forward, capacity building for small business owners will be expanded to include advice more suited to larger businesses and more organised production together with information on joining the formal economy. As a result of this engagement process, we developed our own definition of small enterprise: assets valued at least 150,000 AFN and at least 5 employees. This year, 24 clients moved from micro to small enterprise status.

Rehana's small business has helped many families

Rehana was fortunate to be born into a family that nurtured her talents. She completed high school as a refugee in Pakistan. She learned tailoring from her mother and she always aspired to be an independent business woman. With support from her husband, she started teaching in a kindergarten in Pakistan, and later in Kabul. After the birth of her first child, she continued to work as a tailor, finding business in the neighbourhood.

When she heard about Zardozi, three years ago, she immediately signed up for the programme. With trainings from Zardozi and her business acumen, Rehana today has her own shop, and 30 women working for her. She has also trained over 75 women in tailoring. "I have 12,000 AFN in my savings account, and I paid off a loan of 30,000 AFN. I also gave my husband 48,000 AFN to start his business," she shares proudly. Through sheer will and hard work, Rayhana can afford a better life for her family today. Her children go to private schools and have private tutors. But, for Rehana the most satisfying experience is to be able to employ and train other women to be financially independent.

Access to Finance

Zardozi - Markets for Afghan Artisans presents women micro entrepreneurs with a range of options to secure their earnings, encourage savings and investment, and obtain and manage credit.

Savings – In 2015, 611 women formed 40 savings groups based on the traditional kesht system, called Rotating Savings and Credit Associations (ROSCA) and associated with Community Business Centers. This represents a growth in (Zardozi started Kesht in 2015) from the past year, with 502 (82%) of Nisfe Jahan members now involved. The average amount saved is around \$7, usually savings are made every 2 weeks or monthly and average group size is 15. Thus, the savings total each woman receives is on average \$100 every 15 months. At the network level, ROSCAs have been instrumental in fostering stronger inter-client cooperation and new business initiatives. When clients meet to deposit their savings they discuss how to invest or spend it.

Zardozi Loan Fund - Zardozi manages an interest-free loan fund. Nisfe Jahan members may apply to the loan fund for business financing – enabling clients to purchase start-up inputs or equipment. Over 2015, the loan fund has extended \$66,560 of financing through 332 loans. This is a 44% increase in loan fund activity over 2014 and a 51% increase in the size of the loan fund.

Linkages to Formal Banking Institutions – over 2015, 238 Nisfe Jahan members registered for accounts at formal institutions. Zardozi encourages women to open formal bank accounts to secure their earnings, integrate with formal institutions and open opportunities to partner with banks on initiatives for women customers.

Simple savings helped Habiba build a small business

Habiba and her husband have always been a team. They supported each other through good and bad, and built a home together with their four children. She and her husband, who works as a night guard, started a small business selling pickles and yogurt, after taking a loan of 4,000 AFN from colleagues. The hardworking 40-year-old would sell her produce at the women's garden in Dashte Barchi, that is where she came across Zardozi. She has been with Zardozi for the last seven years. As she gained new skills, her business grew over the years. However, the couple never made enough to pay off their loan.

That's when Zardozi introduced her to the system of rotating saving and credit, locally known as Kesht. Through Kesht, she was able to put together enough money to not only pay off their loans, but also acquire sufficient capital to expand their small home-based industry. Recently she took another 2000 AFN from the Kesht to help her husband set up a small trading business in their home province of Daikundi. He takes small products like scarves and gloves from Kabul to their village to sell there, and brings back almonds and walnuts to sell in Kabul. Today, Habiba employs over 25 women as home producers. She recommends savings as the best system for accumulating capital.

Sustaining Market Engagement through Community Business Centres

Working closely with Nisfe Jahan, we have developed a Community Business Centre (CBC) model that gives women micro entrepreneurs ongoing access to production and marketing support within their local area. A CBC, or manbeh as it is locally referred to, is a designated space in a client's home where women from the area meet on a weekly basis. Weekly gatherings allow women to learn about new business opportunities, receive training, technical support and business mentoring, and exchange ideas and concerns.

For tailors, CBCs provide a suite of design, branding, and cutting services that enable women tailors to compete successfully with male tailors. 24 design input collections were developed and distributed to all CBCs; 33 women attended workshops on design and cutting skills in 2015.

Coming together provides women with social support, and enables them to develop relationships that support increased collaboration and enable organised production. Our network of CBCs has been very successful in sustaining the market engagement of women clients. At the end of 2015, the unemployment rate of programme clients was 6%, down from 9% in 2014. Over 2015, we developed 28 new CBCs, for a total of 95 across the country.

Zardozi works with Nisfe Jahan to track client attendance at the CBC. There are on average 29 clients per CBC, a 3% increase over 2015. Over 2015, on average 45% clients visited their CBC in any one month. In 2015, Zardozi initiated an engagement process to identify and support a few talented women interested in becoming commercial service providers within each CBC. Developing local service providers is expected to offer new business lines to interested micro entrepreneurs, and provide women with sustainable access to needed services within their community.

We promote exchange visits between CBCs across regions to promote successful initiatives, such as ROSCA savings groups and livestock fattening for the Eid-Al-Adha market. Zardozi works continuously on expanding the range of business opportunities offered at CBCs.

Developing Markets

Zardozi works to expand the range and number of domestic and export market opportunities for Afghan women. We do this by partnering with the private sector to meet their supply needs and by working with micro entrepreneurs to innovate new products for the market. Zardozi marketing teams research, inform and train women on market requirements, trends and gaps. Where needed, Zardozi is an advocate to micro entrepreneurs, guaranteeing large orders or new supply relationships, and assisting with finance and collection of payment.

In 2015, Nisfe Jahan held 18 trade events across four provinces in Afghanistan, with most of them organised in Mazar-e-Sharif. The Mazar office held six exhibitions and three trade fairs, some of which were covered by local media.

The Herat Regional Office organised a trade fair in November 2015 that featured around 223 pieces of women's clothes in 13 designs. About nine shop owners attended the fair, and several of them made purchases or placed orders. Similarly, the Jalalabad Regional Office conducted two exhibitions and one trade fair in 2015, with substantial footfall.

The Kabul Office held five exhibitions and one trade fair. Notably, the June exhibition in Shaharak Arya was attended by 325 visitors and saw overall sales of 97,000 AFN. Nine Nisfe Jahan clients participated in this exhibition.



Trade event in Jalalabad featuring garments produced by Zardozi clients

Export Market Development

This year, we researched markets for client products in Dubai and Delhi. Two visits to Dubai and Delhi were undertaken in May and June by the marketing team. While the market in both locations is highly competitive, the team found opportunities for lapis jewellery, and embroidered and crochet products and are following up on potential orders. In 2016, the market development team hopes to canvass Iran, Tajikistan, Turkmenistan and Uzbekistan for export opportunities.

Empowerment

Decades of research have demonstrated that strengthening women's participation in the economy empowers them to advance their rights in their families and communities. Zardozi has invested in ongoing research into empowerment gains among clients.

In 2015, we conducted an in-depth empowerment study that demonstrated that our clients were successfully enlisting family support and assistance for their business, changing the dynamics of unpaid housework and care work at home, using their purchasing power to invest in their children's education, and developing the confidence to participate actively in family decision making. See inset for Zobaida's story.



"For as long as I can remember, the men in the family were the decision makers, and they did not consult with the women. My husband decided to engage our first son and chose the girl on his own and didn't even ask for my opinion. And because I didn't have much courage to argue or object, I couldn't say anything. Since I've started working, however, my husband and sons ask for my daughter-in-law's opinions. They know that we are now aware of our rights and over time I have learned that we can give them great ideas and opinions. Now we make our family decisions together. A few months ago, we wanted to engage my daughter so my husband took my opinion and then I asked my daughter if she agreed, and then we went ahead to arrange her engagement."

-Zobaida, Jalalabad

How We Measure Empowerment

1. Increased Income – Women develop and sustain a reliable source of income
2. Increased Confidence and Agency – Women are able to transform their role and relationships within their families; they have increased status and participate in decision-making in the home; they are less vulnerable to violence in the home
3. Increased Visibility and Stature – With family support, women are able to be visible and active in their communities and serve as role models and advocates for others
4. Voice for Rights and Protection – As an association, Nisfe Jahan has leadership capacity among members to understand member needs, implement community-based projects and link members to other services and development opportunities, and represent the needs of women on rights and protection issues in planning and policy development.

Training in Gender, Human Rights and Civil Society

Zardozi works with Nisfe Jahan to provide its members with training on gender, human rights, and civil society. In 2015, 385 women received training in one or more of these courses. By the end of 2015, close to one-third, or 1,160 of Nisfe Jahan members have completed at least one of these trainings.

Our training impact research, conducted through December 2015, revealed that training on gender and human rights has given participating women a framework and a language to understand their experience, as well as resolve and peer support to stand up for their rights and the rights of others in their families and communities. Women who received gender and rights training were also more likely to hold the view that it is up to women to take the initiative to negotiate their rights within their families. These results underpin the finding that engaging and supporting women on rights issues furthers their gains made through economic empowerment.

Honouring Women's Achievement



When they enter the programme and first take up micro business, most women lack self-esteem and confidence, and have few expectations for their lives. Women need encouragement among their peers and families and role models that inspire them.

Zardozi celebrates successful clients in order to provide role models to other women and to encourage clients to have aspirations and confidence. The celebration event provides clients who are brave, determined and persistent with a platform to express their ambitions and vision. Another objective in holding these celebrations

is to show family members who are against women starting up a business that the results can be positive and others are less negative towards such departures from social norms.

Celebrating Nafisa

Nafisa from Herat was celebrated by Zardozi in 2015, unanimously voted for by all the Executive Committee members in the Herat area. The 42-year-old joined Zardozi in November 2013. Her husband, a shopkeeper, earned barely enough to feed the family and in order to increase the family income, Nafisa taught the Quran to the children in the neighbourhood. Even this was not sufficient to allow more than the bare necessities and sometimes not even that. At Zardozi, Nafisa not only learned tailoring, but also acquired business skills that helped her grow into a businesswoman. Nafisa was hardworking and persistent—as a result, in a matter of months, her clientele grew and her income increased from 300 AFN per month to nearly 10,000 AFN every month. Now she not only helps support the family, but also aspires to expand her business and create jobs for women like her in the community.

Developing Community Leaders & Service Providers

Drawing on inspiration from PEKKA, a peer organisation in Indonesia (see inset), we have worked with Nisfe Jahan over the latter half of 2015 to develop a cadre of emerging women leaders in each region. Locally known as Kadar, these women are being trained as community organisers within Community Business Centres and, for an honorarium, support Nisfe Jahan initiatives and programme implementation. Eventually, Kadar will make the programme more sustainable by replacing Zardozi field staff. We have so far selected and trained two teams of Kadar.

Over 2015, Zardozi worked with Nisfe Jahan on a needs assessment for community-based projects that could be led by Kadar at the local Community Business Centre level. After consultation it was agreed to provide training in psycho-social counselling for groups of women. A pilot project was started in Kabul in cooperation with another agency. Training of the first group of counsellors was almost completed by the end of the year.



Zardozi team with PEKKA staff and volunteers, Sombok Indonesia, May 2015

Learning Exchange Visit with PEKKA

In May 2015, Zardozi sent a delegation to Jakarta to learn more about PEKKA's approach. Based in Jakarta, Indonesia, PEKKA is a women's economic empowerment project that was developed in 2000 to support widows and other vulnerable women in the conflict region of Aceh. PEKKA has helped to establish Serikat, a dynamic widow's support association with a membership of around 8,000. PEKKA's micro business support programme is implemented primarily by community-based women volunteers engaged and supported to further the cause of women's empowerment and poverty alleviation. The emphasis is on building decentralised leadership, and community ownership and variation in how groups develop and implement initiatives is encouraged. PEKKA has developed a range of cooperative ventures among micro-entrepreneurs and supports a range of financing options, from smaller, community-led savings and credit systems to centralised loan funds offering larger amounts of credit for business capital. We took away valuable findings and will be working to develop a more multi-layered structure of leaders and activists (Kadar) to promote and support both business and activism among members.



Saleema (second from right), Zardozi Kadar from Mazar

Saleema did not come from a poor family. Even as refugees in Iran, she and her husband, a taxi driver, worked hard and saved a small fortune. "I worked for many years as a sales agent (collecting pieces from home bound women and selling them to shopkeepers) in Iran, and together we saved nearly \$50,000," she shared. In 2004, they returned to Afghanistan and a bad business deal with a relative resulted in the loss of all their savings. "I returned to Afghanistan with so many desires; I wanted to start a business but our relative stole everything from us," she added.

The 34-year-old mother of four and her husband started again from scratch. Salima did not let go of her vision to be the businesswoman she dreamed of. Salima joined Zardozi in 2011, learning tailoring and business skills. "I started a tailoring shop in my neighbourhood using a borrowed machine. There were days when I couldn't even afford oil to cook food," she said. But after an initial capital loan of 4,500 AFN, things started to look up for Salima. Today, she has capital of 250,000 AFN and employees in her workshop. Not only did her business flourish, but Salima became a more active member of Zardozi. In 2012, she was elected as the Executive Committee member for her Community Business Centre (CBC). In 2015, she volunteered to be part of Zardozi's Kadar programme.

This increased her responsibilities but she was more than happy to play the role. She makes regular visits to regional CBCs and helps out with problems, because she can relate to these women. "I have been in their position; I know what it feels like to be dependent on someone and struggle to keep carrying on," she shared. She is constantly encouraging the women to do better. "I'm excited to be part of this team. I love helping women solve their problems," she said.



Nisfe Jahan

Nisfe Jahan, or 'Half the World' in Dari, was founded and registered as a civil society organisation in 2011, with the mission of representing women micro entrepreneurs, providing business services, and supporting community-based social empowerment initiatives. By the end of December 2015, the association had 4,066 members, 718 (18%) who joined in 2015.

To participate in Zardozi's Markets for Afghan Artisans programme, new clients are required to become members of Nisfe Jahan, which involves paying association membership fees. Zardozi provides support building and expanding Nisfe Jahan as an independent institution.

Institution Building

Over 2015, 157 new Nisfe Jahan members completed training in institution building, democratic principles and leadership to support their understanding and active participation in the association. Each region has a democratically elected Executive Committee that consults with members and works with Zardozi to select programme priorities and assist with implementation planning. Each regional Executive Committee member is elected by, and represents, one Community Business Centre (CBC). Zardozi provides support to leadership development and elections processes.

Nisfe Jahan tracks engagement with two key measures. The first is member payment of association and service fees. In 2015, Nisfe Jahan's income (average of all regions) from member fees was on target, representing 10% of the association's expenditure and putting it on track for becoming increasingly cost effective in its operations. The second is a member participation measure. In 2015, on average 45% of clients visited their CBC in any one month. Zardozi continues to work on providing new services and new business opportunities so as to maximise use of the CBC.

In the fall of this year, a strategic planning process began to guide Nisfe Jahan's progress towards becoming an independent organisation. Systems have been put in place for separate financial accounting to prepare Nisfe Jahan regional offices for financial management. At the end of December, both Kabul and Mazar had their own designated Nisfe Jahan office space and a full-time Nisfe Jahan staff coordinator.

Training in Gender, Human Rights and Civil Society



Gulhijaba, executive committee member from Nangarhar

Like many women in Nangarhar, Gulhijaba had never worked outside the home and had no plans to do so. But then her husband, a police officer, was killed in a gunfight with militants, leaving her and their young son behind. Gulhijaba having already lost one son to illness when he was a baby, then lost her 12-year-old son in an explosion. Completely alone, Gulhijaba moved in with her brother's family and began tailoring to earn some money for her personal expenses. After almost seven years of tailoring, she decided to open a shop in her home – but the plan didn't go well. "I opened the store three years ago but it was very small and not selling very much," Gulhijaba. The decision to have the shop front in the home was mainly because of cultural reasons. In the Pashtun-majority Nangarhar Province, women are not usually permitted to do business, much less to travel anywhere alone.

Gulhijaba says her decision to run a business at all was because of need – to help cover her costs within her brother's family. But she is happy to have done so. "I have enough money for my clothes and medicines and also I am able to lend some money to my brothers," she says. With a loan and business guidance from Zardozi in early 2014, Gulhijaba was able to expand the shop to stock more general goods, a move that proved fruitful. While she still has tailoring clients, the shop is fast becoming the more lucrative venture for Gulhijaba, who now not only covers her own expenses but also those of her extended family. "I like doing both tailoring and the shop business. When I am tired of one I can go and do the other," she laughs. Gulhijaba continues to seek advice from Zardozi, sometimes attending the CBC. "I still get ideas and advice through the CBC," she says. "Zardozi helps me to manage the shop and I consult them for ideas on what items to stock and such." And the shop growth continues. Gulhijaba has been approved for another loan that will see her further expand the size of the shop as well as the range of goods offered. It will be her third Zardozi loan in three years.

Expansion and Federation

Nisfe Jahan has progressively developed four regional footprints since 2011, beginning with the Kabul regional office and extending to Jalalabad (2010), Mazar (2011) and Herat (2012). Each regional Nisfe Jahan body is comprised of member units defined by Community Business Centre (CBC) catchment areas.

Region	# CBCs per region	Members (2015)	# Members (total)
Kabul	14	140	375
Jalalabad	29	156	795
Mazar	25	209	863
Herat	27	213	742
Total	95	718	2,775

This year, with support from Zardozi, Nisfe Jahan executive committees from all four regions were brought together to discuss establishing a federation. In June, each region elected two representatives to the association's first Central Committee.

The first meeting of the Central Committee was held in July, where an MOU with Zardozi was developed and an action plan for increasing Nisfe Jahan institutional independence put in place.



Central Committee members

Training in Gender, Human Rights and Civil Society

Introduction

Zardozi Enterprise (ZE) is the name used by Zardozi to describe the part of Zardozi which is not donor funded relying instead on income from the sale of handicrafts most of which are made in Peshawar by Afghan refugee women. This initiative is what remains of the DACAAR project which Zardozi inherited in 2006 and has been keeping it alive ever since. Up to 2013 ZE provided livelihoods to up to 3,000 women in Pakistan and eastern Afghanistan, the sales income from the shop in Kabul and export averaged around \$400,000 annually. Since 2007, ZE products have been sold through a retail outlet in Kabul known as Ganjina (which in Dari means treasure chest) involving around 20 handicraft companies, NGOs and groups of artisans and managed by Zardozi.



Since the start of the transition in Afghanistan, sales have fallen steeply primarily due to the reduction of numbers of expatriates in Afghanistan and the limitations on mobility due to security concerns, of those that remain. As a result the number of women employed in Afghanistan and Pakistan during 2015 averaged around 300.

During the period 2012-2014, the US Embassy in Kabul granted Zardozi around \$800,000 to work with the Ganjina partners to enable them to survive the transition by either finding local or export markets. For ZE it was not possible to find a local market for the products but ZE successfully developed a large export market in the USA.

In the last part of the year the authorities in Pakistan started a campaign against NGOs and as a result there was considerable harassment of the ZE Pakistan staff because of their links to Afghanistan.

Market Outlook and Transition

During 2015 sales income fell 43% despite efforts to maintain sales by taking products to customers and selling on line. Overall sales for 2015 were less than 10% of sales before the transition and by the end of the year negotiations had started for the registration of ZE Pakistan as a separate Pakistan NGO relying on export sales as income. The future of Ganjina is in doubt, as sales continue to contract.

Export Market Development

Export sales, thanks to investment using US Embassy funding, have tripled since 2012 and remained strong in 2015. In order to maintain this level of sales however, it will be necessary to have close links with US companies including attending US trade fairs and visiting buyers either face to face or through consultants. The Pakistan NGO will be fund raising in 2016 to enable US visits to take place.

Governance, Operations & Finance

Monitoring & Evaluation

As recommended by reviewers in 2014, it was decided that during 2015 Zardozi would reduce the frequency of data collection whilst increasing sample size and scope. Two surveys of the work status of almost 80% of the women who had ever been trained were completed, providing information that currently 9% of women per annum move out of the area and just under 5% stop working permanently for various reasons.

During the year, the Monitoring and Evaluation (M&E) unit was working with a consultant on strengthening systems for example ensuring that sample sizes are representative and drafting necessary documentation such as Indicator and Operational manuals. Finally increased regional M&E capacity was achieved through the recruitment and training of one M&E staff for each region to serve as the focal point for data collection and analysis.

Expansion

In 2015, Zardozi conducted surveys in Pul-e Khumri and Bamiyan in preparation for opening up regional offices in these areas over 2016.

Business Development

Zardozi is pursuing multi-donor engagement for long-term sustainability. A fundraising plan, including plans for integration into the local economy by fundraising with local companies, will be pursued later in the year.

Revenue Sources

USE OF FUNDS	2015	2014
	USD	USD
SERVICE PROVISION	300,520	234,646
STRENGTHENING MEMBER ORGANISATION	115,238	95,475
MARKET FACILITATION	403,078	216,430
PROGRAMME MANAGEMENT	365,478	321,720
MONITORING, EVALUATION, LEARNING	98,948	31,606
PUBLIC INFORMATION UNIT	13,185	0
MAIN OFFICE COSTS	274,230	213,321
OVERHEAD COSTS	125,713	107,507
ASSETS	23,606	17,441
TOTAL USE OF FUNDS	1,719,996	1,238,146

BALANCE SHEET	2015	2014
CURRENT ASSETS	USD	USD
Debtors	57,944	82,482
Cash and Bank	35,438	262,312
TOTAL CURRENT ASSET	93,382	344,794
CREDITORS		
Payables	72,023	340,593
NET ASSETS	21,359	4,201
RESERVE FUND	21,359	4,201

SOURCE OF FUNDS	2015	2014
	USD	USD
DFID and Oxfam Novib (consortium)	0	1,238,146
DFID	1,719,996	0
TOTAL FUNDING	1,719,996	1,238,146

BOARD OF DIRECTORS



MOHAMMAD AQA

CHAIRMAN

Assistant Representative, FAO Kabul and has been associated with Zardozi since its inception in 2005



DOMINIC D'ANGELO

DIRECTOR

Independent consultant working in Kabul for the past five years on strategy, policy, programme and project inception, design, implementation and management



MARY LARKIN

MEMBER

Public health professional with experience of working in many countries of the developing world



ABDUL SATTAR

MEMBER

Program Officer, European Commission Directorate General for Humanitarian Aid and Civil Protection Office (ECHO), Kabul. Worked seven years with DACAAR and NSP on livelihoods programme implementation.

i For more information, see the Empowerment Report produced by Sippi Azarbaijani-Moghaddam

ii We measure women's enterprise according to business category – see section # for details.

Rotating Savings and Credit Association – a group agree to each save the same amount of money monthly and to take it in turns taking the total month's savings. This is a traditional system which is widespread amongst men in Afghanistan but not amongst women.

iv 'unemployed' refers to clients whose micro business has failed but who wish to revive it

v This number includes clients who have moved or are no longer working from choice or family decision. They remain members as occasionally women return and restart their businesses.



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