



Zardozi – Markets for Afghan Artisans



Quarterly Report to the Board of Directors

April to June 2015

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Acronyms and Abbreviations

AISA	Afghanistan Investment Support Agency
AREDP	Afghanistan Rural Enterprise Development Programme
CBC	Community Business Centre (also mini-CBC), also known as <i>manbeh(s)</i>
DFID	Department for International Development (UK)
FTE	Full-Time Equivalent (measure of employment)
NCE	No-Cost Extension
NGO	Non-Governmental Organisation
NJ	Nisfe Jahan
M&E	Monitoring and Evaluation
MFAA	Markets for Afghan Artisans
ROSCA	Rotating Saving and Credit Association
SEEP	Small Enterprise Education and Promotion Network
TFC	Trade Facilitation Centre (now New Business Line)
WEE	Women's economic empowerment

Executive Summary

This report covers the first three months of the Transition Period for Zardozi, scheduled to run from 1 April to 31 December 2015. The Transition Period follows on from the No-Cost Extension period agreed with DFID and Oxfam, which ran until 31 March 2015.

Arising from the Transition Period, the targets for the Zardozi results framework have been amended (Annex 1). In addition, the Transition Period requires tasks in three areas to be addressed:

- Strengthening Zardozi
- Scale-up of strategy
- Multi-donor engagement and sustainability

Annex 4 sets out the tasks to be achieved in each work area.

During the first 3 months of the Transition Period, good progress was made not only on continuing current operations but also on strengthening Zardozi as an institution and Nisfe Jahan (NJ) as a sustainable support organisation, and positioning Zardozi in the Afghanistan women's economic empowerment sector. Plans were agreed with Oxfam and consultants on technical expertise needed to achieve Transition milestones.

A visit to PEKKA in May 2015 was particularly useful, as their success in creating Serikat, a sustainable women's support agency, provides both motivation and guidance to Zardozi as to how NJ can develop in future.

Improvements were achieved in the Zardozi Monitoring and Evaluation (M&E) Unit, new staff were recruited for each region and the first M&E Standard Operating Procedures (SOPs) were drafted. Management of data was reviewed and plans for future improvements put in place for the remainder of the year.

Two new community business centres (CBCs) were established and 157 new clients joined the programme, bringing the total working clients to 2,765 and total CBCs to 86. The average number of women employed by each client is 1.64 for the quarter, totalling 7,300 women in employment. 86 women took a loan to purchase sheep for the Eid ul-Adha market, 11 more opened beauty parlours. Zardozi worked with Qaria Cashmere, a commercial company, to triple the income of a group of wool spinners in Kabul by training them to use spinning wheels for cashmere. Work continues on finding ways to further increase their income.

In the period, 123 women formed their own ROSCA savings systems; this development is already having unforeseen ramifications in terms of stronger inter-client cooperation and new business initiatives. Three new garments workshops were set up, bringing the total to 19, most established since the beginning of 2015.

Surveys and discussions began on how to support businesswomen to move from micro-entrepreneurial to small entrepreneurial status. Clients continue to strengthen their ownership of the Mazar NJ Regional Office, expanding their usage and demonstrating an eagerness to undertake more responsibilities. Kabul NJ also started the process of establishing its own office, although the office is still located within the Zardozi office for financial reasons. The NJ Central Committee was elected during the quarter and discussions held with NJ leaders on expanding NJ responsibilities, childcare initiatives and ways to improve selection of new clients.

Research into measuring women's increased empowerment arising from the programme was begun, yielding interesting and impressive results that are still under process.

Progress in the period

For the Transition Period, assessments of progress made use, as a Baseline, results achieved against specific indicators up to 31 March 2015. This includes progress made under the original MFAA project, plus additional gains made during the NCE period.

The Transition Period itself sets targets to be achieved by the end of December 2015, using many (although not all) the indicators used up until 31 March 2015. Thus, the content of tables shown in this quarterly report have changed in some respects from those shown for the first quarter of 2015.

Number of women working as a result of the programme

Zardozi's M&E Unit continues to work on improving data on the status of women trained by Zardozi since 2009. Table 1 is based on 100% surveys undertaken in late 2014 and repeated in March and April 2015. The second survey further clarified the status of women trained by Zardozi since the programme started. The number of women who have moved or are now located in an insecure area has reached 19%, compared to 11% in the 2014 survey. Many of these are younger clients who have married and had to move out of the Zardozi programme area.

Table 1: Women working as a result of the programme

WOMEN WORKING		Number	% of all women trained
1	NJ members who are employed, dormant, under-employed, unemployed or graduated to other jobs	2,451	65%
2	Non-NJ members with a micro-business	314	8%
Total of clients with a micro-business		2,765	74%
Number of women employed by clients (average 1.64 per client)		4,355	
Number of clients plus employed women		7,300	
WOMEN NO LONGER WORKING			
4	Sick or no longer allowed or willing to work*	253	7%
STATUS UNKNOWN			
5	Moved to another area or located in now insecure area	730	19%
Total of women trained by Zardozi		3,748	

Source: Zardozi client surveys, 2014 and 2015

The total number of women linked to markets includes two categories of women: Clients, and Home Workers/Family Labour employed by Clients. The average number of Home Workers and Family Labour employed by Clients across the four regions is calculated quarterly based on a survey of a randomly selected sample.

The average number of Home Workers and Family Labour employed by Clients across the four regions is calculated quarterly based on a random sample survey.

Clients running a micro-business within the community (Copper business category) employ fewer Home Workers and Family Labour than clients running a micro-business operating outside the community (Bronze and Gold business categories).

The average number of home workers employed by Bronze clients in Kabul is at least 3 times higher than in other regions. Kabul was Zardozi's first operational area and many clients have been successfully running their businesses for more than four years, resulting in a significant expansion in business size and number of workers employed.

Table 2: Average number of home workers employed by clients, by business category and by region

Region	Average number of home workers actively employed		
	Copper (working inside the community)	Bronze (working outside the community)	All categories
Herat	0	0.65	
Mazar	0	0.37	
Jalalabad	1.00	5.00	
Kabul	0.35	18.00	
Overall	0.44	4.39	1.64

Source: Zardozi rapid client assessment, March 2015

Selection of new areas and new clients

In 2014, there were issues with the proper selection of new clients; the result was clients who were eager to be trained but either not capable of or not interested in undertaking any commercial activity. Following discussions with individual Regional Managers during field visits and with all Regional Managers in May and June, the suitability of new clients has now significantly improved, with more oversight by Regional Managers working with the client selection teams.

Milestones for 2015 include surveying 2 new areas for expansion in 2016 (see Annex 5 for details of Transition milestones); a survey was completed in Pul-e Khumri in June, with positive results; a survey of Bamiyan is planned for September 2015.

Skills and business training

The first stage of the process whereby new clients are linked to markets involves skills upgrade and business training. 157 new clients completed basic business training during the quarter (TA 4.1) and 146 completed skills training. Skills training courses on offer now include: care of livestock (poultry and sheep), food processing, wool spinning, sewing machine repair and beautician skills.

Table 3: Skills and business training

Outcome	Indicator	Transition Target Apr-Dec 2015	Achieved Apr-Jun 2015	Total to date ¹
A1.3	Number of FTEs created for men and women by the program	716	270	7,670
A3.2	Number of women satisfactorily achieving agreed skills standards through skills training	409	146	3,748
A4.1	Number of NJ members completing basic business training	409	157	3,748
A4.2	Number of NJ members completing advanced business training	145	43	98

¹ Includes achievements during the initial contract period and NCE period

Review of business training modules

Zardozi has been working with Harakat for more than a year on the development of Harakat Level 1 Toolkit training modules. The training modules are now ready and a Zardozi senior management team reviewed both sets of modules – Harakat and Zardozi – and agreed to adjust the Zardozi business training modules to incorporate the Harakat video and modules. This process is now almost complete (see Annex 5).

Developing new business models

Over the past 18 months, Zardozi has focussed on diversifying the range of business opportunities on offer to clients. As a result, 21 shops, 107 livestock businesses and 21 beauty parlours have been successfully established. In the past quarter, Zardozi worked on a pilot wool spinning project for a group of clients in Kabul who are skilled wool spinners but did not know how to use a wheel. Once trained and given the opportunity to borrow wheels whilst they decide whether to purchase them, their income, although still not more than \$1 per day, increased threefold.

Livestock and poultry sector

In early 2015, staff visited all community business centres (CBCs) with an information package on the advantages of purchasing livestock or poultry. Where individuals are interested, Zardozi staff investigate the client's suitability for this sector (quality and availability of space, family support, neighbour tolerance, etc.) and their credit worthiness (gathered from previous loan repayment reports). Staff then secure the individual's agreement to attend skills training, to take the advice of the appointed expert, and check their overall business plan to ensure repayment of the loan. During the past quarter 86 clients purchased sheep or chickens, increasing the number of clients in the livestock sector fourfold. Most of these new clients opted for fattening sheep for the Eid ul-Adha market.

Retail and service outlets

Shops, even home-based ones making up 95 per cent of Zardozi client shops, require experience, capital and commitment to succeed. Over the years, Zardozi has become better at managing expectations and supporting clients to operate shops at a profit and in the past 18 months there have not been any shop closures. The rate of opening new shops has slowed, which is seen as a positive sign since it means that only the most suitable clients are opening shops; others are being advised to adopt business models more appropriate to their needs and capacity.

It also takes time for clients to learn how to make an income from a beauty parlour: developing the skills, capital and confidence to persuade a community to use its services. So far, only 1 beauty parlour has failed, and although others are still making little money after several months, staff are fast learning how to support clients with more skills training and advice on advertising in their communities. Some beauty parlours, particularly where the client already has a reputation for beautician skills, have been very successful and this has motivated other clients to start beauty parlour training.

New sectors

This refers to clients who starting up a business in a new business area for Zardozi; during the quarter a young client in Kabul started a snack shop selling home cooked food such as soup and samosa. She made a profit of AFS 2,500 in her first 2 weeks, so it seems to be a good business model which we can demonstrate to others, for them imitate her in their own areas.

Table 4: New client business models

Indicator	Zardozi Target Apr-Dec 2015 ²	Achieved Apr-Jun 2015	Total to date ³
Number of new domestic retail outlets facilitated through NJ	12	1	21
Number of new livestock micro businesses facilitated through NJ	120	86	107
Number of new beauty parlour micro businesses facilitated through NJ	12	11	21
Number of other new sector micro businesses facilitated through NJ	4	1	1
Average number of business sectors per CBC	2	1.88	N/A

Expanding and developing markets for client products and services

Regional export markets

In 2015, Zardozi started developing markets for Afghan products in Dubai and Delhi. Two visits to both Dubai and Delhi were completed during the quarter by a marketing team consisting of Tahira Afridi, Director Zardozi Enterprise and Shugufa Yousufzai, Marketing Consultant. In Dubai the team found interest in jewellery particularly lapis, embroidered and crochet products at the low end of the market and in embroidered products at the high end. There are also opportunities in Delhi in the high-end market. The market in both locations is highly competitive, however, and gaining the interest and the trust of buyers takes time and investment in product development. More visits are planned for July.

Zardozi aims to expand the markets available for women's products so that:

- More women can be employed
- The Afghan brand for handcrafts will be more widely recognised thus expanding the high end market for Afghan women's products

At present Zardozi considers the potential regional markets include Pakistan, India, Iran, UAE and Tajikistan. Of these, the easiest to start with are UAE (Dubai) and India primarily because the market team already have information on both these markets from work with Zardozi Enterprise. The plan for the Transition Period therefore includes 6 trips to UAE/India. The expected results are that at least one high end and one low end product in each market will have repeat orders and the potential for further expansion by the end of the Transition Period.

Domestic retail events

Nisfe Jahan continues to organise domestic retail events in all regions, based on demand from clients.

² The Indicator in this table is not part of the Transition Period Results Framework, and the Outcome Indicator reference is to previous results frameworks

³ Includes achievements during the initial contract period and NCE period

Table 5: Domestic retail events

Indicator	Zardozi Target Apr-Dec 2015 ⁴	Achieved Apr-Jun 2015
Number of domestic retail events organised	9	3

Marketing support to the WEE sector

Zardozi has long been a source of marketing advice to other agencies in the area of women's economic empowerment. Despite every effort, however, results are often disappointing as it is usually difficult to successfully add marketing onto a project that has been designed to achieve other outcomes. In the past quarter Zardozi has discussed cooperation with Helvetas, DRC and AWEC. A policy will be developed in the next quarter (see Annex 5 for details of Transition Milestones).

Sustaining market engagement through CBC-based services

Opening accounts at formal institutions

During the quarter, 43 clients opened bank accounts, well down on the last quarter (113). Many clients opted for ROSCA systems in preference to formal bank accounts although many clients with bank accounts have also joined ROSCAs (see below).

Zardozi Financial Services: loans

Table 6 shows a small delinquency rate during the past quarter in relation to loans taken out; in general, NJ Executive Committee members are able to keep delinquency under control (Delinquency is defined as a loan repayment made more than 4 days late). Loans are written off if not repaid within 12 months.

A total of 572 loans have been disbursed to date, 124 in the past quarter (Indicator A4.4). This is a 50% increase on the previous quarter, and the increase is primarily due to clients borrowing to purchase sheep for the Eid ul-Adha market.

Table 6: Loan Fund Quarterly performance

	Delinquency	Portfolio at risk	Loan loss rate	Loan re-payment rate
Q3 2014	6.17%	0.00%	0.00%	100.0%
Q4 2014	0.10%	0.82%	0.00%	99.96%
Q1 2015	0.67%	0.49%	0.00%	99.77%
Q2 2015	0.31%	0.31%	0.00%	99.81%

⁴ The Indicator in this table is not part of the Transition Period Results Framework, and the Outcome Indicator reference is to previous results frameworks

Number of clients joining any savings scheme facilitated by NJ

As mentioned in the previous report, the ROSCA⁵ system has become very popular over the past quarter. 123 clients joined a ROSCA scheme set up themselves through their CBC, usually using the agreement outline suggested by Zardozi. The average amount saved is around \$7, usually savings are made every 2 weeks or monthly and average group size is 10 to 12. Thus, the savings total each woman receives is on average \$70 to \$84 every 10 to 12 months.

Table 7: Credit and savings

Output	Indicator	Transition Target Apr-Dec 2015	Zardozi Target Apr-Dec 2015 ⁶	Achieved Apr-Jun 2015	Total to date ⁷
A4.3	Number of NJ members registering for accounts at formal institutions	120	N/A	43	257
A4.4	Number of loans disbursed	130	N/A	124	572
A4.5	Number of clients joining any savings scheme facilitated by NJ	N/A	80	123	N/A

New Community Business Centres

No contract target for establishing new Community Business Centres (CBCs) was set for the Transition Period because it is not certain how many new areas surveyed for CBCs would actually be found suitable and how much expansion could therefore take place through existing CBCs and how much through new CBCs. In the event, 2 new CBCs were established during the quarter in Herat and Mazar; there are now 86 CBCs in 4 regions.

The average number of clients per CBC has increased from 28 to 29 showing that expansion is also taking place through existing CBCs; around 49% of clients attended their CBC during the last quarter.

Table 8: Community Business Centres

Indicator	Zardozi Target Apr-Dec 2015	Achieved Apr-Jun 2015	Total to date
Number of new Community Business Centres established	9	2	86
Average quarterly CBC utilisation rate (<i>% of registered clients using CBC at least once in the quarter</i>)	65%	49%	N/A
Average number of clients registered to each CBC	25	29	N/A

Unemployment and reintegration into the market

With improved information on the status of clients it is easier to find an accurate unemployment rate⁸ for every CBC. With this better information field staff are able to focus on reducing unemployment, which was 6.16% at end June (TA 4.6).

⁵ 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 never amongst women

⁶ The Indicator in this table is not part of the Transition Period Results Framework, and the Outcome Indicator reference is to previous results frameworks

⁷ Includes achievements during the initial contract period and NCE period

Other services provided through CBCs

Many services are provided through CBCs, but the services that attract the most clients are those that enable female tailors to compete successfully with male tailors. These services involve design (TA 1.1), brands (TA 3.2) and cutting services. The one-off workshops on design or cutting skills are also popular (TA 1.2).

Table 9: Design, skills and fashion support

Output Indicator		Transition Target Apr-Dec 2015	Zardozi Target Apr-Dec 2015	Achieved Apr-Jun 2015
A1.1	Number of design input collections/catalogues distributed	18	N/A	6
A1.2	Number of skill development workshops facilitated	9	N/A	11
A3.2	Number of NJ members branding products based on NJ production standards	N/A	120	8

Supporting clients to move from micro business to small enterprise

Defining a small enterprise

During the quarter a Zardozi team reviewed the Government definition for a small enterprise; the Ministry of Commerce and Industry (MOCI), SME Directorate defines a small enterprise as having

Assets valued at AFS 2 million or over and employing at least 5 employees.

Zardozi considers that this definition requires a higher level of investment than necessary to differentiate a 'small' from a 'micro' enterprise. After discussion with staff and leading businesswomen clients, it was agreed that Zardozi's definition of a 'small enterprise' is:

Having assets valued at least \$2,500 and at least 5 employees

Regional Managers are now interviewing clients to identify 'small enterprises' using this definition.

Transitioning clients from micro to small businesses

At the same time, Zardozi is researching the needs of small enterprises both as expressed by clients themselves and by staff in order to design specific support for small enterprises. So far, small enterprise clients (SECs) have asked for:

- Larger loans
- More training on recordkeeping and accounts
- Better understanding and skills in design and market-led fashion

Zardozi feels that information on the benefits and pitfalls of business registration and tax payment is needed. MOCI's SME Directorate have developed a manual explaining registration systems in Afghanistan promised for publication after Eid.

⁸ 'unemployed' is taken to mean clients whose micro business has failed and who are looking for a way to revive it.

Table 10: Unemployment and small enterprise development

Output Indicator		Transition Target Apr-Dec 2015	Zardozi Target Apr-Dec 2015	Achieved Apr-Jun 2015
TA4.6	Average quarterly unemployment	N/A	7%	6.16%
TA4.9	Zardozi clients are members of Chamber of Commerce	1	N/A	0
TA4.10	Number of clients moving from micro businesses to small enterprise	26	N/A	2

Supporting clients to organise production: setting up garment workshops

Zardozi managed orders (New business lines)

Although the garments sector offers plenty of opportunity for production, the quality and quantity required on individual orders is difficult to manage without a production workshop. Zardozi recognised this situation and, acknowledging that clients did not have the capacity to set up workshops, started to take and fill orders for garments through a semi-workshop situation (known as New Business Lines). Zardozi managed the orders and clients did the production, trained and supervised by staff (including input from technical experts) in the regional office, and only taking home simple production tasks.

The plan was that once clients had gained sufficient expertise through participating in this system, they would be motivated to set up their own workshops. The plan was only partially successful as few if any workshops were established. Towards the end of 2014, after further research into the garments market and the small workshop production sector, Zardozi decided to intensify the push to clients to set up workshops. An information package was prepared and staff toured all CBCs giving information to clients on how to set up a workshop and what Zardozi will do in support. Workshop tours were established to visit male workshops and once some clients had established their own workshops, to visit client workshops. Order management training was provided to all interested clients and training on management of a workshop.

New business line work continues as it does provide valuable experience to clients on the importance of completing orders on time and meeting quality standards.

Client production workshops

This new more intensive 'push' strategy is working better: in the past 6 months, 19 clients have established their own garment production workshops, 3 were established during the quarter, employing 19 workers. Zardozi supported these start-ups with business advice, workshop learning tours, loans and help with first orders. Herat, which has the highest number of workshops, has recruited a male workshop expert who was in Iran for many years and he has been advising client workshop owners on quality and improved production systems. Some of these client workshops are located in rented premises in commercial areas, others are still in the client's home. One client took a loan and built a separate room in the courtyard of her home to house her workshop.

Table 11: Workshops and new business lines

Outcome	Indicator	Transition Target Apr-Dec 2015	Zardozi Target Apr-Dec 2015	Achieved Apr-Jun 2015	Total to date
AA1.2	Total number of clients employed in new business lines during the quarter	N/A	40	46	46
AA1.3	Total number of home workers employed in new business lines during the quarter	N/A	80	69	69
AA1.4	Number of new garments workshops established by clients	N/A	8	3	19
AA1.5	Number of workers or clients employed in new garments workshops established by clients during the quarter	N/A	12	19	10
TA2.1	Number of NJ members trained in order management	120	N/A	89	
TA5.6	Number of tours of businesses (workshops) implemented for clients	N/A	8	1	

Supporting and developing Nisfe Jahan

Expansion of Nisfe Jahan

For the past two years, women wanting to benefit from the Zardozi programme have been required to pay a registration fee for NJ before receiving any training. The fees are credited to the NJ account. During the reporting period an additional 157 women became NJ members, bringing the total number of NJ members to 3,271⁹.

Table 12: Expansion of Nisfe Jahan

Output Indicator	Transition Target Apr-Dec 2015	Achieved Apr-Jun 2015	Total to date
B1.1 Number of new registered NJ members	328	157	3,271

Institution Building

Handover of responsibilities: NJ Regional Offices

The number of clients using the Mazar NJ Regional Office continues to rise, in May for example, there were 212 visits to the office as opposed to 100 in the 3 months January to March. Reasons for visiting varied from: accessing the usual services such as loans, business advice and new orders, to attending NJ meetings and a few clients wanted simply to rest after visiting the market and before going home.

The Kabul Regional Office has set aside several rooms and transferred a staff member to NJ as the first manager, as the first step towards a separate office for Kabul NJ. It will not be possible during

⁹ 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.

the Transition Period to set up a separate office due to funding limitations, but establishing separate accounts system under NJ management has started and will be completed before December 2015.

Handover of responsibilities: Zardozi and NJ MoU

After the visit to PEKKA, it was decided that more work is needed before a Memorandum of Understanding (MoU) and a Strategic Plan can be finalised with NJ. The work plan was revised and strategy workshops are scheduled for September/October 2015.

Table 13: Institution Building Nisfe Jahan

Output	Indicator	Transition Target Apr-Dec 2015	Achieved Apr-Jun 2015	Total to date
B1.2	Number of NJ members receiving training in institution building, democratic principles and leadership	409	157	
B1.5	Number of NJ regional offices established under NJ management	1	0	1
B1.6	Number of NJ office bearers taking management and/or financial training	30	0	
B1.7	Number of NJ regional offices managing own finances	1	0	1
B1.8	Nisfe Jahan Strategic plan developed and regularly updated	1	0	0
B1.9	MOU between Zardozi and NJ finalised	1	0	0

Establishing the NJ Federation

The issue of establishing a federation was agreed at a strategy workshop held in March 2015 (see previous quarterly report). Further discussions were held with NJ Office Bearers during the quarter and each region then elected 2 representatives to the Central Committee. The first meeting of the Central Committee will be held in early July (see Annex 5).

Building sustainability for Nisfe Jahan

Visit to PEKKA, Indonesia

During the quarter, a team of Zardozi senior management visited PEKKA an organisation in Indonesia recommended by several Zardozi advisors as offering Zardozi important insights. PEKKA, like Zardozi, works with a grass roots organisation – Serikat – which it has established but PEKKA and Serikat are ahead of Zardozi in terms of sustainability in that Serikat volunteers already provide the majority of programme services. Zardozi is now working on a plan to implement the lessons learned from PEKKA and Serikat (see Annex 3).

Cost recovery

Zardozi has been working for almost 12 months on various strategies both to strengthen the understanding of NJ office bearers concerning the importance of cost recovery and to improve fee payment rates. These strategies now are starting to take effect and the cost recovery percentage is improving.

Feedback surveys

No feedback surveys were scheduled during the quarter, and surveys will restart after Eid. Follow up was carried out on the negative comments made about marketing services in Jalalabad during the previous quarter (see previous quarterly report) and a report will be prepared.

During the quarter work started on assessing the demand for social protection initiatives, these will be completed by the end of the year.

Table 14: Building sustainability

Outcome	Indicator	Transition Target Apr-Dec 2015	Zardozi Target Apr-Dec 2015	Achieved Apr-Jun 2015
B2.1	Number of member feedback surveys on specific services	-	4	0
A2.2	Percentage of female producers reporting satisfaction with NJ services	-	75%	-
B1.3	Average quarterly CBC cost recovery	-	7%	10%
B1.4	Average quarterly NJ cost recovery	-	5%	14%
B3.3	Number of social protection initiatives for NJ members implemented	6	-	0

Empowering women through information and confidence building

Two successful Woman Celebrations were held during the quarter. Following hard work by staff and NJ members, some improvements were seen in attendance at these events by male family members.

Table 15: Training and confidence building initiatives

Output	Indicator	Transition Target Apr-Dec 2015	Achieved Apr-Jun 2015
B3.1	Number of NJ members trained on rights, gender and civil society	150	91
B3.2	Number of civil society events organised by NJ	6	2

Impact

Income data

The Table below shows that average income in 2015, as with all previous years, demonstrates a pattern of increases and decreases which seems to follow the agrarian economy with some variations in degree which is probably due to festivals such as Eid and Nawroz. Thus client income is high during the harvest time (July-September) lowest just before winter (October-December), receives a boost in the spring perhaps due to Nawroz (January-March) and then drops slightly during the summer as crops are ripening.

Table 16: Average client income increase over baseline (400%) by quarter and year

	2011/12	2012/13	2013/14	2014/15
October - December	123%	178%	374%	436%
January - March	130%	248%	590%	1,232%
April - June	132%	178%	629%	986%
July - September	836%	413%	728%	

Impact research: empowerment

During the quarter, research on programme impact on women's economic empowerment was started: questionnaires were drafted; field tested and data collection was carried out in 4 regions. The results were analysed and submitted to the consultant Sippi Azarbaijani-Moghaddam for comments (see Annex 5).

Monitoring & Evaluation

M&E documentation and capacity building

On the basis of an evaluation of Zardozi Monitoring & Evaluation (M&E) carried out by RSI Ltd in 2014, the M&E team put together a plan for strengthening systems and capacity building. The plans include:

- Internal review process of data collection, management and analysis, followed by
- Preparation of M&E Operation Manuals including an Indicator Manual
- Increase in regional M&E capacity with one M&E staff per region
- Using a consultancy later in the year once these internal improvements have been finalised, to assess progress

During the quarter, one M&E Assistant (female) was recruited, trained and posted to each region. The first draft of the Indicator Manual was completed and the Operational Manual started (see Annex 5).

Progress against Transition Milestones

See Annex 5 for report against these milestones.

Strengthening Zardozi

Governance and succession planning

During the quarter plans were drawn up to review and strengthen governance and succession planning. The issue was discussed with the Board, a self-assessment carried out by the Board and an action plan agreed. A consultancy has been agreed for the next quarter to further review and advise on governance systems and succession planning.

Operational development and financial management

Oxfam undertook a review and made recommendations on improvements in the second quarter of 2015. Zardozi commissioned a further review in late 2015 from Refaqt Babur.

Business strategy paper

The Zardozi fund raising consultant Dominic d'Angelo has agreed to prepare this paper, the first draft will be ready later in the year.

Integrating Zardozi experience into national policy and programmes

Zardozi is planning to work with MOLSAMD on the development of an action plan on WEE for the Kabul Conference in September 2015. Zardozi aims to raise awareness of the need to shift the current major focus of the WEE sector on educated women and the formal economy onto less privileged and more vulnerable women and the informal economy.

Multi-donor engagement and sustainability

Establishment of a Public Information Unit has not been possible as there is not currently enough budget to do so. Currently, responsibilities are shared between a number of journalists working as consultants and the Zardozi IT Webmaster.

Applications for funding have now been made to: JSDF, Canadian DFATD and UN WOMEN. Plans are in place to send proposals to: EU, Canadian DFATD (against a specific RFP) and the Dutch Ministry of Foreign Affairs.

An overall fundraising plan, including plans for integration into the local economy by fundraising with local companies, will be pursued later in the year.

Operational constraints

Risk management

See Risk Table, Annex 3.

Oxfam Novib Management

The Oxfam Novib team working with Zardozi was strengthened with new staff and plans for implementation of capacity and institution building processes with technical support from Oxfam were agreed for the Transition.

Lessons learned

Improving sustainability through motivating women to work for the community

See Annex 3 for an analysis of the lessons learned from PEKKA.

Innovative/new ways of working

Options for clients

The last quarter has demonstrated once more the benefits of offering women choices, demonstrated by the success of Zardozi's new system, offering options in savings and livestock investment. The system followed to offer savings options involved the following five steps:

- Researching options on savings
- Preparing a summary of information
- Broadcasting the summary through CBCs
- Supporting clients in their choices, and finally
- Using exchange visits between CBCs and regions to promote successful initiatives.

The savings information package for example, included a number of savings options but clients were most interested in the ROSCA system (called *kesht* in Afghanistan), which has proved widely popular with many local variations adopted by women. Even staff have started their own *kesht*. *Kesht* is now leading to closer cooperation between women on business development; this seems to be occurring because clients are meeting regularly to deposit their savings and at the same time also discussing what to do with their individual 'jackpots'.

Programme Finances

The Table below shows project Income and Expenditure, including forecast expenditure to the end of Q2 (30 June 2015).

Table 7: MFAA actual and budgeted income and expenditure 2011-2015

Grant Income		
DFID	4,372,987	Received
Oxfam Novib	327,133	Received
Oxfam Novib II	225,907	Received
DFID Transition Phase	806,105	Confirmed
	5,732,132	
Expenditure (actual)		
Oct 2011-Sep 2012	1,029,965	Actual
Oct 2012-Mar 2013	695,395	Actual
Apr-Sep 2013	587,899	Actual
Oct 2013-Sep 2014	1,408,084	Actual
Oct 2014-Mar 2015	848,095	Actual
Q2 2015	388,832	Actual
Expenditure (Forecast)		
Q3 2015	345,763	Projected
Q4 2015	428,099	Projected
	5,732,132	
Balance	0	

Annex 1: Results Framework (Transition Period)¹⁰

The results framework below covers the period between 1 April and 31 December 2015. Figures in square brackets represent Transition Period Milestones and Targets; figures outside square brackets represent whole of project Milestones and Targets, where different.

Since weightings have not been applied throughout the DFID Logical Framework for this period, they have been removed from this results framework.

Achievement Scoring ¹¹ :	On track to exceed Target by 5 per cent or more	On track to meet Target by +/- 5 per cent	At risk of missing Target by 5 per cent or more
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Outcome A: Female producers and entrepreneurs enabled to obtain increased income through a strong industry association

Outcome Indicator A1	Average increase in income of Nisfe Jahan members		
Baseline	Milestone	Milestone	Target
End Mar 2015	End Jun 2015	End Sep 2015	End Dec 2015
1,232 per cent	400 per cent	400 per cent	400 per cent
Achieved:	986 per cent		

Outcome A, Output 1: Product types and styles developed respond to customer preferences

Outcome Indicator A1.1	Number of design input collections developed		
Baseline	Milestone	Milestone	Target
End Mar 2015	End Jun 2015	End Sep 2015	End Dec 2015
12	18 [6]	24 [12]	30 [18]
Achieved:	18 [6]		

Outcome Indicator A1.2	Number of design workshops facilitated		
Baseline	Milestone	Milestone	Target
End Mar 2015	End Jun 2015	End Sep 2015	End Dec 2015
8	11 [3]	14 [6]	17 [9]
Achieved:	19 [11]		

¹⁰ The Source throughout is project reporting. Assumptions are retained from the previous logical framework and therefore not shown. In the DFID version of the logical framework, the Outcome is referred to as Impact

¹¹ Achievement Scoring relates to Transition Period Targets

Outcome Indicator A1.3	Number of FTEs created for men and women by the programme		
Baseline	Milestone	Milestone	Target
End Mar 2015	End Jun 2015	End Sep 2015	End Dec 2015
7,400	7,638 [238]	7,877 [477]	8,116 [716]
Achieved:	7,670 [270]		

Outcome Indicator A1.4	Number of design resource access points for NJ members established		
Baseline	Milestone	Milestone	Target
End Mar 2015	End Jun 2015	End Sep 2015	End Dec 2015
15	15 [0]	15 [0]	17 [2]
Achieved:	17 [2]		

Outcome A, Output 2: NJ members have increased volume and value of production

Outcome Indicator A2.2	Number of NJ members trained in order management		
Baseline	Milestone	Milestone	Target
End Mar 2015	End Jun 2015	End Sep 2015	End Dec 2015
116	156 [40]	196 [80]	236 [120]
Achieved:	205 [89]		

Outcome A, Output 3: Product quality satisfies buyer requirements

Outcome Indicator A3.2	Number of women satisfactorily achieving agreed skills standards through skills training		
Baseline	Milestone	Milestone	Target
End Mar 2015	End Jun 2015	End Sep 2015	End Dec 2015
3,748	3,884 [136]	4,010 [272]	4,157 [409]
Achieved:	3,894 [146]		

Outcome A, Output 4: Business development support strengthens NJ members' business performance

Outcome Indicator A4.1	Number of NJ members completing basic business training (6 courses)		
Baseline	Milestone	Milestone	Target
End Mar 2015	End Jun 2015	End Sep 2015	End Dec 2015
3,748	3,884 [136]	4,010 [272]	4,157 [409]
Achieved:	3,905 [157]		

Outcome Indicator 4.2	Number of NJ members completing advanced business training (4 courses)		
Baseline	Milestone	Milestone	Target
End Mar 2015	End Jun 2015	End Sep 2015	End Dec 2015
45	120 [75]	145 [100]	190 [145]
Achieved:	98 [43]		

Outcome Indicator A4.3	Number of NJ members registering for accounts at formal institutions		
Baseline	Milestone	Milestone	Target

End Mar 2015	End Jun 2015	End Sep 2015	End Dec 2015
113	153 [40]	193 [80]	233 [120]
Achieved:	156 [43]		

Outcome Indicator A4.4	Number of loans disbursed		
Baseline	Milestone	Milestone	Target
End Mar 2015	End Jun 2015	End Sep 2015	End Dec 2015
0	45	90	130
Achieved:	124		

Outcome Indicator A4.9	Number of Zardozi clients who are member of Chambers of Commerce		
Baseline	Milestone	Milestone	Target
End Mar 2015	End Jun 2015	End Sep 2015	End Dec 2015
0	0	0	1
Achieved:	0		

Outcome Indicator A4.10	Number of clients moving from micro businesses to small enterprise		
Baseline	Milestone	Milestone	Target
End Mar 2015	End Jun 2015	End Sep 2015	End Dec 2015
0	9	18	26
Achieved:	2		

Outcome A, Output 5: Opportunities for marketing handwork products improved

Outcome Indicator A5.3	Number of trade or retail events facilitated through NJ		
Baseline	Milestone	Milestone	Target
End Mar 2015	End Jun 2015	End Sep 2015	End Dec 2015
8	11 [3]	14 [6]	17 [9]
Achieved:	11 [3]		

Outcome B: Industry association is recognised as a formal institution representing members' in civil society and providing services responsive to women's business needs

Outcome B, Output 1: Industry association has progressed in institution building

Outcome Indicator B1.1	Number of registered NJ members		
Baseline	Milestone	Milestone	Target
End Mar 2015	End Jun 2015	End Sep 2015	End Dec 2015
243	352 [109]	461 [218]	571 [328]
Achieved:	400 [157]		

Outcome Indicator B1.4	Number of NJ members receiving training in institution building, democratic principles and leadership		
Baseline	Milestone	Milestone	Target
End Mar 2015	End Jun 2015	End Sep 2015	End Dec 2015
243	379 [136]	515 [272]	652 [409]
Achieved:	400 [157]		

Outcome Indicator B1.5	Number of NJ regional offices established under NJ management		
Baseline	Milestone	Milestone	Target
End Mar 2015	End Jun 2015	End Sep 2015	End Dec 2015
0	0	0	1
Achieved:	0		

Outcome Indicator B1.6	Number of NJ office bearers taking management and/or financial training		
Baseline	Milestone	Milestone	Target
End Mar 2015	End Jun 2015	End Sep 2015	End Dec 2015
0	10	20	30
Achieved:	0		

Outcome Indicator B1.7	Number of NJ regional offices managing their own finances		
Baseline	Milestone	Milestone	Target
End Mar 2015	End Jun 2015	End Sep 2015	End Dec 2015
0	0	0	1
Achieved:	0		

Outcome Indicator B1.8	NJ Strategic Plan developed and regularly updated ¹²		
Baseline	Milestone	Milestone	Target
End Mar 2015	End Jun 2015	End Sep 2015	End Dec 2015
0	0	0	1
Achieved:	0		

Outcome Indicator B1.9	Memorandum of Understanding between Zardozi and NJ finalised ¹³		
Baseline	Milestone	Milestone	Target
End Mar 2015	End Jun 2015	End Sep 2015	End Dec 2015
MoU not finalised	MoU under finalisation	MoU finalised	MoU finalised and agreed
Achieved:	MoU under development		

Outcome B, Output 2: NJ members have improved understanding of their business needs and are able to design NJ services accordingly

Outcome Indicator B2.2	Number of member feedback surveys on specific services
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¹² A better phrasing would be 'Number of updates to the NJ Strategic Plan', with the same Target

¹³ Language adjusted from numerical results shown in the DFID Logical Framework

Baseline	Milestone	Milestone	Target
End Mar 2015	End Jun 2015	End Sep 2015	End Dec 2015
5	6	6	6
Achieved:			

Outcome B, Output 3: NJ members have improved understanding of their rights and role in civil society

Outcome Indicator B3.1	Number of NJ members trained on rights, gender and civil society		
Baseline	Milestone	Milestone	Target
End Mar 2015	End Jun 2015	End Sep 2015	End Dec 2015
115	165 [50]	215 [100]	265 [150]
Achieved:	106 [91]		

Outcome Indicator B3.2	Number of civil society events organised by NJ		
Baseline	Milestone	Milestone	Target
End Mar 2015	End Jun 2015	End Sep 2015	End Dec 2015
5	7 [2]	9 [4]	11 [6]
Achieved:	7 [2]		

Outcome Indicator B3.3	Number of social protection initiatives for NJ members implemented		
Baseline	Milestone	Milestone	Target
End Mar 2015	End Jun 2015	End Sep 2015	End Dec 2015
0	2	4	6
Achieved:	0		

Annex 2: Progress against Mid-Term Review recommendations

It is now 24 months since the mid-term review; of the 4 summarised recommendations for 3-9 months and 6-12 months, the Loan Fund recommendations have been implemented and the NJ voucher system has been replaced with an alternative system. Progress on the remaining two recommendations are described below.

Business categories

The MTR recommended formalising and documenting systems for identifying services needed for each business category and implementation processes.

- Zardozi continues to develop the process of identifying services for each business category as the categories themselves evolve. Documentation is on-going.

Trade Facilitation Centres

The MTR recommended improving marketing with more focussed trade fairs etc and finding a way to handover TFCs to client partners. Develop a model for reaching national and other regional markets.

- Since small, commercial production workshops in urban areas has become commonplace, Zardozi has started encouraging and enabling clients to open their own workshops. This has resulted in some better quality products being produced with improved order management which has opened the way to regional markets.
- In the past quarter Zardozi continued developing regional markets for client products in UAE and India. Two visits were paid to UAE and to Delhi to identify products and buyers.

Recommendations to be completed in 18 months

	Recommendation	Timeframe 18 months	Progress to end June 2015
LA1	Setting clear and realistic expectations of what the Executive Committee can do and contribute will assist in the development of NJ. Consider developing a document that outlines the short and medium term objectives of NJ and the Executive Committee Members' roles and responsibilities; identify the skills needed to manage those responsibilities and outline specific trainings or strategies to transfer the necessary skills to the NJ Executive Committee Members. In the medium term, consider creating a paid position within NJ which could be held by a strong or talented ECM in each regional chapter. This would help mitigate some of the transient nature of the ECMs who may come and go and leave capacity gaps within the Executive Committee. It would also continue to move the ownership of the organization from Zardozi to the members.	The capacity building of NJ ECMs can be designed and started within the next 18 months.	<ul style="list-style-type: none"> • A paid position in Kabul NJ Regional Office was created in the past quarter. • A new plan for NJ will be developed in coming 6 months and a signed MOU. • NJ is setting short term goals and achieving them e.g., establishing regional offices
LA2	Set clear intermediate goals for NJ and separate Zardozi services from NJ services. Create an internal MOU that outlines roles and responsibilities for each organization (Step 3 in the process found in the next recommendation). It may not be realistic in the near to medium term for NJ to	The strategic decisions of which services to allocate to NJ (as opposed to maintaining them within Zardozi) as well as the	

	be able to coordinate services such as trainings or market linkages, but they could, for example, start to manage more aspects of the <i>Manbehs</i> , exhibitions and the loan fund.	establishment of the plans for transfer can be achieved in the next 18 months.	
LA3	Develop a process for setting reasonable objectives for Nisfe Jahan and delivering results, grounded in a realistic understanding of the environment and capacity of the members. Figure 3, outlines a potential process for transfer of responsibilities to NJ ECMs. The process begins by assessing the capacity of members, establishing short and medium term goals for NJ, and clearly delineating the roles and responsibilities for NJ and Zardozi. The process continues based on the identified roles and responsibilities of NJ, the capacity needed to manage these, and a capacity development plan for ECMs. As the ECMs are shepherded through the process by Zardozi and gain capacities, Zardozi can start to transfer full responsibilities for specific activities and services to NJ. Once the stated goals are achieved or well on the way, the process starts again with the evaluation of the enhanced capacity of NJ members.	This process can be established within the next 18 months and continue to be used in an iterative fashion into the next project phase. The previous recommendation outlines some of the short to medium term responsibilities that could be initially evaluated and transferred.	
LB1	Membership fee payments may be more consistent if fees are directly linked to access to services. A potential approach to this would see the ECMs involved in the month-to-month collection of fees, and designation of fixed amounts to specific services. For example, 75 Afs per week per <i>Manbehs</i> could be earmarked for the weekly <i>Manbeh</i> services (cutting, patterns, use of space, etc). Every month, the ECM would be responsible to sign over the payment to Zardozi. This would clearly establish that services have costs, as well as the purpose of the fees. Remaining funds could then be allocated to activities or services as decided by the ECMs such as exhibitions. Here, NJ could contribute a portion of the costs of an exhibition while Zardozi would still need to co-fund such activities for the foreseeable future. ECMs would be expected to assess the needs or expectations of their <i>Manbeh</i> members for these services and therefore represent them when fund-allocation is decided.	This strategy will require planning and capacity building of ECMs, but can be accomplished within the next 18 months.	NJ have started writing budgets and managing their own finances
LB2	Support talented women who are willing to invest and to become neighbourhood service providers. Upgrading the skills of potentially strong service providers would allow for increased income flow to these clients, while at the same time providing women with access to needed services within their own neighbourhoods in a culturally acceptable manner. This transfers the onus of responsibility for operation, maintenance and quality control of services to market based operators who are generally better positioned to respond to market demand.	This activity can be launched within the next 18 months, but will require time in the next phase of the project to be solidly established and replicated.	This project is still under implementation, extension of the project to other regions is on going
LB3	In order to strengthen the representative nature of the ECM's role, the Mazar/Jalalabad model of ECM selection should be applied in all regions. Having one ECM per <i>Manbeh</i> makes it easier for all clients to at least know their ECMs and be able to access and pass feedback more easily. As membership grows there may eventually be too many <i>Manbehs</i> and corresponding elected representatives to have an effective committee in each region. If or when this number is reached (recommended 20 to 25 committee members should be the upper limit) different strategies should be evaluated, by looking at governance approaches	The standardized approach can be rolled out across all regions within the next 18 months.	The Central Committee has been elected and will meet in July 2015

	of other membership-based organizations. One potential approach would be to create a two-tiered approach with a larger general committee that meets less often and a smaller executive committee which meets once a month – a variation on the current model of EC and office bearers.		
LB4	This new development should be clearly identified as a pilot to avoid rolling it out in other areas before establishing if it presents a stronger model than the mixed union approach. If it is judged to be more beneficial, a clear plan will need to be prepared for those women who are not Copper Tailors.	The Copper Tailors' Union pilot should run for up to a year with a thorough evaluation of the strengths and weaknesses of this alternative model.	Copper Tailors Union idea dropped
LB5	As described above, the executive committee for NJ needs to be introduced to basic financial responsibilities. These should include costs of services, monthly fee collection, contribution to the payment of certain services, costs of activities such as exhibitions etc. Financial understanding is a crucial first step towards financial management. Zardozi will still bear the responsibility of funding the majority of costs for NJ.	In the next 18 months, capacity building of the ECMs in financial management can be achieved and a concerted effort to normalize monthly fee payment may be accomplished.	Budget and expenditure monitoring training completed for all Executive Committee members in the past quarter

Annex 3: Risk Table

Risk	Probability	Impact	Mitigation Measure	Residual Risk	Update June 2015
Strategic Risks					
Deteriorating security situation.	Medium	High	Zardozi will follow security developments on a daily basis and provide an adequate security set-up for its staff and consultants	Medium	Security has deteriorated in all areas but particularly in Jalalabad
Destabilising macro-economic situation.	Low	Medium	Linked to the security situation, but female micro-entrepreneurs have a low profile (and demand for traditional products is generally high) to continue operating even in worsening economic conditions. However, income growth potential could be affected.	Low	Macro-economic situation is deteriorating as donor funded support projects and military support are withdrawn
GoA retracts support for female entrepreneurship	Low	High	Linked to security situation and government regime. Mobility restrictions on women would slow and/or stall recruitment of female sale agents and reduce retention of sale agents.	Medium	GoA plans to further strengthen support to female entrepreneurship
Operational Risks					
Insufficient interested semi-skilled women can be located to recruit as sale agents	Low	High	Linked to security situation. There is an abundance of semi-skilled women all over the country keen to earn an income.	Medium	Some agencies continue enterprise groups and skills training for women
Unable to recruit sufficiently qualified male and female staff at central and regional levels	Low	Medium	Zardozi already has a capacity development system in place and will refine and emphasize staff mentorship models as needed; consultants will be brought in to support staff mentorship as needed	Low	Situation has improved
Programme approach found to be incompatible with the cultural and/or economic context of new areas	Low	Medium	Zardozi will assess the cultural and economic context before expansion and new office establishment. A new area will be selected and/or a new approach determined to fit the context as necessary	Low	No such problem encountered so far
Sale agents take advantage of home workers' lack of access to markets to increase	Low	Medium	NJ will include an ombudsman for home workers. All NJ members will ensure that their home workers have access to	Low	This has occasionally occurred with new NJ members – each time problem is solved

their own share of profits over 30%			the ombudsman		through discussion
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Annex 4: Visit to PEKKA (Women Headed Family Empowerment)

4-9 May 2015

Lessons learned from PEKKA and how these may be applied to Zardozi

Sustainability

PEKKA has more sustainability than Zardozi at many levels. To some extent, this is due to the fact that they have been in existence twice as long as Zardozi but there are also valuable lessons to be learned.

PEKKA develops cadre who then implement the programme at a minimum cost with maximum impact. Cadre are motivated by a series of training modules around the promotion of vision and commitment to the cause of women's empowerment and poverty alleviation. This has resulted in the development of committed volunteers who provide the majority of PEKKA services.

Zardozi will consider:

- Adding the promotion of vision and activism to the strategy
- Having more faith in the ability of ECMs and other leaders to provide services and handing over more of the work to them
- Developing a more multi-layered structure of leaders and activists so as to have more capacity to provide services through Nisfe Jahan rather than Zardozi
- Adjusting the balance between a focus on business and a focus on activism to devote more resources to activism

Issues

- Women in Adghanistan are not as well educated or as aware of society as women in Indonesia so that giving them greater responsibility may require the investment of more resources
- Activism is more dangerous and has less chance of success in Afghanistan due to higher levels of conservatism and violence and lower levels of justice – Zardozi will ensure that activism is well planned and always includes ways to minimise adverse reactions

Financial services

The PEKKA programme offers a range of financial services – some owned and managed entirely by groups and designed according to their own needs, others managed centrally and having fixed rules. This variation means that local ownership is promoted whilst at the same time getting round the small amounts of money that is almost always the result of local ownership by providing larger loans through more centralised systems. Thus sustainable options are combined with less sustainable but more business friendly options.

Zardozi will consider:

- Offering clients a wider range of options for financial services including: savings groups, insurance schemes
- How to promote local ownership of the existing loan fund at least for smaller loans with larger loans coming from a more centralised system
- Offering a 'chimpan' (savings or commodities such as rice rather than cash, for use in a communal project) system as part of the savings package

Issues

- Since the Zardozi entry point to communities is the provision of business support and services and not savings groups as is the case with PEKKA, adding in savings will require considerable record-keeping.
- Adding in more financial services will require considerable planning and training

Cooperation

The PEKKA programme options on offer to members are generally based on cooperation between PEKKA members, most livelihood improvement results are achieved through local cooperatives. The women PEKKA work with often already have an income from a micro business and their income is enhanced by their membership in a PEKKA local cooperative. There is a lot of renting of land and sharing of profits etc.

Zardozi will consider:

- Offering clients the option of working together particularly now that we are moving to more rural areas – joint cultivation is obviously a simple way to start a cooperative venture

Issues

- Group cooperation and cooperatives are less effective in Afghanistan for many reasons. However, that is not to say that they cannot work
- Women generally do not engage directly in agriculture, which means that cooperatively rented land might have to be cultivated by men, thus decreasing profits.
- Zardozi clients generally do not have a micro business until Zardozi has supported them to start. Since they are generally new to micro-business it tends to take up a lot of their time and energy leaving less for engaging in cooperative ventures

Training

The PEKKA programme initiates new services by training the cadre who then talk to the groups. If PEKKA does not have the necessary technical skills or information they buy training from an expert, develop their own training module from the original training and then spread the information to groups. Training in this way is done by any one of the Main Office management group. PEKKA focuses on ensuring that the cadre fully understand the new activity and optimise implementation by collecting feedback and spreading new ideas to groups and cadre through various systems. There is more emphasis on the training and less on directing how the new initiative should be implemented. There is therefore a lot of variation in how groups take up new ideas and develop them further.

Zardozi will consider:

- Focusing on providing options and leaving clients to design their own implementation venture

Issues

- PEKKA is sometimes criticised for doing ‘too many things’. Zardozi needs to focus because it is easy to overload field staff and the Main Office team is not as large and experienced as the PEKKA team who have been working together for decades.
- Zardozi seems to be under more pressure than PEKKA to prove results which means that there is more pressure to demonstrate results through good monitoring and data collection

Infrastructure

PEKKA has managed to invest in infrastructure both for itself and for Serika. To do this they have done some creative accounting, have got donors to provide funding and have motivated groups to use their local level savings.

Zardozi will consider:

- Talking to the Board about investing in infrastructure and how to find the funds

Issues

- Afghanistan is a lot more expensive in terms of infrastructure than Indonesia – even so PEKKA worked on accumulating funds for more than 5 years before being able to start construction

Other Best Practice

In addition to sustainability, PEKKA also has a number of effective practices that offer Zardozi an excellent example of what can be achieved.

Printed materials

PEKKA’s community media and use of own printed materials is effective in promoting a sense of solidarity and advertising PEKKA beyond the groups. A monthly newsletter circulated to groups spreads information on best and new practices i.e. what groups are doing with the opportunities they are offered.

Zardozi will consider:

- Investing more in printing and media particularly in community media.
- A monthly magazine would be very useful

Issues

- Photographs can cause a lot of problems if they reach the communities of the women who have been photographed
- Most clients are illiterate
- There is a lot of prejudice against use of cameras and videos in communities

Advisors

PEKKA has a group of advisors who are active in working with PEKKA. This would include two men who have spent the past 2 years evaluating PEKKA strategy and Nana who is the PEKKA Founder and who has always advised them on strategy. Nana meets PEKKA management team twice a year, and also spends some time with cadres.

Zardozi will consider:

- Asking Nana and Nani to work with Zardozi in the same way
- Looking for others who can advise Zardozi in this way

Issues

- Having Nani and Nana on the Board would be great but we do not have the money to fly them to Afghanistan for Board meetings. It is more feasible to talk to them when they are here or bring them once a year for a reflection and planning workshop
- Finding others who have sufficient vision and understanding to be able to advise us will be difficult.

Paralegal work

PEKKA, through its paralegals, works on issues which are important to the community e.g., registration of marriages and birth certificates for children. This also involves a high level of cooperation with the Government and with other agencies. The benefits are that PEKKA gets a high positive profile with the community, Government and other agencies, and that the impact of any activity is increased by receiving input from others.

Zardozi will consider:

- Training ECMs as paralegals
- Finding issues which are important to the community and approved by government and working on these
- Actively looking for opportunities to cooperate with Government and other agencies to achieve Zardozi aims

Issues

- We need to cooperate with other agencies who are working with paralegals

Annex 5: Transition Period tasks

Task area: Strengthening Zardozi

Activity	Target	Progress
Strengthening Zardozi	Review of M&E completed, manuals finalised and agreed improvements implemented	Internal review on going, manuals being drafted, some improvements implemented
	Impact research completed, results feed into programme strategy	Phase 1 of impact research completed
	Governance systems reviewed, report delivered and agreed improvements implemented	Discussions held with Board, action plan agreed
	Technical assistance on operational development completed	Oxfam will do the assessment
	Technical assistance on financial management provided, report delivered and agreed improvements implemented	Oxfam will do the assessment
	Medium to long term operational and business strategy paper completed	First draft will be ready in late 2015
Area surveys and selection of new clients	2 area surveys completed	1 area survey completed from Pul-e Khumri, Bamiyan survey planned for September
	Staff and NJ workshop on new client selection completed	Individual discussions held with NJ chapters and at Regional Managers' meeting
Intensive training and market integration of new clients	9 business and other training modules updated	Business modules reviewed, Harakat Toolkit Level 1 incorporated, TOT completed and new system in progress
	Impact research on training completed	To be started later in the year
Providing business and related support services	New SME business training modules developed, tested and in use	Surveys of small enterprise owners on going to identify training needs
	6 pilot social protection initiatives launched	Childcare initiatives under discussion with staff and NJ
	NJ/Zardozi workshop on transitioning clients from micro business to SME completed	Surveys of small enterprise criteria under way together with training needs assessment
Market research and development	6 UAE/India trade visits result in repeat orders	Visit to India and Dubai completed in May, and again in June. 2 orders received, others under negotiation
	Strategy for providing marketing support to WEE sector agencies finalised	Discussions on going with other agencies
Institution building with Nisfe Jahan for sustainability and	NJ achieves federation – sets up a central committee	First Federation meeting will be held in July in Herat

Activity	Target	Progress
impact	NJ strategy development workshops results in signature of MOU with Zardozi	Later in the year
	Technical assistance results in strategy plan for financing NJ	Later in the year
Integrating Zardozi experience into national policy and programmes	Pilot on integration of CBC with other local projects in 4 regions	Under discussion with MOLSAMD
	Discussions on going with national priority programmes	Under discussion with MOLSAMD
	Visit to PEKKA completed and lessons learned reviewed	Visit to PEKKA completed in May, lessons learned reviewed and plans will be finalised next quarter
Multi donor engagement and sustainability	Public Information Unit established	Not established owing to budget constraints
	Funding from at least one donor secured	Applications have been made to a number of agencies
	Fund raising pursued with local companies	To be addressed later in 2015

Zardozi Enterprise

Export sales

At the end of 2014, the total sales income from export sales was \$95,041. Current estimated export sales income for 2015 is \$109,011, of which \$40,920 has already been committed.

Financing plans

In the last quarterly report, the loss for Zardozi Enterprise was \$18,126 to the end of 2014.

Plans to break even in 2015 stated in that report focused on controlling costs in Kabul and Peshawar and increasing export sales, as well as accessing additional funds to pay for the following initiatives:

1. Developing new markets and products
2. Training staff
3. Attending trade fairs, particularly NYIGF, twice yearly
4. Recapitalization of ZE

The crowdfunding campaign for fundraising proposed for 2015 significantly under-performed against the after-cost revenue target of \$60,000.

We proposed to make applications to other donors as opportunities were identified and in line with Zardozi Enterprise's needs, although no viable opportunities were identified during the period.

Ganjina Shahr-e Naw retail outlet

The Board meeting on 9 August 2014 agreed that the Ganjina retail outlet in Shahr-e Naw would have to be downsized to limit losses arising from continuing poor sales. Although an increase in sales and reductions in overheads has allowed Ganjina to continue (in line with the discretion allowed to the Executive Director and agreed by the Board at the time), the current projection is for a loss of approximately \$24,000 if the shop continues to trade to the end of 2015.

Zardozi Enterprise (Profit and Loss tables)

2013 SALES	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Gross Income	21,204	19,554	23,487	26,924	27,353	21,509	22,551	15,690	18,253	19,414	22,357	32,047
Total for Quarter			64,245			75,786			56,495			73,818
2013 EXPENDITURE												
Cost of Goods sold	4,129	3,460	5,953	5,219	4,923	2,990	7,601	8,429	3,493	2,728	3,655	10,295
Gross P/L	17,075	16,094	17,533	21,705	22,430	18,518	14,950	7,261	14,761	16,686	18,702	21,752
Overheads	17,651	14,959	10,118	13,877	14,131	15,023	15,229	22,163	11,058	13,177	13,589	4,381
Net Ordinary P/L	-576	1,134	7,415	7,828	8,299	3,495	-278	-14,901	3,702	3,509	5,113	17,371
Exchange Gain/Loss	0	790	7,705	0	8	0	7	-168	16	0	29	-45
Other Income	1,000	0	0	0	560	0	0	0	0	0	0	0
Net P/L 2013	424	1,924	15,120	7,828	8,867	3,495	-271	-15,069	3,718	3,509	5,142	17,326
Total for Quarter			17,468			20,190			-11,622			25,977

2014 SALES	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Gross Income	12,668	11,433	9,268	9,042	12,197	5,787	13,138	18,266	19,574	12,012	11,598	47,778
Total for Quarter			33,369			27,025			50,977			71,388
2014 EXPENDITURE												
Cost of Goods sold	2,942	7,073	5,798	4,953	1,716	2,891	1,964	3,973	3,849	6,238	8,361	7,557
Gross P/L	9,726	4,360	3,470	4,089	10,480	2,896	11,174	14,293	15,725	5,774	3,237	40,220
Overheads	29,223	14,813	8,481	7,852	9,909	7,121	7,019	10,191	6,075	9,745	9,199	23,735
Net Ordinary P/L	-19,497	-10,453	-5,011	-3,762	571	-4,225	4,154	4,102	9,650	-3,971	-5,962	16,485
Exchange Gain/Loss	0	170	192	0	9	11	17	-2,084	0	0	0	156
Other Income	1,000	0	0	0	320	0	0	0	0	0	0	0
NET P/L 2014	-18,497	-10,283	-4,819	-3,762	900	-4,214	4,172	2,018	9,650	-3,971	-5,962	16,642
Total for Quarter			-33,599			-7,076			15,840			6,709

2015 SALES ¹⁴	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Shop sales	2,362	1,561	1,413	1,549	1,701	1,189	2,199	1,053	474	500	500	500
Consignment partners	206	294	385	361	466	432	461	259	640	360	360	360
Exports	0	0	15,437	1,652	21,974	1,857	13,236	14,902	953	15,000	12,000	12,000
Trade	1,692	1,041	1,379	342	813	544	642	259	428	400	400	400
Sales Total	4,260	2,896	18,614	3,904	24,954	4,022	16,538	16,473	2,495	16,260	13,260	13,260
Ganjina Partners	2,444	3,164	1,575	3,644	1,462	1,638	2,477	3,288	308	2,312	2,312	2,312
2015 Gross Income Total	6,704	6,060	20,189	7,548	26,416	5,660	19,015	19,761	2,803	18,572	15,572	15,572
Total for Quarter			32,953			39,624			41,579			49,716
2015 EXPENDITURE ¹⁵												
Cost of Goods sold	4,080	4,603	3,680	1,959	2,291	2,331	3,573	1,393	1,500	2,000	1,500	1,500
Gross P/L	2,624	1,457	16,509	5,589	24,125	3,329	15,442	18,368	1,303	16,572	14,072	14,072
Overheads	21,721	9,493	14,851	8,664	9,095	16,824	12,254	13,105	13,000	13,000	13,000	13,000
Net Ordinary P/L	-19,097	-8,036	1,658	-3,075	15,030	-13,495	3,188	5,263	-11,697	3,572	1,072	1,072
Exchange Gain/Loss	0	0	0	15	451	8	0	0	0	0	0	0
Other Income	6	0	0	0	0	-154	0	0	0	0	0	0
NET P/L 2015	-19,091	-8,036	1,658	-3,060	15,481	-13,641	3,188	5,263	-11,697	3,572	1,072	1,072
Total for Quarter			-25,469			-1,220			-3,246			5,716

¹⁴ Projected sales figures for October to December 2015

¹⁵ Projected expenditure figures for September to December 2015

