



Zardozi – Markets for Afghan Artisans

Quarterly Report
to the
Board of Directors



January to March 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)

Executive Summary

This report covers the final three months of the No-Cost Extension period (from mid-September 2014 to 31 March 2015). The Targets shown in the Results Framework (Annex 1) therefore represent the completion of the project funded by the Department for International Development (DFID) 'Durable marketing solutions for women producers and entrepreneurs' as part of DFID's larger Support for Employment and Enterprise Development (SEED) programme.

Of the Indicators shown in the results framework:

- **16 results** (67 per cent) **exceeded the Target** set by 5 per cent or more
- **6 results** (25 per cent) **met the Target** set by +/- 5 per cent
- **2 results** (8 per cent) **did not meet the Target** by 5 per cent or more

The No Cost Extension (NCE) period (mid-Sept '14 to end Mar '15) has seen progress towards Zardozi operational development and programme sustainability. The RSI external evaluation report finalised in November '15 led to a permanent increase in the level of overall monitoring of programme results for example the introduction of a regular 100% survey of all women trained by Zardozi, and plans for improved documentation of M&E systems together with increased M&E capacity in the field.

Although Nisfe Jahan (NJ) representatives have been attending Zardozi strategy workshops for sometime, during the quarter the first NJ workshop was held in Kabul resulting in the NJ decision to form an NJ Federation before the end of the year.

75% of the NCE targets were achieved, non-achievement was due to a variety of reasons including the economic downturn due to withdrawal of aid programmes and troops.

During the quarter, 243 women became new Nisfe Jehan members bringing the total number of members to 3,278 against a total target of 3,014 by end March 2015. New FTEs¹ was 406 bringing the total of full time employment created, to 7,400 against a target of 7,140 to be achieved by end March 2015.

¹ Full time employment – a measure of achievement developed by DfID

Progress against Impact, Outcomes, Outputs

Impact

Impact: Female producers and entrepreneurs enabled to obtain increased income through a strong industry association

Impact	Indicator	3 Year Target	Achieved end Sep 2014	Achieved Oct-Dec 2014	Achieved Jan-Mar 2015	Target to end Mar 2015
1	Average increase in income of NJ members	50%	728%	436%	1,232%	400%

Table 1: Average client income increase over baseline 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%	
July - September	836%	413%	728%	

Average income continues to increase year on year, although the increase in average income during the past quarter is in line with previous years it is difficult to explain the size of the increase.

Outcomes and Outputs

Outcome A: Ability of female producers and entrepreneurs to develop and market competitive products is improved

Outcome	Indicator	3 Year Target	Achieved by end Sep 2014	Achieved Oct-Dec 2014	Achieved Jan-Mar 2015	Total to end Mar 2015	Target to end Mar 2015
A1.3A	Number of FTEs created for men and women by the program	6,720	6,594	400	406	7,400	7,140
NCE 3	Total number of clients employed in new business lines	-	-	78	8	86	120
NCE 4	Total number of home workers employed in new business lines	-	-	136	20	156	240
NCE 5	Number of new business lines handed over to client management	-	5	7	0	12	2
NCE 6	Total quarterly sales income from new business line incubation (\$)	-	-	4,631	6,826	11,457	10,000

NCE 7	Total number of women working with the programme (clients plus home workers)	-	-	4,720	4,059 ²	4,059	8,000
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Strategy development

As mentioned in the previous quarterly report, Zardozi is using the NCE period to work on achieving qualitative goals such as increased autonomy for Nisfe Jahan. Accordingly, during the reporting period the first NJ strategy workshop was held: 18 NJ Executive Committee members attended from 4 regions, together with key Zardozi female staff. In order to encourage active participation by NJ participants, Zardozi male staff were not invited, apart from the Programme Director who, together with the Zardozi NJ Institutional Development Manager, facilitated the workshop.

Additional strategies undertaken to boost NJ engagement in the workshop included: frequent pauses for group discussion to ensure issues on the table were understood; translation as needed for Jalalabad participants, who are primarily Pashtun speakers.

Number of women working as a result of the programme

Following the RSI survey of Zardozi clients, Zardozi decided to undertake regular 100% rapid surveys of the status of all clients, that is, all women who have been provided training by Zardozi since 2009. The first survey was undertaken in November and December 2014, the second in March 2015.

A new system for classifying client status was developed in December 2014 following from the first 100% survey. Table 2 below uses the new classification system, showing the status of all clients women trained by the programme; 79% of all clients trained are shown by the survey to be working³, the status of 11% of clients is unclear and 10% of clients are not working.

Table 2: Women working as a result of the programme

TOTAL CLIENTS WORKING		Number	% of all women trained
1	NJ members who are Employed, Dormant, Under employed, Unemployed or Graduated to other jobs	2,381	66%
2	Non-NJ members working	490	13%
Total Clients Working⁴		2,871	79%
NUMBER OF CLIENTS PLUS WOMEN THEY EMPLOY (0.85 EMPLOYEES PER CLIENT)		5,311	
CLIENTS NO LONGER WORKING			
3	Sick or no longer allowed or willing to work	351	10%
CLIENTS - STATUS UNKNOWN			
4	Moved to another area or located in now insecure area	392	11%
GRAND TOTAL		3,614	

³ This figure is made up of the number of clients multiplied by the average women employed per client, broken down by business category. It can therefore decrease even though the total number of clients has increased

⁴ 'Working' in this context includes those clients who are temporarily unemployed or 'dormant' meaning they are temporarily not able or willing to work

Note that the figures for 2, 3 and 4 are not finalised, as surveys continue.

Product development and production

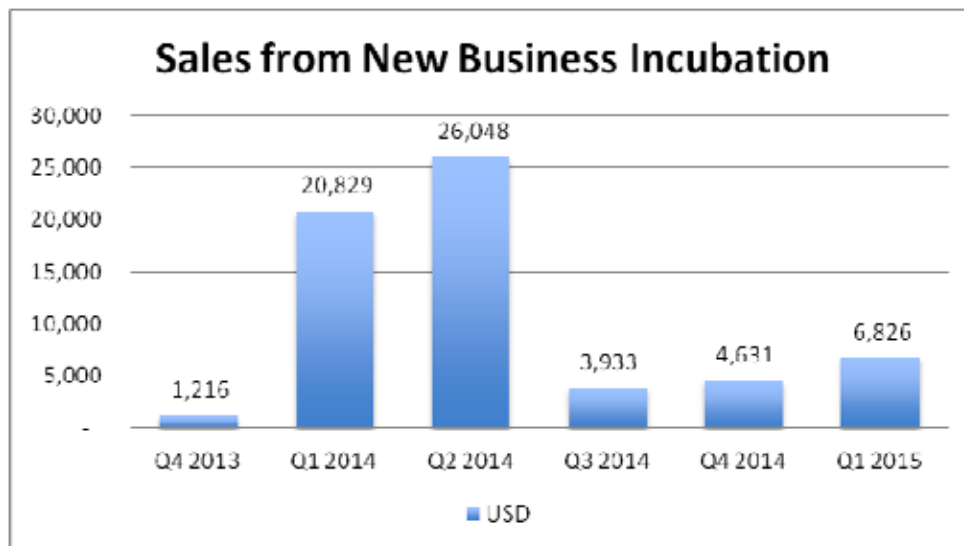
New business lines

Eight additional clients started working for new business lines during the quarter, bringing the total to 86 against a target of 120 (NCE 3); these clients employed 156 workers (NCE 4), representing a healthy increase in numbers, despite being below target.

The number of clients running their own workshops has not expanded since December (NCE 5); instead, staff have been working with existing workshops assisting them to strengthen their order management skills and establish themselves with buyers as reliable producers.

Total sales income from business lines (NCE 6) in the past quarter includes only the sale of products made with Zardozi controlling production and order management, not those of independent client workshops. Since this is the season for the production of school uniforms, sales income increased 50% in the quarter (NCE 6). Zardozi has been working on increasing the role of female tailors in the school uniform market for several years now with good results, particularly in Herat.

Chart 1: Comparison of quarterly sales income from new business line incubation



Outcome Indicator NCE 7

The total number of women linked to markets (NCE 7) 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 (Table 3).

In Herat, Mazar, Kabul and Jalalabad the economy has been slow for the past 6 months (September 2014 to March 2015). As a result, the number of women employed by clients has dropped significantly from 3.71 employees per Bronze category client in December 2014 to 1.94 employees by March 2015, and 0.43 employees per Copper category client in December 2014 to 0.37 in March 2015. The number of women working with the programme, despite an increase in the number of clients, fell from 4,720 to 4,059.

Table 3: Women working with the programme

Client categories	Number of women	Average number of workers per client	Total women workers	Total women employed (clients plus workers)
Clients restricted to working in the community	1,684	0.37	623	2,307
Clients working outside the community	596	1.94	1,156	1,752
Total women employed	2,280		1,779	4,059

Source: Zardozi rapid client assessment, March 2015

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) (Table 4).

Table 4: Average number of home workers employed by clients, by business category and by region

Region	Average number of home workers actively employed		
Business Category	Copper (working inside the community)	Bronze (working outside the community)	All categories
Herat	0	0.41	
Mazar	0	0.63	
Jalalabad	1	5.29	
Kabul	0	5.93	
Overall	0.37	1.94	0.85

Source: Zardozi rapid client assessment, March 2015

Design development – New Community Business Centres

Following the RSI survey, programme managers slowed the rate of opening new Community Business Centres (CBCs) in order to ensure a better match between numbers of women in an area wanting to start up a micro-business and local market opportunities.

As the programme has started to move to semi-rural areas market opportunities have changed; programme managers and regional teams were a little slow to adapt to changes and had started moving into new areas without sufficient detailed knowledge of business prospects for women joining the programme. Thus, the target for new CBCs was not achieved (A1.4), although new clients were admitted from existing CBCs.

In the past quarter, more systematic market surveys and new processes for matching new clients to opportunities have been established; however, it will take time for staff to scale up the new systems.

Output A1: Product types and styles developed respond to customer preferences

Output	Indicator	3 Year Target	Achieved end Sep 2014	Achieved Oct-Dec 2014	Achieved Jan-Mar 2015	Total to date	Total target end Mar 2015
A1.1	Number of design input collections developed	24	52	4	8	64	48
A1.3	Number of design workshops facilitated	30	38	6	8	52	46

A1.4	Number of design resource access points for NJ members established (new)	44	68	4	15	87	95
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Increased volume and value of production

Order management training is particularly important now that clients are setting up their own workshops, and training continued during the quarter with all categories of clients.

Output A2: NJ members have increased volume and value of production

Output	Indicator	3 Year Target	Achieved end Sep 2014	Achieved Oct-Dec 2014	Achieved Jan-Mar 2015	Total to date	Total target end Mar 2015
A2.2	Number of NJ members trained in order management	500	535	30	116	681	625

Product Quality

Skills training now includes care of livestock (poultry and sheep), food processing, sewing machine repair and beautician skills.

Output A3: Product quality satisfies buyer requirements

Output	Indicator	3 Year Target	Achieved end Sep 2014	Achieved Oct-Dec 2014	Achieved Jan-Mar 2015	Total to date	Total target end Mar 2015
A3.2	Number of women satisfactorily achieving agreed skills standards through skills training (new)	4,400	4,481	134	265	4,880	4,571
A3.3	Number of NJ members branding products based on NJ production standards (new)	275	326	43	61	430	414

Business skills development

243 new clients completed basic business training during the quarter (A4.1).

Clients continue to be interested in opening accounts in formal institutions (A4.3); increase in the past quarter was 49% over the previous quarter. Zardozi carried out a number of surveys on savings habits during the quarter (see section on Savings), which motivated many clients to open savings accounts.

The number of loans disbursed (NCE 4.4) continues to increase, as clients learn from each other the benefits of using credit for business expansion.

431 loans have been disbursed to date (NCE 4.4). The average loan size is \$180; 2 per cent of clients taking loans during the quarter were taking their second or third loans.

During the quarter small surveys on savings knowledge and habits were conducted in each region. From the results, an information package was developed for sharing with clients in each CBC, giving information concerning the savings opportunities available in their area. As seen in A4.3, this package motivated many clients to open formal savings accounts; 8 per cent of all clients now have a bank account.

Other clients were more interested in the Rotating Savings and Credit Association (ROSCA⁵) system explained in the information package and so far 26 clients are involved in two ROSCA systems (NCE 4.5); several additional ROSCAs are in process. These systems follow traditional Afghan ROSCA rules, the difference being that women do not usually set up ROSCA. Zardozi documented the traditional rules for male ROSCA and distributed them to interested clients. A number of agencies are running savings projects in CBC communities and negotiations continue on how to include interested CBC members in these projects.

A focus on encouraging clients to go to CBCs for support if they are unemployed has reduced unemployment to around 2% in 3 regions. Unfortunately the economic situation in Kabul for some reason has been more seriously affected by the downturn and as a result Kabul region unemployment reached a level during the past quarter that has brought the overall average to 4.45%. Programme staff are working on a new initiatives to reduce client unemployment in Kabul.

Since the fee payment system was adapted to meet client preferences, CBC utilisation rate has increased and despite a small drop in the past quarter remains high at 66 per cent (NCE 4.7).

The average number of clients per CBC (NCE 4.8) is the same as in the previous quarter. This figure is below target owing to the removal of 'No longer working' clients from the data (see previous quarterly report).

Output A4: Business development support strengthens NJ members' business performance

Output	Indicator	3 Year Target	Achieved end Sep 2014	Achieved Oct-Dec 2014	Achieved Jan-Mar 2015	Total to date	Total target end Mar 2015
A4.1	Number of NJ members completing basic business training (6 courses) (new)	950	1,994	225	243	2,462	2,195
A4.2	Number of NJ members completing advanced business training (4 courses) (new)	397	806	34	45	885	857
A4.3	Number of NJ members registering for accounts at formal institutions (total)	125	183	76	113	372	170
NCE 4.4	Number of loans disbursed	-	282	74	75	442	285
NCE 4.5	Number of clients starting savings with NJ	-	-	0	26	26	20
NCE 4.6	Average quarterly unemployment	-	-	8.98%	7.87%	7.87%	7%
NCE 4.7	Average quarterly CBC utilisation rate (% of registered clients using CBC at least once)	-	53%	72%	66%	66%	50%

⁵ Under ROSCA, a group agree to each save the same amount of money monthly, then to take it in turns drawing on the total month's savings. This is a globally used traditional system widespread among men in Afghanistan but never previously used by women

		<i>in the quarter)</i>					
NCE 4.8	Average number of clients registered with each CBC	-	35	28	28	28	40

Table 5 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.

Table 5: 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%

Marketing and market development

New sectors

The number of clients moving into new sectors remains high at 23 for the quarter. A large number of clients, particularly in Jalalabad, are currently processing loans to purchase sheep ready for the lucrative Eid ul-Adha livestock market. Unfortunately, until now Jalalabad clients have been slow to adopt new sectors owing to a more conservative business culture in the region, relative poverty and widespread risk aversion. This resulted in the non-achievement of the target of at least 1 new sector per CBC (NCE 5.7).

Domestic retail events and trade fairs

During the quarter two trade events and two retail events scheduled to be held in Kabul had to be cancelled because of difficulties finding suitable locations. In the capital, it is sometimes difficult to find locations to hold events and clients are not always ready to organise one. As a result, the targets for trade events (A5.5) and retail events (A5.3) were not achieved.

Retail and service outlets

Twelve new retail outlets were established in communities during the quarter (A5.4): 8 were shops selling convenience goods for local housewives and 4 were beauty parlours where the clients had completed up to 3 months' beauty parlour training arranged and paid for by the programme.

Trade visits for shopkeepers facilitated

As mentioned in the previous quarterly report, this indicator was no longer appropriate to the programme's goals and strategy and was adjusted to measure the number of visits by groups of clients to more advanced business models to learn how to advance their own business model. In total, 8 visits were made by groups of clients to male garment and food production workshops to understand the effect of expanded and better organised production capacity (A5.6).

Output A5: Opportunities for marketing handwork products improved

Output	Indicator	3 Year Target	Achieved end Sep 2014	Achieved Oct-Dec 2014	Achieved Jan-Mar 2015	Total to date	Total target end Mar 2015
A5.3	Number of domestic retail events facilitated through NJ	16	21	2	8	31	33
A5.4	Number of domestic retail outlets facilitated through NJ (new)	19	33	7	12	52	45
A5.5	Number of domestic trade fairs facilitated	29	24	3	4	31	33
A5.6	Number of trade visits for shopkeepers facilitated	17	9	0	8	17	17
NCE 5.7	Average number of business sectors per CBC	-	-	1.51	1.79	1.79	2

Industry association development

In March 2015 the Zardozi presentation at the Small Enterprise Education and Promotion (SEEP) Network conference (see previous quarterly report), in addition to being printed at the conference, was published as an article in the Enterprise Development and Microfinance Journal⁶ and selected for inclusion in a forthcoming book⁷.

Five feedback surveys were completed during the quarter (B2, B2.2). The percentage of satisfaction reported was 100%.

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	Indicator	3 Year Target	Achieved end Sep 2014	Achieved Oct-Dec 2014	Achieved Jan-Mar 2015	Total to date	Total target end Mar 2015
B1	Number of times that NJ is profiled by external organisations	6	4	1	2	7	6
B2	Percentage of female producers reporting satisfaction with NJ services	85%	95-100%	91%	100%	100%	85%

⁶ C Faveri, KJ Wilson, P Shaikh: 'Making Markets Work for Women: How Push and Pull Strategies can support Women's Economic Empowerment', *Enterprise Development and Microfinance Journal* (March 2015)

⁷ L Jones (ed.), *Financial and Market Integration of Vulnerable People: Lessons from development programmes*, UK: Practical Action Publishing (2015)

Institutional development

New NJ members

During the reporting period an additional 225 women became NJ members (B1.1) bringing the total number of new NJ members to 3,278 as against a planned total for the NCE period of 3,014.

Handover of responsibilities: NJ Regional Offices

As explained in the previous report, it was decided to move the Mazar NJ office to a more central location, convenient for NJ members visiting the market. This was completed early in the quarter and led to an immediate increase in use of the office by NJ members. In January 2015, 12 clients visited the office, in February this doubled to 26 and in March doubled again to 62, making a total of 100 visits in 3 months.

In addition to the new location, after detailed discussions with NJ Executive Committee members, a member of the Zardozi regional team with more than 3 year's experience working with NJ, was transferred to NJ employment as Office Manager of the new office. Most NJ business services are now available in the CBC, the NJ Regional Office and, to some extent, in the Zardozi Regional Office. The NJ office continues to be exclusively female to protect it from any rumours about the purpose of the office.

The extended time needed to make the Mazar NJ office successful meant that no other offices were established during the NCE period (NCE 1.9 and NCE 1.11). The training module on budgeting and expenditure monitoring was completed and training conducted in all 4 regions (NCE 1.10).

Handover of responsibilities: Zardozi and NJ MoU

The Zardozi team agreed that in order to start formal planning with NJ for greater NJ autonomy, NJ should formalise its structure and governance. Accordingly, the first strategy workshop was held with NJ at the end of March 2015 to discuss:

- Governance of a registered association
- Role and purpose of new NJ Regional Offices
- Federation of NJ

The workshop was successful, with participants from all 4 regions interacting and agreeing a follow-up meeting to discuss the details of federation with elections for a Central Committee in June 2015, see Annex 4 for the meeting minutes.

Cost recovery

Once the costs of a regional office were included in the expenditure side of the cost recovery calculation the cost recovery percentage dropped substantially (NCE 1.7).

Output B1: Industry association has progressed in institution building

Output	Indicator	3 Year Target	Achieved end Sep 2014	Achieved Oct-Dec 2014	Achieved Jan-Mar 2015	Total to date	Total target end Mar 2015
B1.1	Number of registered NJ members (new)	2,730	2,810	225	243	3,278	3,014
B1.3	Number of NJ elections for office bearers facilitated	11	18	2	0	20	17
B1.4	Number of NJ members receiving training in institution	540	2,262	225	243	2,730	2,049

Output	Indicator	3 Year Target	Achieved end Sep 2014	Achieved Oct-Dec 2014	Achieved Jan-Mar 2015	Total to date	Total target end Mar 2015
	building, democratic principles and leadership						
NCE 1.7	Average quarterly CBC cost recovery	-	-	33%	10%	10%	7%
NCE 1.8	Average quarterly NJ cost recovery	-	-	25%	12%	12%	10%
NCE 1.9	Number of NJ regional offices established under NJ management	-	-	1	0	1	3
NCE 1.10	Number of NJ office bearers taking management and/or financial training	-	-	0	45	45	40
NCE 1.11	Number of NJ regional offices managing own finances	-	-	1	0	1	3

Support to members

Five feedback surveys were completed during the quarter (B2.2). The results were positive except for the survey on marketing services in Jalalabad (see Table 2.5.1). All negative views will be followed up in April and May.

Region	Month	Activity surveyed	No. of clients	% Positive responses	Action taken
Jalalabad	Dec/Jan	Response to client demands through Client Demand Analysing meetings	42	86%	Remaining 14% will be followed up
Mazar	January	Loan services	52	96%	
Kabul	January	Tailoring skills upgrade training	38	100%	All clients were positive concerning the impact of the training on their business; 76% had a suggestion for improvement which will be followed up
Kabul	March	Successful woman celebrations	26	100%	
Jalalabad	March	Marketing support services	15	<50%	Will be followed up in April to find out why clients do not feel the teams are supporting them to find markets

Output B2: NJ members have improved understanding of their business needs and are able to design NJ services accordingly

Output	Indicator	3 Year Target	Achieved end Sep 2014	Achieved Oct-Dec 2014	Achieved Jan-Mar 2015	Total to date	Total target end Mar 2015
B2.2	Number of member feedback surveys on specific services	20	18	1	5	24	24

Civil society role development

Five Successful Woman Celebrations were held during the quarter; regional teams are still working on improving impact of these events by persuading more family members who are negative about the client's business work, to attend. Although attendance by such family members has increased, improvement is still needed. Recently, as part of the drive to improve attendance invitations are delivered by hand and followed up by a phone call. Discussion continues on improving attendance.

Output B3: NJ members have improved understanding of their rights and role in civil society

Output	Indicator	3 Year target	Achieved end Sep 2014	Achieved Oct-Dec 2014	Achieved Jan-Feb 2015	Total to date	Total target end Mar 2015
B3.1	Number of NJ members trained on rights, gender and civil society	525	707	68	115	890	810
B3.2	Number of NJ members contributing to civil society events	47	50	7	14	71	57
B3.3	Number of civil society events organised by NJ	10	16	3	5	24	19

Operational constraints

Finding new clients

Although tension decreased post-election, it has now increased again because of increased anti-Government Element activity and the perceived lack of organised leadership by the new Government. Criminality is also on the increase in all 4 areas⁸.

Risk management

See Risk Table, Annex 3.

Management and administration

The registration of Zardozi Enterprise as an incorporated charity was delayed following incorrect information provided by the UK legal firm; reapplication will be completed next quarter. Registration of ZE as a company in Afghanistan is on-going but it will require the services of a lawyer and will take some time. Research is continuing on how to register ZE as a company in Pakistan, which will also require legal assistance and take some time.

Oxfam Novib Management

The Kabul Oxfam Novib team changed quite suddenly and a new team established; this caused some disturbance in the smooth running of the relationship both with Oxfam and with DFID.

Security

Jalalabad has become increasingly insecure, including the Kabul-Jalalabad road where it is now necessary for male staff to sanitise their phones and not to carry any documents with them that may identify them as NGO workers. See Annex 3.

⁸ Monitoring Women's Security in Transition, Cycle 5, January 2015, Afghanistan Public Policy Research Organisation

Lessons learned

Fee payment systems

Zardozi established Nisfe Jahan as a membership organisation, with members paying monthly membership fees in order to be eligible for free business services. From the outset, the concept of monthly membership fees was an issue with some clients who argued that those not using services during the month should not have to pay a fee. It became clear that a number of clients were so unhappy with the system that they were not using available business services.

Innovative/new ways of working

Fee payment systems

Since early in 2013 Zardozi has been working on finding ways to change the fee payment rules without disrupting the system and causing confusion. In the past quarter, it was agreed to introduce 2 options for fee payment:

- Individual fees for individual services
- A flat monthly fee which covers a range of services

During the past quarter all clients were canvassed for their preference, and in the strategy workshops agreements were reached as to how to move from the membership fee to the new system. There is considerable variation in preference for one or other system between all the regions (see Table 6); this reflects regional variations in market systems: community tailors, for the most part, prefer a flat monthly fee.

Table 6: Individual client preferred fee payment system

Region	Fee for service	Flat monthly fee
Mazar	81%	19%
Herat	64%	36%
Jalalabad	46%	64%
Kabul	39%	61%
Total	61%	39%

Programme Finances

The Table below shows project Income and Expenditure, including expenditure to the end of the NCE period (31 March 2015). DFID agreed to provide Zardozi with funds for a Transition Period from 1 April to 31 December 2015; budget and funding are given below.

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

Grant Income	
DFID	4,372,987
Oxfam Novib	327,133
Oxfam Novib II	225,907
	4,926,027
Expenditure (actual)	
Oct 2011-Sep 2012	1,029,965
Oct 2012-Mar 2013	695,395
Apr-Sep 2013	567,909
Oct 2013-Sep 2014	1,408,084
Q4 2014	458,252
Expenditure (Forecast)	
Q1 2015	355,000
	4,514,605
Balance	411,422

US Embassy project

The final report for this project was submitted and the remaining 5% of the project funds were released.

Annex 1: Logical Framework (NCE)⁹

DFID Project Name:	Durable marketing solutions for women producers and entrepreneurs		
Start Date (NCE period):	1 Oct 2014	End Date:	31 March 2015

Achievement Scoring:	On track to exceed Target	On track to meet Target	At risk of not achieving Target	Unlikely to achieve Target
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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 1	Milestone 2	Milestone 3	Target ¹⁰
End Sep 2014	End Dec 2014	End Mar 2015	End Jun 2015	30 Sep 2015
0	400%	400%	400%	400%
Achieved:	436%	1,232%		

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

Output Indicator A1.1	Number of design input collections developed			
Baseline	Milestone 1	Milestone 2	Milestone 3	Target
End Sep 2014	End Dec 2014	End Mar 2015	End Jun 2015	30 Sep 2015
0	3	6	9	12
Achieved:	4	12		

Output Indicator A1.3	Number of design workshops facilitated			
Baseline	Milestone 1	Milestone 2	Milestone 3	Target
End Sep 2014	End Dec 2014	End Mar 2015	End Jun 2015	30 Sep 2015
0	2	4	6	8
Achieved:	6	8		

Output Indicator 1.3A	Number of FTEs created for men and women by the programme			
Baseline	Milestone 1	Milestone 2	Milestone 3	Target
End Sep 2014	End Dec 2014	End Mar 2015	End Jun 2015	30 Sep 2015
0	210	420	630	840
Achieved:	400	406		

⁹ 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

¹⁰ All Indicator Baselines, Milestones and Targets reflect the No Cost Extension period only

Output Indicator 1.4	Number of design resource access points for Nisfe Jahan members established			
Baseline	Milestone 1	Milestone 2	Milestone 3	Target
End Sep 2014	End Dec 2014	End Mar 2015	End Jun 2015	30 Sep 2015
0	4	8	12	15
Achieved:	4	15		

Output Weighting (%)	13 per cent ¹¹	Risk Rating (H, M, L)	Low
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Outcome A, Output 2: NJ members have increased volume and value of production

Output Indicator 2.2	Number of NJ members trained in order management			
Baseline	Milestone 1	Milestone 2	Milestone 3	Target
End Sep 2014	End Dec 2014	End Mar 2015	End Jun 2015	30 Sep 2015
0	30	60	90	120
Achieved:	30	116		

Output Weighting (%)	13 per cent	Risk Rating (H, M, L)	Low
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Outcome A, Output 3: Product quality satisfies buyer requirements

Output Indicator 3.2	Number of women satisfactorily achieving agreed skills standards through skills training			
Baseline	Milestone 1	Milestone 2	Milestone 3	Target
End Sep 2014	End Dec 2014	End Mar 2015	End Jun 2015	30 Sep 2015
0	103	206	309	411
Achieved:	134	265		

Output Indicator 3.3	Number of NJ members branding products based on NJ production standards			
Baseline	Milestone 1	Milestone 2	Milestone 3	Target
End Sep 2014	End Dec 2014	End Mar 2015	End Jun 2015	30 Sep 2015
0	30	60	90	120
Achieved:	43	61		

Output Weighting (%)	13 per cent	Risk Rating (H, M, L)	Medium
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¹¹ In the absence of other information, Output Weightings have been averaged to total 100 per cent

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

Output Indicator 4.1	Number of NJ members completing basic business training (6 courses)			
Baseline	Milestone 1	Milestone 2	Milestone 3	Target
End Sep 2014	End Dec 2014	End Mar 2015	End Jun 2015	30 Sep 2015
0	125	250	375	500
Achieved:	225	243		

Output Indicator 4.2	Number of NJ members completing advanced business training (4 courses)			
Baseline	Milestone 1	Milestone 2	Milestone 3	Target
End Sep 2014	End Dec 2014	End Mar 2015	End Jun 2015	30 Sep 2015
0	25	50	75	100
Achieved:	34	45		

Output Indicator 4.3	Number of NJ members registering for accounts at formal institutions			
Baseline	Milestone 1	Milestone 2	Milestone 3	Target
End Sep 2014	End Dec 2014	End Mar 2015	End Jun 2015	30 Sep 2015
0	25	50	75	100
Achieved:	76	113		

Output Weighting (%)	12 per cent	Risk Rating (H, M, L)	Medium
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Outcome A, Output 5: Opportunities for marketing handwork products improved

Output Indicator 5.3	Number of domestic retail events facilitated through NJ			
Baseline	Milestone 1	Milestone 2	Milestone 3	Target
End Sep 2014	End Dec 2014	End Mar 2015	End Jun 2015	30 Sep 2015
0	3	4	9	12
Achieved:	2	8		

Output Indicator 5.4	Number of domestic retail outlets facilitated through NJ			
Baseline	Milestone 1	Milestone 2	Milestone 3	Target
End Sep 2014	End Dec 2014	End Mar 2015	End Jun 2015	30 Sep 2015
0	1	3	4	6
Achieved:	7	12		

Output Indicator 5.5	Number of domestic trade fairs facilitated			
Baseline	Milestone 1	Milestone 2	Milestone 3	Target
End Sep 2014	End Dec 2014	End Mar 2015	End Jun 2015	30 Sep 2015
0	2	5	7	9
Achieved:	3	4		

Output Indicator 5.6	Number of trade visits for shopkeepers facilitated ¹²			
Baseline	Milestone 1	Milestone 2	Milestone 3	Target
End Sep 2014	End Dec 2014	End Mar 2015	End Jun 2015	30 Sep 2015
0	2	4	6	8
Achieved:	0	8		

Output Weighting (%)	12 per cent	Risk Rating (H, M, L)	Medium
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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 Indicator B1	Number of times NJ is profiled by external organizations			
Baseline	Milestone 1	Milestone 2	Milestone 3	Target
End Sep 2014	End Dec 2014	End Mar 2015	End Jun 2015	30 Sep 2015
0	0	0	0	1
Achieved:	0 ¹³	1		

Outcome Indicator B2	Percentage of female producers reporting satisfaction with NJ services			
Baseline	Milestone 1	Milestone 2	Milestone 3	Target
End Sep 2014	End Dec 2014	End Mar 2015	End Jun 2015	30 Sep 2015
0	85 per cent	85 per cent	85 per cent	85 per cent
Achieved:	91 per cent	100 per cent		

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

Output Indicator B1.1	Number of registered NJ members			
Baseline	Milestone 1	Milestone 2	Milestone 3	Target
End Sep 2014	End Dec 2014	End Mar 2015	End Jun 2015	30 Sep 2015
0	113	225	337	450
Achieved:	225	243		

Output Indicator B1.3	Number of NJ elections for office bearers facilitated			
Baseline	Milestone 1	Milestone 2	Milestone 3	Target
End Sep 2014	End Dec 2014	End Mar 2015	End Jun 2015	30 Sep 2015
0	1	2	3	4
Achieved:	2	0		

¹² See Q4 2014 Board report for proposed amendment to this Indicator

¹³ See Q4 2014 Board report Annex 4: this Target is expected to be reached by end June 2015 latest

Output Indicator B1.4	Number of NJ members receiving training in institution building, democratic principles and leadership			
Baseline	Milestone 1	Milestone 2	Milestone 3	Target
End Sep 2014	End Dec 2014	End Mar 2015	End Jun 2015	30 Sep 2015
0	38	75	113	150
Achieved:	225	243		

Output Weighting (%)	12 per cent	Risk Rating (H, M, L)	Low
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Outcome B, Output 2: NJ members have improved understanding of their business needs and are able to design NJ services accordingly

Output Indicator B2.2	Number of member feedback surveys on specific services			
Baseline	Milestone 1	Milestone 2	Milestone 3	Target
End Sep 2014	End Dec 2014	End Mar 2015	End Jun 2015	30 Sep 2015
0	1	3	4	6
Achieved:	1	5		

Output Weighting (%)	12 per cent	Risk Rating (H, M, L)	Low
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Outcome B, Output 3: NJ members have improved understanding of their rights and role in civil society

Output Indicator B3.1	Number of NJ members trained on rights, gender and civil society			
Baseline	Milestone 1	Milestone 2	Milestone 3	Target
End Sep 2014	End Dec 2014	End Mar 2015	End Jun 2015	30 Sep 2015
0	38	75	113	150
Achieved:	68	115		

Output Indicator B3.2	Number of NJ members contributing to civil society events			
Baseline	Milestone 1	Milestone 2	Milestone 3	Target
End Sep 2014	End Dec 2014	End Mar 2015	End Jun 2015	30 Sep 2015
0	4	7	10	13
Achieved:	7	14		

Output Indicator B3.3	Number of civil society events organised by NJ			
Baseline	Milestone 1	Milestone 2	Milestone 3	Target
End Sep 2014	End Dec 2014	End Mar 2015	End Jun 2015	30 Sep 2015
0	2	4	6	8
Achieved:	3	5		

Output Weighting (%)	12 per cent	Risk Rating (H, M, L)	Medium
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Annex 2: Progress against Mid-Term Review recommendations

It is now 18 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 in relation to the remaining two recommendations is described below.

Business categories	
MTR Recommendation	Zardozi Response
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 (TFCs)	
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 (see Section 2.2.1). This has resulted in some better quality products being produced with improved order management, which has opened the way to regional markets. In this way, clients are managing their own TFCs or new business lines although some business lines remain under Zardozi management (see Section 2.2.1). In the past quarter Zardozi started work on finding regional markets for client products in UAE and India. Two visits were paid to UAE to identify products and buyers. A trip to Delhi is planned for April 2015. Interest was found in UAE for a number of products and negotiations and sample production is on going.

Annex 3: Risk Table

Risk	Probability	Impact	Mitigation Measure	Residual Risk	Update Q 14
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 their own share of profits over 30%	Low	Medium	NJ will include an ombudsman for home workers. All NJ members will ensure that their home workers have access to the ombudsman	Low	This has occasionally occurred with new NJ members – each time problem is solved through discussion

Annex 4: Minutes of Nisfe Jahan Strategy Workshop

Date: 23-24, March, 2015

Location: Kabul, Main Office

List of participants:

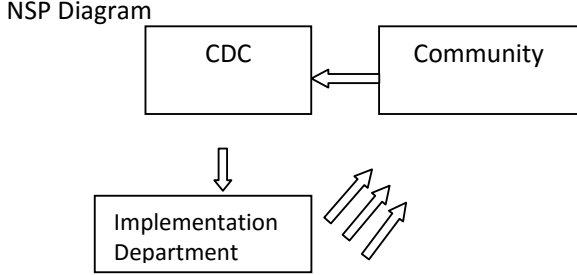
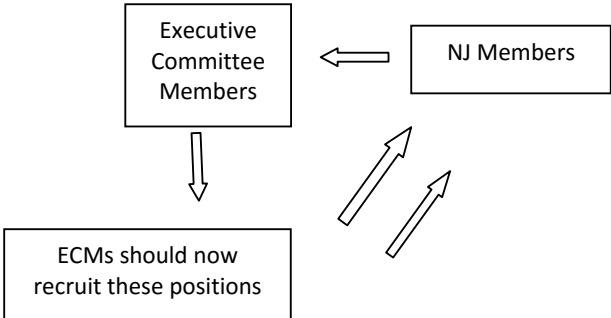
Staff

Name	Position	Duty Station
Dr. Kerry Jane Wilson	Executive Director	Kabul, Main Office
Mr. Laiq Samim	Program Director	Kabul, Main Office
Hasina Aimaq	Guild Manager	Kabul, Main Office
Rahima Paiman	Market Development Manager	Kabul, Main Office
Mehri Mirzad	Regional Manager	Kabul Regional Office
Yalda Azimi	Project Officer	Kabul Regional Office
Bass Pari Nasari	Regional Manager	Jalalabad Regional Office
Malalai	Project Officer	Jalalabad Regional Office
Meena	Project Office	Herat Regional Office
Fatima	Business Trainer	Herat Regional Office
Homaira	Project Officer	Mazar Regional Office
Amina	Market Facilitator	Mazar Regional Office

Executive Committee Members

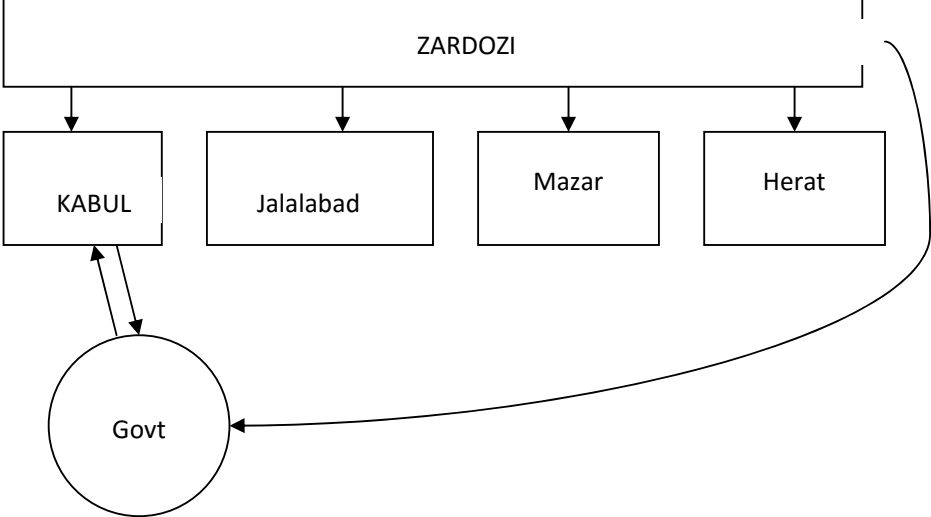
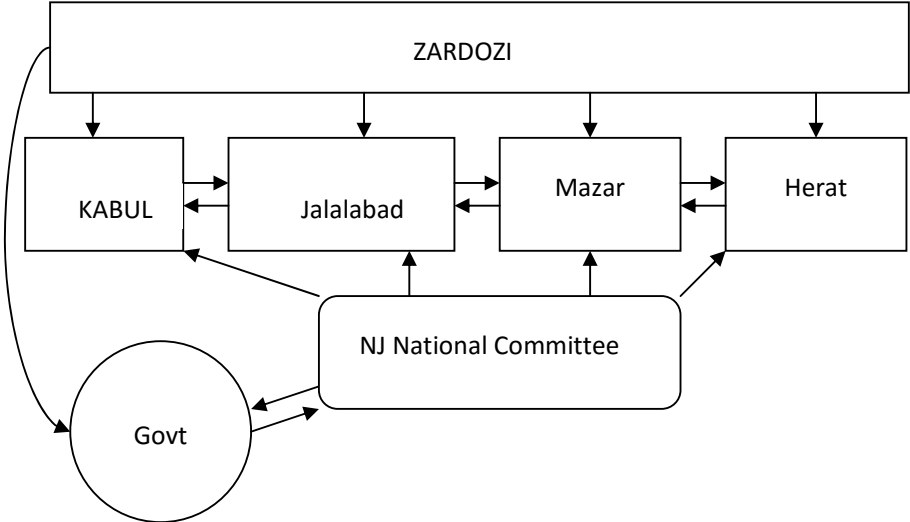
Name	Position	Region
Aziza	Chairperson	Mazar
Homa	Deputy Chairperson	Mazar
Salima	Treasurer	Mazar
Kubra	Secretary	Mazar
Salima	Treasurer	Mazar
Zareen	Treasurer	Mazar
Adela	Secretary	Kabul
Fariba	Treasurer	Kabul
Razia	Treasurer	Kabul
Fahima	Member	Kabul
Nazoo	Chairperson	Jalalabad
Shazia	Deputy Chairperson	Jalalabad
Farida	Treasurer	Jalalabad
Tajaryan	Secretary	Jalalabad
Halima	Chairperson	Herat
Zulaikha	Deputy Chairperson	Herat
Safia	Secretary	Herat
Mahjooba	Secretary	Herat

Agenda	Outcome
Purpose of workshop	The main objectives of workshop were agreed as follows: <ul style="list-style-type: none"> future relationship between Zardozi and Nisfe Jahan agreed

	<ul style="list-style-type: none"> • planning for greater NJ independence • role of Executive Committee Members in management of NJ agreed
<p>Structure of NJ and it's similarity with CDC</p>	<p>Participants discussed NSP CDCs in their regions, most of them were aware of the CDC concept and main purpose. For better understanding a diagram was drawn as below:</p> <p style="text-align: center;">NSP Diagram</p>  <p>As shown in the diagram, the Community democratically elects a representative to the CDC. The representatives are responsible to identify and employ appropriate supervisors and skilled workers to carry out the projects agreed with the Community.</p> <p>As with the CDCs, the Community democratically elects NJ Executive Committee members who are then responsible for identifying and employing managers and skilled workers to provide services to the Community. The ECMs should not see themselves as the providers of services to the Community.</p>  <p>The responsibility of ECMs as representatives of NJ members were pointed out by ECMs themselves as noted below:</p> <ol style="list-style-type: none"> 1. Conducting meetings to identify the problems of NJ members 2. Oversight of on going projects 3. Selecting and hiring eligible employees for NJ office. 4. Making policy and procedure and supervision of implementation. 5. Coordination between the implementer and donor 6. Searching for more funds
<p>Planning to set up NJ office in each regions</p>	<p>Three regions, Herat, Kabul and Jalalabad with the cooperation of Mazar drafted plans for starting the NJ office.</p> <p>KRO ECM meeting for planning and budgeting at 26 March 2015 ECM meeting for selecting employees 29 March 2015 in NJ office as</p>

	<ol style="list-style-type: none"> 1. Operational Manager 2. Bookkeeper 3. Tailor <p>ECM meeting for deciding the location of NJ office 30 March 2015 Purchasing of equipments for NJ office 31 March 2015 Opening of NJ office 6 April 2015</p> <p>HRO ECM meeting to decide about NJ office 26 March 2015 Planning 30 March 2015 Recruiting staff for NJ office 10 May 2015 Budgeting 13 May 2015 Making policy and rule for NJ office Purchasing furniture</p> <p>JRO ECM meeting for identifying activities of NJ office 5 April 2015 Finding a good location for NJ office 6-10 April 2015 Announcement of positions in NJ offices 6-10 April 2015 Purchasing of furniture for NJ Office 14 April 2015 Decorating of NJ office 15-16 April 2015 Invitation of NJ member to the NJ office 15-16 April 2015 Opening of NJ office</p>
<p>How ECMs and NJ members can gain an income from Nisfe Jahan</p>	<p>In reply to ECM suggestion about paying salary to ECM it was explained that there are some ways for NJ members and ECMs to have income through NJ. Asked participants to share their suggestion about how we can generate income from NJ.</p> <p>Suggestion of participants:</p> <ul style="list-style-type: none"> • In every CBC we can have a production workshop and we can put all the products in a show room which should be located in one of the markets in each region. After discussion about this suggestion the ECM did not get agree. • As independent business women NJ members can be trained by Zardozi to sell services to other clients – agreed • If NJ members have the necessary skills they can have paid jobs in the implementation departments of NJ - agreed
<p>As independent business women NJ members can be trained by Zardozi to sell services to other clients</p>	<p>Currently clients get services through CBCs, but they can get the same services from NJ members who have been trained. Zardozi's idea is that we should set up courses to train NJ members. Once NJ member has passed the test they can provide services through the CBC.</p>
<p>Rendering Services to the client by a trained NJ member</p>	<p>Lists of services which NJ members could sell:</p> <ul style="list-style-type: none"> • Advice about their business. • Providing pattern. • Cutting • Providing technical advices

	<ul style="list-style-type: none"> • Repairing machines • New designs • Marketing (Distributing new orders among clients) • Advices regarding new sectors <p>How actually these services can be provided, the main points were as below:</p> <ul style="list-style-type: none"> • We can provide these services in Manbehs. • Providing services through NJ office. • Through Mini Manbeh. <p>How the payment system would work, whether clients pay the experts or there could be another system</p> <ul style="list-style-type: none"> • Trained clients when providing services can receive money from her customers. • Price of services for NJ members should be that price which ECMs decided. • Price of services for non NJ clients will decide by the lady who provides service. • Trained clients should have record for providing services in order to show it to NJ office officer her income.
<p>NJ members getting paid jobs in NJ Regional Office</p>	<p>Mazar ECMs explained Mazar NJ office: location, purpose and administration system.</p> <p>ECMs listed the activities which NJ offices can do</p> <ul style="list-style-type: none"> • ECM meetings • Loan • Manbeh services • Exhibitions • Library • Planning of successful women celebration • Assistance clients in purchasing raw materials • Advices in business • Providing new designs • Grantee to shopkeepers • Problem solving of clients and shopkeepers • Supervising form Clients business • Skill trainings • Production workshops • Literacy courses • Reporting to donor and governance • Opining accounts for clients • Coordinating with government • Marketing • Financial management • Repairing machines • Advising to new sectors

Identifying number of employee needed for NJ office	<p>According to the list of activities the number of employees NJ office were agreed as five but for the beginning two employee can handle the tasks in NJ office if one of them should know the technique of tailoring and administration both.</p>
Internship position in NJ	<p>Idea of internship program for capacity building of NJ member has been explained to the participant according to this program an NJ member after passing the test can be an internee in NJ office for a particular time period and after that she will have the knowledge and experience of working and can apply for the positions in NJ and Zardozi office. ECM were interested in this program and agreed.</p>
Federating	<div style="text-align: center;">  <p>Current</p> </div> <div style="text-align: center; margin-top: 20px;">  <p>Proposed</p> </div> <p>The first diagram is the current situation of NJ and its networking with government and Zardozi, according to current situation Zardozi is doing 80% of the relation and tasks with</p>

	<p>government and KRO office is doing the remaining 20%.</p>
<p>How to set up federating system</p>	<p>Participants discussed and agreed:</p> <p><i>Establishment of Central committee</i></p> <ul style="list-style-type: none"> • ECM meeting should be conducted to have the election of the representative in central committee on 5th of June 2015 • The selected one from each regions should come to the Kabul and have meeting with each other and discussed about the problems and achievement of the NJ member in each regions • There should be a central office for them or they can use the NJ office in Kabul • The central committee member must conduct meeting every month. <p><i>Networking of committee member with the regions.</i></p> <ul style="list-style-type: none"> • Meeting in central committee in each three months • Being in contact through internet and mobile • Invitation of the NJ member to the exhibitions • Cooperation finding new order contracts • Cooperation with each other in marketing • One chair person should be in central committee
<p>Suggestion of ECMs</p>	<p>The honorarium of ECM is currently Afs 200 per day as per their suggestion it should increase to Afs 400.</p> <p>The suggestion was accepted and the honorarium will be Afs 400 from the 1st of April 2015.</p>
<p>Issues raised by ECM</p>	<ul style="list-style-type: none"> • Loan to client's family. After discussion, ECMs agreed that loan is not allowed to clients families • Loan to building house for business purpose. After discussion, ECMs agreed that loans are for business purposes only • Loan in cash. It was agreed that if needed loans can be given in cash rather than in kind. • Increasing maximum loan size. After discussion this was not agreed. • Loan for livestock - ECMS suggested that if other organisations are in the area and providing loans for livestock then Zardozi should introduce them - agreed • Literacy program. It was agreed to introduce members who are interested, to local literacy projects • Technical training in repairing of machinery. It was agreed to provide this as a service. • Machinery repairing training for relatives of clients –this was also agreed

	but the relatives must collaborate with Clients
Ending	Summary of topics and decisions and thanks to the facilitators and the participants

Zardozi Enterprise

Ganjina Q-Kabul retail outlet

This outlet opened in Q-Kabul in March 2014 on a rent-free trial basis. Sales achieved from this outlet are shown in the table below.

Table 8: Q-Kabul sales and costs

Period	Sales	Cost of Sales and Overheads	Net Profit/Loss
2014			
March	536	107	429
Q2	1,871	374	1,497
Q3	2,389	478	1,911
Q4	1,873	673	1,200
2015			
Jan	231	344	-113
Total	6,900	1,976	4,924

In February 2015, the owner of Q-Kabul indicated that he wished Ganjina to pay rent for the premises. As a result, the decision was taken to close this outlet by the end of that month.

Export sales

Export sales to Raven & Lily were on target, orders were dispatched and one payment of \$15,437 was received in March. In January a small team from ZP but also including Tahira Afridi was sent to Dubai to look for markets for both Afghan women's production out of Afghanistan and ZE production out of Peshawar. The team found reasonable potential for selling in the UAE but it will take a number of visits before there are reasonable orders (see Annex 5 for the report).

Fundraising actions taken or proposed

Preparations for the crowdfunding campaign were on going but the launch has been delayed until the next quarter because setting up the campaign is more time consuming than anticipated.

Current position

The tables on pages 28-32 set out the historic trading position and the forecast position to the end of 2015. It should be noted that the forecast figures for 2015 are predicated on the following percentage changes relative to 2014.

Table 9: Comparative Trading Position 2013-2015 (USD)

	Q1 2013	Q1 2014	Change	Q1 2015	Change	3 Year Trend
SALES						
Shop sales	15,690	9,074	-6,616	5,336	-3,738	
Consignment partners	871	959	88	841	-118	
Exports	28,167	9,651	-18,516	15,437	5,786	
Trade	15,689	8,294	-7,395	4,112	-4,182	
Sales Total	60,417	27,978	-32,439	25,726	-2,252	
Ganjina Partners	3,827	5,392	1,565	7,183	1,791	
Gross Income Total	64,244	33,370	-30,874	32,909	-461	
EXPENDITURE						
Cost of Goods sold	13,543	15,813	2,270	12,363	-3,450	
Gross Profit/Loss	50,701	17,557	-33,144	20,547	2,990	
Overheads	42,728	52,517	9,789	46,065	-6,452	
Net Ordinary Profit/Loss	7,973	-34,960	-42,933	-25,518	9,442	
Exchange Gain/Loss	1,095	0	-1,095	0	0	-
Other Income	7,400	361	-7,039	6	-355	
NET PROFIT/LOSS	16,468	-34,599	-51,067	-25,512	9,087	

ZE 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	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Shop sales	2,362	1,561	1,413	2,083	3,083	3,083	2,084	2,084	3,084	3,084	3,084	3,084
Consignment partners	162	294	385	360	360	360	360	360	360	360	360	360
Exports	0	0	15,437	10,000	10,000	10,000	10,000	12,000	12,000	12,000	12,000	12,000
Trade	1,692	1,041	1,379	2,986	2,996	2,986	2,986	2,986	2,986	3,002	3,008	3,106
Sales Total	4,216	2,896	18,614	15,429	16,439	16,429	15,430	17,430	18,430	18,446	18,452	18,550
Ganjina Partners	2,444	3,164	1,575	2,312	2,312	2,312	2,312	2,312	2,312	2,312	2,312	2,312
2015 Gross Income Total	6,660	6,060	20,189	17,741	18,751	18,741	17,742	19,742	20,742	20,758	20,764	20,862
Total for Quarter			32,909			55,233			58,266			62,384
2015 EXPENDITURE												
Cost of Goods sold	4,080	4,603	3,680	4,983	5,183	5,083	4,983	7,983	5,083	4,983	4,983	4,983
Gross P/L	2,580	1,457	16,509	12,758	13,568	13,658	12,759	11,759	15,659	15,775	15,781	15,879
Overheads	21,721	9,493	14,851	14,712	13,902	13,984	14,282	13,852	14,052	14,007	14,057	14,057
Net Ordinary P/L	-19,141	-8,036	1,658	-1,954	-334	-326	-1,523	-2,093	1,607	1,768	1,724	1,822
Exchange Gain/Loss	0	0	0	0	0	0	0	0	0	0	0	0
Other Income	6	0	0	0	0	25,000 ¹⁴	0	0	0	0	25,000	0
NET P/L 2015	-19,135	-8,036	1,658	-1,954	-334	24,674	-1,523	1,607	1,607	1,768	26,724	1,822
Total for Quarter			-25,513			22,386			-2,009			30,314

¹⁴ Crowd funding net income

Annex 5: Market Research, Dubai

3rd - 8th March 2015

Participants:

Laiq Samim, Director ZP
Shugufa Yousufzai, Marketing Consultant ZP
Tahira Afridi, Director ZE

Objective:

To find markets for Afghan handicrafts

- Embroidery products
- Crochet products
- Herat Jewelry products

Survey questions as following:

- Product information made in / made of
- Information on wholesale and retail prices
- If interested to introduce Afghan crafts at their shops
- Types of products they are interested to sell
- Collect business cards

Dubai Markets surveyed during the trip are as following:

- **Handicraft Textile Souk**

Location: Heritage Village, Bur Dubai side of the Creek

Textile souk consists of fashion, jewellery and souvenir shops run by mostly Afghan vendors. The products on sale at these shops are mainly from Pakistan, India and China. Tunics, scarves, abayas, wall hangings, pillows, ottomans, bags and cases, rugs, and other souvenir are the main products sold here. Home furnishings are from India, tunics from Pakistan and scarves from China. Low quality products are sold in this market with low prices. This is a main tourist hub.

Market potential for Afghan crafts:

During the survey we found this market to have great potential for Afghan crafts. Careful product development should be conducted by incorporating Afghan embroidery on mainly souvenir products with low quality and low price.



Cost price of tunics should be in the range of \$8 to \$10. Selling price at the market would be \$15 to \$17. Retail price will be approx. in the range of \$30 to \$35. Home furnishings would sell at \$12 to \$15 so again the cost price should not exceed \$6 to \$7. Retail price will be \$25 to \$30. Bags and cases sold at the souk started from \$10 to \$20. Products developed for this market should be in the range of \$4 to \$6. Zardozi can benefit from this market by selling in bulk. Most of the shop keepers informed us that they are ready to buy from 100 to 200 tunics and home furnishings if the product was right for the market.

Future Plan:

Next step is to produce customized products for the textile souk, take samples to the shop keepers and take orders on them.

- **Satwa**

Location: Bur Dubai

The team walked through the souk and found lace, buttons and other accessories shops. This market is good for sourcing glass and metal accessories, threads, laces and buttons.

Market potential for Afghan crafts:

Not much of a location to market Afghan crafts. The shop keepers were very commercial and insisted on machine made products with low prices. They didn't show any interest to stock hand crochet, hand embroidered laces or strips. Stencils of camel and other popular motifs were bought from Satwa for customized product development.

Future plan:

No follow up is required. For sourcing India will be better due to low prices there.

- **ARTE Artisans of the Emirates**

Location: Emirates Literature festival at Festival City

ARTE is regular crafts market held at different locations in UAE. Locally based artisans promote their crafts at this market. The booth consisted of hand printed products, handmade jewellery, hand painted wall hangings, stuffed toys, crochet table cloths, paper toy decorations etc etc.

Market potential for Afghan crafts:

It is suggested not to opt for this kind of markets as the sales are limited while time and energy invested for preparation for the fair is high. But visiting ARTE gave a good insight on product development. Shugufa collected many ideas for jewellery, stuffed toys and screen printed products.

Future plan:



It is a good platform for a company or individual already registered in UAE to exhibit at on regular bases. One or two attendances at the market will not bring in cash but can be a good promotional tool.

- **Mall of Emirate & Dubai Mall**

Location: Al Barsha/Down town Dubai

Both Malls were visited two to three times during the trip. The Malls are huge in size; They are high end, shopper's paradise Malls consisting of branded shops to local home furnishing and fashion stores.

Market potential for Afghan crafts:

The main objective to explore the malls was to collect information on the home furnishing stores; their source of purchasing, types of product exhibited and sold, purchasing manager's contact details and to survey the small section of handicraft shops.

It was a hard job to collect relevant contact information from the high end chain home furnishing stores. Contact information is listed in Annex 1 below.

The handicraft shops consisted of mainly Arab souvenirs, made in China and the vendors didn't show interest in Afghan products.

Future plan:

Follow up on the contacts and manage to get a meeting arranged with the two top home furnishing shore's purchasing officers.

Future Plan:



Dubai's low end markets have great potential for Afghan crafts. This market should be tackled properly by well planned product development and timely supply injection into the markets. First step of surveying the market has already been conducted. Relevant information on pricing and types of products for the markets was collected.

The next step is to visit the vendors again with samples of the products; at least 10 samples of each product for each vendor, so the shop keepers can test the market.

Third step will be following up on the samples and its demand. This is when the orders should come in only if the products had clicked otherwise another round of product development will be required.

Annex 1
Lead Contact Information

Company Name	Contact person	Telephone #	address	comments
Alam Khan Gift Trading LLC	Ali Mohd Afghan	055-922-08867	Shop #1 Old Souq, Bur Dubai	Interested in tunics; bring in bulk
Pitumal Pradeep Gen. Trading LLC	Suresh	050-851-9852	old souk, Abra Market, Bur Dubai	Interested in pillows with camel motifs
Chuk Palu Rugs		0097-150-355-7109	Souk Al Kabir, Textile Market	All afghan products in the shop
Issam Trading	Tahir Khan	052-703-6304	old souk, Abra Market, Bur Dubai	Will introduce us to other buyers
The One Home Total Experience LLC.		04-395-5889	Al Wasi Road Dubai also at Emirates Mall Level 1	Should arrange a meeting with the buyer
ID Design		0097-143-413-434	Emirates Mall Level 1	Should arrange a meeting with the buyer