



Zardozi – Markets for Afghan Artisans



Quarterly Report to the Board of Directors

July to September 2015

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Table of Contents

| | |
|--|----|
| Acronyms and Abbreviations | 3 |
| Executive Summary | 4 |
| Progress in the period | 5 |
| Expanding and developing markets for client products and services | 8 |
| Sustaining market engagement through CBC-based services | 8 |
| Supporting clients to move from micro business to small enterprise | 10 |
| Supporting and developing Nisfe Jahan | 12 |
| Lessons learned | 15 |
| Women’s awareness of potential of achieving positive changes through social mobilisation | 15 |
| Innovative/new ways of working | 15 |
| Mobilising women for positive change | 15 |
| Impact | 16 |
| Income data | 16 |
| Monitoring & Evaluation | 16 |
| M&E documentation and capacity building | 16 |
| Progress against Transition Milestones | 17 |
| Strengthening Zardozi | 17 |
| Governance and succession planning | 17 |
| Operational development and financial management | 17 |
| Business strategy paper | 17 |
| Integrating Zardozi experience into national policy and programmes | 17 |
| Multi-donor engagement and sustainability | 17 |
| Public Information Unit | 17 |
| Funding proposals | 18 |
| Risk management | 18 |
| Oxfam Novib | 18 |
| Programme Finances | 19 |
| Annex 1: Results Framework (Transition Period) | 20 |
| Annex 2: Market Research, Dubai, UAE | 25 |
| Annex 3: Risk Table | 29 |
| Annex 4: Pul-e-Khumri survey | 30 |
| Annex 5: Transition Period tasks | 34 |
| Annex 6: Impact Study: Earning Their Way to Empowerment | 36 |
| Zardozi Enterprise | 44 |
| Export sales | 44 |
| Financing plans | 44 |
| Ganjina Shahr-e Naw retail outlet | 44 |
| Zardozi Enterprise (Profit and Loss tables) | 45 |

Acronyms and Abbreviations

| | |
|--------|--|
| AISA | Afghanistan Investment Support Agency |
| AREDP | Afghanistan Rural Enterprise Development Programme |
| CBC(s) | Community Business Centre(s) (and mini-CBCs), also known as <i>manbeh(s)</i> |
| DFID | Department for International Development (UK) |
| ECM(s) | Executive Committee Member(s), Nisfe Jahan |
| 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

During the second quarter of the Transition Period, progress continued on strengthening Zardozi as an institution and positioning Zardozi in the women's economic empowerment (WEE) sector. Zardozi agreed with Oxfam to revise the Oxfam budget¹ so as to free up funds to pay Dominic d'Angelo to work with the Ministry of Labour, Social Affairs, Martyrs and Disabled (MoLSAMD) on developing the WEE Action Plan. The Action Plan was drafted with as much input from other agencies and ministries as could be achieved in the short time available, and subsequently adopted at the Senior Officials Meeting in September 2015 as the basis for the Government's proposed WEE National Priority Program.

Work started on adding *Kadar* (community volunteers) as a new structure in the Nisfe Jahan (NJ) hierarchy by piloting the Vision Training module from PEKKA. It is planned to have *Kadar* selected and working before the end of December 2015.

The Zardozi Monitoring and Evaluation (M&E) Unit advertised for consultants, with selection intended to take place in early October and work starting before the end of October.

Four new Community Business Centres (CBCs) were established and 128 new clients joined the programme, bringing the total number of total CBCs to 91 and the total of working clients to 2,861. The average number of women employed by each client was 0.75 for the quarter making a total of 5,007 women in employment. 69 women took a loan, 38 of them to purchase sheep for the Eid ul-Adha market. Two clients opened shops and 3 started up food processing businesses.

In the past quarter, 302 NJ members formed their own Rotating Saving and Credit Association (ROSCA) savings systems, with around 10% of ROSCA members comprising women who are not part of the programme. This is the first time that the programme has been able to include women who are not part of the programme and marks a new development. The more outside women understand what is happening in the programme, the stronger the impact is likely to be in terms of moving beyond empowerment of individual women to working with communities.

Using the newly developed criteria for small enterprise (see previous report), 21 clients were considered to have moved from micro to small enterprise. These women will receive upgraded services in future, and work continues on developing the services needed. One small enterprise client in Herat was supported to achieve registration with the Herat Chamber of Commerce to facilitate her trading activities with Iran.

The first stage of research into measuring women's increased empowerment as a result of the programme was completed. The consultant's report is annexed to this document.

¹ Oxfam is allocated a small percentage of the DFID funding to be spent on strengthening Zardozi as an institution.

Progress in the period²

Number of women working as a result of the programme

Zardozi M&E continues to work on improving data on the status of the 3,877 women trained by Zardozi since 2009. Table 1 shows the latest data analysis.

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 | 2547 | 66% |
| 2 | Non-NJ members with a micro-business | 314 | 8% |
| Total of clients with a micro-business | | 2,861 | 74% |
| Number of women employed by clients (average 0.75 per client) | | 2,146 | |
| Number of clients plus employed women | | 5,007 | |
| WOMEN NO LONGER WORKING | | | |
| 4 | Sick or no longer allowed or willing to work* | 274 | 7% |
| STATUS UNKNOWN | | | |
| 5 | Moved to another area or located in now insecure area | 742 | 19% |
| Total of women trained by Zardozi | | 3,877 | |

Source: Zardozi client survey, 2015

The average number of women employed by clients has reduced from 1.64 in the past quarter to 0.75 this quarter. This quarter, the average number of employees of Bronze clients in Herat is 18.14 (see Table 2), compared to 0.65 in the last quarter. The average for Bronze client employees in Kabul last quarter was 18.00 and this quarter is 0.76. Overall, these changes have significantly reduced the calculation of 'Number of clients plus women they employ' in Table 1. Since this raises a question over the quality of this particular data (see Table 2), we plan to consult with the M&E consultants who will be reviewing data quality in the next quarter.

Table 2: 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 | 18.14 | |
| Mazar | 0.0 | 0.27 | |
| Jalalabad | 1.00 | 0.46 | |
| Kabul | 0.35 | 0.76 | |
| Overall | 0.44 | 2.37 | 0.75 |

Source: Zardozi rapid client assessment, 2015

² Targets and indicators for the Transition Period are shown in this report together with Zardozi's own indicators, which form part of the internal programme monitoring system

Capacity building and market linkages for new clients

Selection of new areas and new clients

Milestones for 2015 include surveying 2 new areas for expansion in 2016 (see Annex 5 for details of Transition milestones, M7). The report on the first survey is attached as Annex 3, the second survey will be completed in November 2015.

Skills and business training

Selection of new areas and new clients is now progressing smoothly, with achievement is just over target for the quarter. The emphasis for the next quarter will be on ensuring that the proportion of new clients from sectors other than tailoring is increased. 129 new clients completed basic business training during the quarter (TA 4.1) and 150 completed skills training (TA 3.1). 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 | Achieved Jul-Sep 2015 | Total Transition Period | Total to date ³ |
|---------|--|-----------------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| AA1.1 | Number of FTEs created for men and women by the program | 716 | 270 | 249 | 519 | 7,919 |
| TA3.1 | Number of women satisfactorily achieving agreed skills standards through skills training | 409 | 146 | 150 | 330 | 3,898 |
| TA4.1 | Number of NJ members completing basic business training | 409 | 157 | 129 | 286 | 4,034 |
| TA4.2 | Number of NJ members completing advanced business training | 145 | 43 | 7 | 50 | N/A |

Service providers

In the interests of sustainability Zardozi, after discussion with NJ Executive Committee Members (ECMs), has started to train clients to be Service Providers. The first Service Providers are Cutters who will in time replace Zardozi Vocational Trainers. Improving client skills to the level where clients will agree to pay for their services and will welcome their substitution for skilled Zardozi staff is a long process however. At a meeting with ECMs in Mazar it was agreed that this can only be achieved by:

- Ensuring that only the most adept clients are accepted for training – to be achieved by rigorous entry tests
- Every trainee Service Provider will be continually tested and will not be promoted to the next level until they have passed the skills tests of the current level
- Ensuring sufficient time is allocated for training – taking from 6 months to one year at least.

³ 'Total to date' columns in tables refer to achievements during the initial contract period, NCE Period and Transition Period

Review of business training modules

After training of trainers in Kabul, the new Harakat business training modules were implemented in all areas, replacing the original 2 training modules. The video training was so popular that existing clients were happy to receive training again, as a result in total 600 women were trained which included both new and existing clients. Only those clients who had not been previously trained are included in Table 2 under TA 4.1. (see Annex 5 for details of Transition milestones, M9).

Developing new business models

Retail and service outlets (TA 5.2)

To be successful with a shop, clients must have enough capital and a sufficiently entrepreneurial attitude to keep the shop well stocked plus the manpower to keep the shop open for long hours. The results for shops, so far are variable with clients, despite advice from staff, usually as a result of underestimating what is needed to succeed. During the month of September for example, one client shop in Kabul that is operated by her son and sells bathroom and light fittings, grossed AFN 120,000 whilst several home shops in Mazar grossed around AFN 1,000. The majority of the 35 shops which clients are currently operating gross between AFs 3,000 and AFN 15,000 per month.

Livestock and poultry sector (TA 5.3)

Between June and September 2015, 361 sheep were purchased for the Eid ul-Adha market by 113 clients. All purchases were made using loans from the Zardozi loan fund, the rules of which were adjusted to allow balloon repayments after sale of the sheep in September. As a result of efforts to ensure the quality and health of the sheep: compulsory training from consultant livestock expert, compulsory involvement of livestock expert in sheep purchase, twice monthly visits by staff to sheep-owning clients, only 2% (8 sheep) died of various diseases. Investigation into the deaths is ongoing so as to reduce the percentage in future.

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

| Output Indicator | Zardozi's own target | Achieved Apr-Jun 2015 | Achieved Jul-Sep 2015 | Total Transition Period | Total achieved to date* |
|--|----------------------|-----------------------|-----------------------|-------------------------|-------------------------|
| TA5.2 Number of new domestic retail outlets facilitated through NJ | 12 | 1 | 2 | 3 | 24 |
| TA5.3 Number of new livestock micro-businesses facilitated through NJ | 120 | 86 | 38 | 124 | 145 |
| TA5.4 Number of new beauty parlour micro-businesses facilitated through NJ | 12 | 11 | 2 | 13 | 24 |
| TA5.5 Number of other new sector micro-businesses facilitated through NJ | 4 | 1 | 3 | 4 | NA |
| TA5.7 Average number of business sectors per CBC | 2 | 1.88 | 1.91 | 1.91 | NA |

Expanding and developing markets for client products and services

Regional export markets

Two further visits to Dubai were undertaken in the past quarter (see Annex 1 for trip reports). Although the two person team (Shugufa Yousufzai, Marketing Consultant and Tahira Afridi, Director Zardozi Enterprise) is gradually expanding the number of interested buyers in UAE and identifying the most appropriate products and markets, progress is slow. It is therefore now agreed that in order to achieve larger and repeat orders it is important to find a sales agent or consultant who can advise on UAE/middle east markets. Zardozi is now actively looking for appropriate assistance with this.

Domestic retail events

Nisfe Jahan continues to organise domestic retail events in all regions according to demand from clients (TA 5).

Table 5: Domestic retail events

| Output Indicator | Transition target | Achieved Apr-Jun 2015 | Achieved Jul-Sep 2015 | Total Transition Period |
|--|-------------------|-----------------------|-----------------------|-------------------------|
| TA5.1 Number of domestic retail events organised | 9 | 3 | 4 | 7 |

Marketing support to the WEE sector

As mentioned in the previous quarterly report, Zardozi is working on developing a policy concerning supporting other agencies in the women's economic empowerment sector by providing marketing expertise (see Annex 5 for details of Transition milestones).

Sustaining market engagement through CBC-based services

Credit and savings

Opening accounts at formal institutions

18 clients opened bank accounts during the quarter, which is well down on the previous period (43); variations in achievement of this indicator, however, generally reflect whether regional staff have organised bank account campaigns rather than reflecting the level of client interest. 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 2.4.1 shows an increase in portfolio at risk. During the quarter a problem was identified in one regional office where staff were not adequately managing their loan fund. Since then an internal

auditor has been appointed to work specifically on ensuring that loan fund transactions and reports are according to agreed operating procedures.

A total of 641 loans have been disbursed to date, 69 in the past quarter (TA 4.4).

Table 6: Loan Fund Quarterly performance

| 2014 | Delinquency ⁴ | Portfolio at risk | Loan loss rate ⁵ | Loan repayment 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% |
| Q3 2015 | 0.54% | 3.41% | 0.00% | 99.77% |

Number of clients joining any savings scheme facilitated by NJ

During the quarter the system for motivating clients on savings, particularly ROSCA, was checked. It was found that in some CBCs it was not being effectively implemented. Steps were then taken to improve the system; as a result, 302 clients joined a ROSCA scheme during the quarter. ROSCAs are particularly useful for clients as not only do clients have their own income to invest but they can also use ROSCA savings for purposes for which Zardozi is reluctant to make loans, such as setting up male family members in business (see inserts).

Table 7: Credit and savings

| Output Indicator | Transition target | Zardozi's target | Achieved Apr-Jun 2015 | Achieved Jul-Sep 2015 | Total Transition Period | Total achieved to date |
|--|-------------------|------------------|-----------------------|-----------------------|-------------------------|------------------------|
| TA4.3 Number of NJ members registering for accounts at formal institutions | 120 | - | 43 | 18 | 61 | 275 |
| TA4.4 Number of loans disbursed | 130 | - | 124 | 69 | 193 | 641 |
| TA4.5 Number of clients joining any savings scheme facilitated by NJ | - | 80 | 123 | 302 | 425 | N/A |

New Community Business Centres

During the quarter, 3 new CBCs were established in Kabul Regional Office and one in Mazar Regional Office. These were CBCs in new areas where staff have been discussing with women the possibility of joining Zardozi for some time. In each area, however, there are still insufficient clients to justify a full CBC and instead mini-CBCs have been established until such time as more clients join. A mini-CBC is a CBC without a fixed location and no rent is paid; instead, clients take it in turn to host the CBC.

Average clients per CBC (TA 4.8) remained at 29; around 41% of clients attended their CBC during the last quarter.

⁴ Defined as a loan repayment that is more than 4 days late

⁵ Loans are written off if not repaid within 12 months

Table 8: Community Business Centres

| Output Indicator | Transition target | Zardozi's target | Achieved Apr-Jun 2015 | Achieved Jul-Sep 2015 | Total Transition Period | Total achieved to date | |
|------------------|--|------------------|-----------------------|-----------------------|-------------------------|------------------------|----|
| TA 1.3 | Number of new community business centres established | 0 | 9 | 2 | 4 | 6 | 91 |
| TA4.7 | Average quarterly CBC utilisation rate (<i>% of registered clients using CBC at least once in the quarter</i>) | - | 65% | 49% | 41% | 41% | NA |
| TA4.8 | Average number of clients registered to each CBC | - | 25 | 29 | 29 | 29 | NA |

Unemployment and reintegration into the market

Internal M&E discussions resulted in the decision that unemployment⁶ data cannot be accurately collected except through the six-monthly 100% survey of clients. Therefore there is no updated unemployment figure for the past quarter (A 4.6). A 100% survey will be completed at the end of 2015.

Other services provided through CBCs

Design catalogues (imported from Iran by traders in Mazar) and skills development workshops remain popular with tailoring clients (TA 1.1 and TA 1.2) who are also interested in purchasing the branded cellophane packets and clothing labels which are sold at cost through CBCs (TA 3.2).

Table 9: Design, skills and fashion support

| Output Indicator | Transition target | Zardozi's target | Achieved Apr-Jun 2015 | Achieved Jul-Sep 2015 | Total Transition Period | |
|------------------|---|------------------|-----------------------|-----------------------|-------------------------|----|
| TA 1.1 | Number of design input collections/catalogues distributed | 18 | - | 6 | 6 | 12 |
| TA 1.2 | Number of skill development workshops facilitated | 9 | - | 11 | 5 | 16 |
| TA 3.2 | Number of NJ members branding products based on NJ production standards | - | 120 | 8 | 13 | 23 |

Supporting clients to move from micro business to small enterprise

Transitioning clients from micro to small businesses

During the quarter, Regional Managers reviewed their clients in the light of the new definition of small enterprise⁷. In total, 21 clients were identified as having a small enterprise (TA 4.10). 39 leading businesswomen were given training against a draft finances and recordkeeping module. However, when the training was followed up it was found that some of the clients had not fully understood the information given and had not adopted the recommendations. Zardozi then visited a

⁶ Defined as clients whose micro-business has failed and who are looking for a way to revive it.

⁷ 'Having assets valued at at least \$2,500 and at least 5 employees' – see previous quarterly report.

number of clients in their workshops/businesses and established that their first issue is lack of numeracy. Discussions were then held with Women for Women (W4W) Afghanistan regarding their numeracy training modules. Zardozi staff are now under training with W4W with a view to starting numeracy training within the Zardozi programme.

Unfortunately MOCI's SME Directorate has still not completed its manual explaining business registration systems in Afghanistan, which they had promised would be ready after Eid.

One client who trades between Herat and Iran was assisted to register with the Herat Chamber of Commerce. She now has a licence and a business passport, which greatly facilitates her travel to Iran with products.

Table 10: Unemployment and small enterprise development

| Output Indicator | Transition target | Zardozi's target | Achieved Apr-Jun 2015 | Achieved Jul-Sep 2015 | Total Transition Period |
|---|-------------------|------------------|-----------------------|-----------------------|-------------------------|
| TA4.6 Average quarterly unemployment | - | 7% | 6.16% | 8% | 8% |
| TA4.9 Zardozi clients are members of Chamber of Commerce | 1 | - | 0 | 1 | 1 |
| TA4.10 Number of clients moving from micro businesses to small enterprise | 26 | - | 1 | 20 | 21 |

Supporting clients to organise production: setting up garment workshops

Zardozi managed orders (New Business Lines)

Involvement by clients in new business lines (AA1.2 and AA1.3) continues, although it was much reduced during the quarter. The reduction is due to the fact that emphasis is now on supporting clients to set up their own workshops (AA1.4 and AA 1.5) as this has been shown to be more effective.

Client production workshops

In the past quarter 4 more clients established workshops (AA1.4) employing 22 more workers (AA1.5), both male and female. Average monthly income from a workshop is generally significantly higher than for other sources, although it varies between regions. Monthly sales income from workshops is lowest in Jalalabad, varying from AFN 1,000 to 10,000, with an average of AFN 4,500. Highest is Herat, where the lowest monthly income is AFN 8,000 and the highest AFN 35,000, with an average of AFN 20,265.

Table 11: Workshops and new business lines

| Output Indicator | Transition target | Zardozi's target | Achieved Apr-Jun 2015 | Achieved Jul-Sep 2015 | Total Transition Period | Total achieved to date |
|---|-------------------|------------------|-----------------------|-----------------------|-------------------------|------------------------|
| AA1.2 Total number of clients employed in new business lines during the quarter | - | 40 | 46 | 10 | 40 | N/A |
| AA1.3 Total number of home workers employed in new business lines during the quarter | - | 80 | 69 | 8 | 64 | N/A |
| AA1.4 Number of new garments workshops established by clients | - | 8 | 3 | 4 | 7 | 23 |
| AA1.5 Number of workers or clients employed in new garments workshops established by clients during the quarter | - | 12 | 19 | 22 | 41 | N/A |
| TA2.1 Number of NJ members trained in order management | 120 | - | 89 | 31 | 120 | N/A |
| TA5.6 Number of tours of businesses (workshops) implemented for clients | - | 8 | 1 | 0 | 1 | N/A |

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 to NJ before receiving any training. The fees are credited to the NJ account. During the reporting period an additional 128 women became NJ members (TB 1.1) bringing the total number of NJ members to 3,399⁸.

Table 12: Expansion of Nisfe Jahan

| Output Indicator | Transition target | Zardozi's target | Achieved Apr-Jun 2015 | Achieved Jul-Sep 2015 | Total Transition Period |
|---|-------------------|------------------|-----------------------|-----------------------|-------------------------|
| TB1.1 Number of new registered NJ members | 328 | 157 | 128 | 285 | 3,399 |

Institution Building

Handover of responsibilities: NJ Regional Offices

The Kabul Regional NJ Office (which is still a room within the Zardozi Kabul Regional Office) is gradually becoming more popular and useful. During the quarter there were on average 2.3 visits

⁸ This 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.

per day from clients or potential clients; usually these visits were for business advice, tailoring assistance, managing loans or finding new orders. Mazar NJ Regional Office by contrast averaged 7.1 visits per day. The difference is that the Mazar office is located conveniently beside the bus station and the Kabul office is not located on any bus route that clients are likely to use. As soon as funds are available, Kabul ECMs will select a more convenient location and separate the office (TB 1.5). Establishing a separate accounts system under NJ management has started and will be completed before December 2015 (TB 1.7).

Handover of responsibilities: Zardozi and NJ MoU

The strategy workshop was delayed due to a focus on other new initiatives. The workshop will now be held in early November; the Memorandum of Understanding (MoU) and strategic plan for Nisfe Jahan will be finalised at the workshop (TB 1.8 and TB 1.9).

Table 13: Institution Building Nisfe Jahan

| Output Indicator | Transition target | Zardozi's target | Achieved Apr-Jun 2015 | Achieved Jul-Sep 2015 | Total Transition Period |
|---|-------------------|------------------|-----------------------|-----------------------|-------------------------|
| TB1.2 Number of NJ members receiving training in institution building, democratic principles and leadership | 409 | 157 | 129 | 286 | N/A |
| TB1.5 Number of NJ regional offices established under NJ management | 1 | 0 | 0 | 0 | 1 |
| TB1.6 Number of NJ office bearers taking management and/or financial training | 30 | 0 | 28 | 28 | N/A |
| TB1.7 Number of NJ regional offices managing own finances | 1 | 0 | 0 | 0 | 1 |
| TB1.8 NJ Strategic plan developed and regularly updated | 1 | 0 | 0 | 0 | N/A |
| TB1.9 MoU between Zardozi and NJ finalised | 1 | 0 | 0 | 0 | N/A |

Establishing the NJ Federation

The first meeting of the NJ Central Committee was held in Herat in July. The next meeting will be held in November (see Annex 5 for details of Transition milestones).

Building sustainability for Nisfe Jahan

More roles for NJ members

During the quarter, a new initiative was launched to motivate small group clients to work for their communities (the women will be known as *Kadar*). It is planned that *Kadar* will be selected from amongst the strongest and most committed leaders in the community. The ratio will be around 1 *Kadar* for every 3-5 ECMs/CBCs. Motivation was achieved through a training course originating in PEKKA (see last quarterly report). The PEKKA training course consisting of 3 modules was adapted for Afghanistan by the Zardozi team and trialled with two groups of ECMs in Kabul. The results were encouraging, ECMs were enthusiastic and the message was well understood. Zardozi now plans to discuss with ECMs the following roles for NJ members:

- **Executive Committee Members (ECMs)** – elected representatives of the women in one CBC. Their responsibility is to manage the CBC (for the time being this will be in

collaboration with Zardozi staff) and to ensure that the needs and complaints of clients are heard and followed up.

- **Service Providers** – clients who are local experts in a skill that other clients are ready to purchase for a fee. Zardozi will work with these local experts to improve their skills. Service Providers will provide services privately and also through CBCs.
- **Kadar** – these are women selected by Zardozi and other *Kadar*, who are committed to helping their community and furthering the cause of women. In return for expenses and an honorarium they will provide leadership to ECMs and will generally work towards replacing Zardozi in terms of management and supervision of implementation as well as providing a local social action dimension to the programme that does not exist at present. The concept of *Kadar* comes from PEKKA and is crucial to the PEKKA programme in Indonesia (see previous report).

Cost recovery

Cost recovery decreased mainly due to a decrease in Herat NJ income; the cause is under investigation and will be reported next quarter (TB 1.3 and TB 1.4).

Feedback surveys

One feedback survey was completed during the quarter on the subject of loans. 93% (31 out of 33 women) said they were satisfied with the loan system. Two women said they preferred the previous system, which was less rigorous in checking loan purpose and repayment guarantee.

Table 14: Building sustainability

| Output Indicator | | Transition target | Zardozi's target | Achieved Apr-Jun 2015 | Achieved Jul-Sep 2015 | Total Transition Period |
|------------------|--|-------------------|------------------|-----------------------|-----------------------|-------------------------|
| TB2.1 | Number of member feedback surveys on specific services | - | 4 | 0 | 1 | 1 |
| BA 2.2 | Percentage of female producers reporting satisfaction with NJ services | - | 75% | - | 100% | NA |
| TB1.3 | Average quarterly CBC cost recovery | - | 7% | 10% | 7% | NA |
| TB1.4 | Average quarterly NJ cost recovery | - | 5% | 14% | 3% | NA |

Empowering women through information and confidence building

Successful Women celebrations

Three Successful Woman celebrations were held during the quarter (TB 3.2); these events continue to be popular with clients, the majority of whom who aim to be selected as successful woman.

Social protection initiatives

It had earlier been reported by clients that childcare was one of clients' biggest issues, and as a result, earlier in the year staff were working with ECMs on childcare initiatives. In the end, however, it was found that clients were not fully agreed that they wanted childcare initiatives, so it was decided at the end of the last quarter to focus on psychosocial services, which seem to be widely successful in other agencies.

During this quarter, therefore, staff investigated providers of psychosocial services and selected PARSA in Kabul to provide information to clients and ECMs to see if they are interested in following up this idea. The first discussion will be held in October (TB 3.3).

Table 15: Training and confidence building initiatives

| Output Indicator | Transition target | Achieved Apr-Jun 2015 | Achieved Jul-Sep 2015 | Total Transition Period | |
|------------------|--|-----------------------|-----------------------|-------------------------|-----|
| TB3.1 | Number of NJ members trained on rights, gender and civil society | 150 | 91 | 63 | 154 |
| TB3.2 | Number of civil society events organised by NJ | 6 | 2 | 3 | 5 |
| TB3.3 | Number of social protection initiatives for NJ members implemented | 6 | 0 | 0 | 0 |

Lessons learned

Women’s awareness of potential of achieving positive changes through social mobilisation

Since all ECMs and most clients have attended training in gender, civil society, leadership, good governance and rights, it was assumed that they are aware not only of the situation of women and girls but also of the possibility of achieving positive changes through social mobilisation. In the event, when the training on vision and aspiration was given to ECMs it was surprising firstly how slow they were to agree that women can be effective change agents in the community and secondly, how excited and motivated they were once they were convinced.

Innovative/new ways of working

Mobilising women for positive change

The training modules on vision and aspiration will be provided to all clients in the future. However, following up these modules with further training on community-level action will be given to *Kadar* and ECMs only in order to manage the level of change aimed at and thus avoid any backlash. It is planned that, as another step towards programme sustainability, vision and aspiration training will be provided to clients by *Kadar* rather than by staff.

Impact

Income data

Although the variations in client income have been relatively consistent over the past 4 years indicating that there is a degree of validity in the data, nevertheless the M&E consultants who will be working with Zardozi in late 2015 will be asked to review the method of collection and calculation of this data so as to ensure quality.

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% | 2687% |

Table 17: Programme impact on income

| Impact Indicator | Transition target | Achieved Apr-Jun 2015 | Achieved Jul-Sep 2015 | Total Transition Period |
|--|-------------------|-----------------------|-----------------------|-------------------------|
| 1 Average increase in income over baseline | 400% | 986% | 2,687% | >400% |

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 a report prepared by the consultant Sippi Azarbaijani-Moghaddam (see Annex 5 for details of Transition milestones and Annex 6 for a copy of the report).

Monitoring & Evaluation

M&E documentation and capacity building

During the quarter M&E Unit continued to work with Programme Director and Director to develop effective ways to use the new M&E Assistants posted to regional offices. For example it was decided to bring one M&E Assistant to Main Office every month after submission of reports, to discuss weaknesses in reporting and any difficulties faced in Regional Offices.

The planned consultancy was advertised, and selection of a consultancy firm set for early October (see Annex 5 for details of Transition milestones).

Progress against Transition Milestones

See Annex 5 for report against these milestones.

Strengthening Zardozi

Governance and succession planning

Consultants interviewed Zardozi staff and a report will be prepared shortly.

Operational development and financial management

Oxfam carried out a review; discussions on the review will be held in Q4 2015.

Business strategy paper

Preparation of this paper was delayed as the Consultant was working with Zardozi and MoLSAMD (see below).

Integrating Zardozi experience into national policy and programmes

Zardozi worked with MoLSAMD to finalise a WEE Action Plan, submitted to the Senior Officials Meeting in September 2015. Zardozi continues to work with MoLSAMD to draft a proposal for a National Priority Program on WEE which the President's Office wants submitted before the end of the year.

Multi-donor engagement and sustainability

Public Information Unit

A young Indian journalist has been recruited to replace the Australian journalist who has been writing the newsletter but who is now returning to Australia.

Funding proposals

The application to DFATD made jointly with DRC has received positive appraisal from DFATD. If approved, it will bring in around \$5,000 per month for 2.5 years. An overall fundraising plan including plans for integration into the local economy by fundraising with local companies will be pursued during the next quarter.

Risk management

See Annex 2.

Oxfam Novib

The Oxfam Novib team working with Zardozi continues to advise and support as needed.

Programme Finances

The Table below shows project Income and Expenditure, including forecast expenditure to the end of Q3 2015.

Table 18: 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 | Received |
| DFID Cost Extension | 852,232 | Not received |
| | 6,584,354 | |
| 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 |
| Q3 2015 | 345,763 | Actual |
| Expenditure (Forecast) | | |
| Q4 2015 | 428,099 | Projected |
| Q1, Q2 2016 | 852,232 | Projected |
| | 6,584,354 | |
| Balance | 0 | |

Annex 1: Results Framework (Transition Period)⁹

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 ¹⁰ : | 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 |
|-------------------------------------|---|---|---|

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 | 2,687 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] | 24 [12] | |

| | | | |
|-------------------------------|--|------------------|---------------|
| 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] | 24 [16] | |

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 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] | 7,919 [519] | |

| | | | |
|-------------------------------|--|------------------|---------------|
| 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] | 21 [6] | |

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] | 236 [120] | |

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] | 4,044 [296] | |

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] | 4,062 [286] | |

| | | | |
|------------------------------|--|------------------|---------------|
| 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] | 105 [50] | |

| | | | |
|-------------------------------|--|------------------|---------------|
| 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] | 174 [61] | |

| | | | |
|-------------------------------|---------------------------|------------------|---------------|
| 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 | 193 | |

| | | | |
|-------------------------------|--|------------------|---------------|
| 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 | 1 | |

| | | | |
|--------------------------------|--|------------------|---------------|
| 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 | 41 | |

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] | 15 [7] | |

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] | 529 [286] | |

| | | | |
|-------------------------------|---|------------------|---------------|
| 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] | 529 [286] | |

| | | | |
|-------------------------------|---|------------------|---------------|
| 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 | 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 | 28 | |

| | | | |
|-------------------------------|---|------------------|---------------|
| 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 | 1 | |

| | | | |
|-------------------------------|---|------------------|---------------|
| Outcome Indicator B1.8 | NJ Strategic Plan developed and regularly updated ¹¹ | | |
| Baseline | Milestone | Milestone | Target |
| End Mar 2015 | End Jun 2015 | End Sep 2015 | End Dec 2015 |
| 0 | 0 | 0 | 1 |
| Achieved: | 0 | 0 | |

| | | | |
|-------------------------------|--|-----------------------|--------------------------|
| Outcome Indicator B1.9 | Memorandum of Understanding between Zardozi and NJ finalised ¹² | | |
| 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 | 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 |
|-------------------------------|--|

¹¹ A better phrasing would be 'Number of updates to the NJ Strategic Plan', with the same Target

¹² 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: | 0 | 1 | |

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] | 169 [154] | |

| 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] | 10 [5] | |

| 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 | 0 | |

Annex 2: Market Research, Dubai, UAE

27 September to 3 October 2015

Participants: Shugufa Yousofzai, Market Consultant Zardozi Programme; Laiq Samim, Programme Director; Tahira Afridi, Director Zardozi Enterprise

Shugufa Yousofzai's Report

Objective

Showing the ordered samples of jewellery at competitive prices from Mashal Gity to Dubai Market. Market research for both jewellery and Saleh Fine Silk and other products of crochet and Kandahari work.

Meetings and Visits

Below is the list and detailed notes on meetings we had during the research time.

SJMJ Roxy Group

Showing the lapis lazuli new bead jewellery sets with the required prices that they had asked for, both the old designs were with use with new prices and the new sets which the ordered. 20 sets of the stock were sold to this company as samples on 28 September and on 30 September. SJMI Roxy Group asked us to come as they had some of our products on display. We took photos and they have placed order of 50 sets and also ask for showing them some new design with these beads.

Below are pictures of the lapis designs.



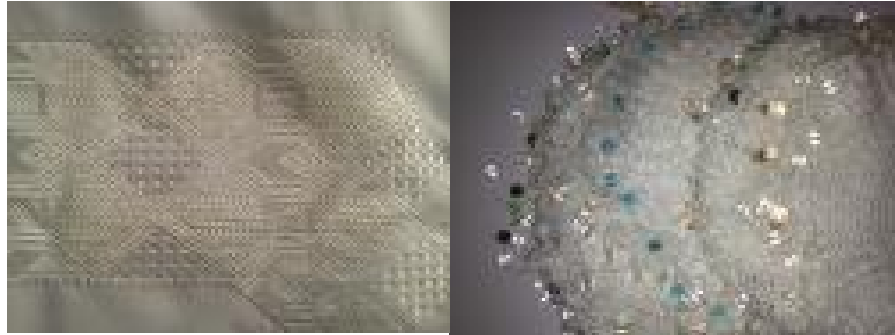
Gallery Hamadan

Following up with Gallery of Hamadan with Mr Salaam the Manager they were displaying the sample products of Zardozi on first week of October and we met with Home Centre sales manager that they were interested to work with them but they want to do their own design and sizes with the Kandahari design and tar shomar design but the home centre says that if these pattern you provide

them with machine work rather than hand work then it will go much better because the price will be very low.

Bangul Trading L.L.C.Br

We visited the bangle shop in Qeeti market they collected a Kandahari embroidery samples and they purchase 16 sets of plate holder from crochet the order some with camel design on plate older with golden thread we place the order.



Al Jallaf Jewellery LLC

We found Al Jallaf Jewellery company where they purchase 5 sets of lapis bead bracelet and necklace, and they say if it sell then we will place big order minimum 50 set multi design the price were acceptable.

Jewel Trading LLC



We found this Jewel Trading company on this visit and they like the samples we put 2 set of lapis bead jewellery as consignment as they were not so sure whether it will sell or not but they show a pair of earring with was made our of blue beads they asked as to copy design and make them in lapis the price should not got more than \$15 we have place this order too with Mashal Gity the picture is below.

Summary

Trip to Dubai arranged by Mrs Tahira Afridi and myself from 27 September to 3rd October the main plan for this trip was visiting the client which we had samples and showing them new samples which the ordered and find some new wholesale buyers we found 2 new buyers for jewellery order new design accepted and the price were also good we had a meet with a new buyer from home Centre they like the products and they asked for small swatches on machine work to make less the cost.

Tahira Afridi's Report

Objective

To follow up on the leads collected from the previous markets research trip, identifying new markets, walk through Hotel Show.

Meetings and Visits

Following is the list and detailed notes on meetings with interested leads from previous market research visits

Follow-up meetings

Al Jabel Gallery

Unfortunately Al Jabel gallery is not interested to work with us due to the high prices of our products and also they deal mainly in metal and glass products from china and textile is not a big seller at their stores across Dubai.

Gallery Hamadan

First consignment products from Zardozi were delivered for market testing. \$1500 worth of products including tunics, cases and bags, pillow covers and jewellery will be displayed at their various outlets. Follow up required.

Chuk Palu Rugs

Samples of Pillow covers were given to them for market testing during previous trip but unfortunately they were returned due to lack of interest from customers and also the shop is having internal problems.

New Leads

Home Center

Lead from previous market research trip; a meeting was arranged to meet the Head Buyer at the Home Centre office in Jebil Ali. Samples of Kandahari and tar shumar pillows were shown. They showed interest in some of the pillows and want further information from us on the construction and pricing of the pillow covers. Pictures and information will be sent to them shortly, heavy pattoo was introduced to them as bed throws. There is a possibility to work with them in the future. Follow up is required as if an order is placed it will be in large quantity.

The One

Another leading home furnishing shop in Dubai was contacted through email for a meeting several times but unfortunately no reply was received. After several calls we got in touch with one of the staff. We were advised to drop the samples at one of their stores and later follow up. In a few days time we will call them. Follow up required. They can be one of the potential buyers for Zardozi products.

Beach Shops

Hotel Le Meridian, Westin and Millennium were visited in order to survey the beach shops and get contact information. Gauge Kaftans with matching beach bags were taken as samples. Interest was shown but again the price was a factor that needs review. Samples were left with them. Contact information in Annex 1

Hotel Show

Hotel show was attended to survey the types of products exhibited at the show and to see if Zardozi products could be sold through this venue. The show was divided into different sections but our

interest was in the interiors/lighting/design. Booths with pillow covers and bed throws were visited to check the prices and quality. One option is to contact the current vendors selling home furnishing products like pillow covers and other home furnishing accessories and sell through them. The second option to attend the show as an exhibitor is risky as the traffic mainly at the show was towards metal and glass interiors like chandeliers, electric goods, kitchen equipment etc. Textile products were not too popular.

Conclusion

Several market research visits have been conducted in the past year. Different markets were surveyed; high end galleries and souvenir shops at the malls, low end shops at the tourist hubs, hotels shops for beach wear and big home furnishing stores like The One and The Home Centre. Meetings were arranged with the owners or the head buyers, samples for different categories were shown or sent to the concern persons. Zardozi products were liked and appreciated but the price point was where the concern was shown. Dubai is flooded with cheap products made in China and India. Hand-embroidered work lacked interest at large but some galleries and home furnishing stores are considering to work with us. Zardozi products are exhibited at one of the leading galleries, follow up on sales is required and will be closely monitored.

Next step is to continue working on the leads collected from previous market research trips and start looking for distributors to help promote and distribute Zardozi products in Dubai. Work on product development and price points, which are a crucial factor in slow progress with Dubai market. Professional help is required for product development and distribution. Also if Zardozi and other partners are introduced in Dubai high-end market by an international contact it will help speed up the process. ByHand consulting can be considered to do the job.

Annex 3: Risk Table

| Risk | Probability | Impact | Mitigation Measure | Residual Risk | Update Q3 2015 |
|--|-------------|--------|--|---------------|---|
| <i>Strategic Risks</i> | | | | | |
| 1. 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 is poor in most areas but particularly in Jalalabad |
| 2. 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 poor since donor funded support projects and military support have been reduced |
| 3. Government 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. | Low | GoA plans to further strengthen support to female entrepreneurship |
| <i>Operational Risks</i> | | | | | |
| 4. 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. | Low | Some agencies continue enterprise groups and skills training for women |
| 5. 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 |
| 6. 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 prior to 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 |
| 7. 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: Pul-e-Khumri survey

18-19 May 2015

Baghlan Province: Summary

Baghlan Province is situated 250 km north of Kabul. The recently constructed main North-South road links Baghlan with Kabul and a number of other major cities in Afghanistan, providing good access to markets. Pul-e-Khumri is the provincial capital and urban centre of Baghlan Province; rural Baghlan has broad ecological diversity that features large areas of fertile land through permanent irrigation and big canal systems stretching along the Baghlan River and including parts of the Kunduz River Basin that extends from Khenjan in the South to the boundary of Kunduz Province in the North. Approximately 75% of productive land is covered by a few remote villages. The majority of the population in Baghlan belongs to a middle class. Sporadic factional fighting flares up in a few districts but does not impede economic growth in the Province. The sectors with main growth potential include agriculture, medium-sized industries, and small and medium enterprises. The other necessary information is as follows.

| Population | Men | Women | Total |
|------------|--------|--------|---------|
| | 97,890 | 93,750 | 191,640 |

Pul-e-Khumri is a district of Baghlan Province, Afghanistan. The population of the district was estimated to be around 191,640 in 2004. Tajiks are around 50% of the population and make up the majority in the district, followed by 30% Pashtuns, 10% Hazaras and 10% Uzbeks.[2] Pul-e-Khumri has 83 villages

Natural Resources

Water

The Northern side of the Central Highlands get substantial snow during the winter months. Heavy Spring and summer snowmelt runoffs from the surrounding mountain. The Baghlan River plain between Khenjan and Baghlan Jadid Districts has large irrigation canal systems

Crops

While wheat and rice continue to be the main field crops in Pul-e-Khumri, increasing areas are cultivated with cotton, potato and fodder crops like alfalfa, maize, barley and triticale. Vegetables liking water: melon, carrot, onion, tomato and okra find increasing markets.

Livestock

Pul-e-khumri has a tradition of high-quantity milk production.

Financial services

Formal financial services are available in Baghlan through financial institutions offering individual loans, group loans, special loans for trade etc., micro-leasing and other products. The First

Microfinance Bank (FMFB), Kabul Bank and other institutions operate in Pul-e-Khumri. Financial institutions like ARMP, Oxus, BRAC, Finca etc. are also active in the Province. The formation of S&C Self Help Groups is about to start with the main clients being traders or individuals in need for trade loans. SMEs are more relevant clients than farmers. Statistics on financial services are available through MISFA and Projects like ARMP, Oxus, BRAC and others.

While financial services in various forms are available, the terms and conditions to operate in a volatile environment are problematic and often result in abusive service charges and complicated procedures. Informal loans are widely available through are largely provided at unfair conditions and mainly used as consumption loans by households, which often find themselves trapped in high levels of indebtedness.

Items on the survey were worded as positive statements or direct questions

Industries in Pul-e-Khumri

As mentioned earlier that Baghlan is among the industrial zones, the province has factories of cement-i-Ghori, Afghan Textile, sugar and mines of coal. In addition, pylon making, silo, Spin Zar Company, Kamaz Enterprise and Agriculture Mechanization are among the government-run industries. The industries were damaged during the continued fighting in the country. However, fortunately, the Afghan Textile and Cement Factories are still operating.

The Afghan Pul-e-Khumri Textile factory is located in the capital city, which was established in 1936 and started production in 1942. The factory has 3,500 to 3,700 employees. It merits mention that the Afghan Pul-e-Khumri Factory was expanding annually and it had produced 21 million meters San piece in 1963. The Ghori Cement Factory in Baghlan province, which contract was inked between Afghanistan and Czech Republic in 1961, produced 200 tons cement within 24 hours. But its production capacity was raised by two times after the completion of its second stage.

The second cement factory has production capacity of around 1,000 tons cement and having 700 employees, which was established in 1950. Currently, the factory has 750 employees with the old factory generating capacity soars to 200 tons and the new factory produces 800 tons cement. There are seven coal mines in the province including Karkar, Dodkash, Ahan Dara, Tala Barfak, Deh Sala and Chinarak mines in Nahrin district. Baghlan sugar factory was set up in Baghlan industrial park in 1940. The factory was made functional for four months annually and produced 111,000 bags of sugar within 24 hours.

The survey took place in Pul-e-Khumri through an interview which Eng. Ata had with the Director of Planning and Statistics in Pul-e-Khumri MOWA office. The Director of Planning provided information regarding some NGOs which are working in Pul-e-Khumri which is listed below:

| Name of NGO | Sector | Gender | |
|---------------------|--|---------------|--|
| Dutch Committee | Agriculture, Livestock, Process of dairy | Men and Women | |
| ICARDA Goat Milk | Dairy | Women | This organization works with 112 women which gives two goat for one women and the end of year receive back yearling and give the yearling to other women |
| AWRO | Legal training | Men and Women | This organization give trainings for 6 month for 30 men and women then each participant is responsible to train 15 other men and women |
| HLP | Kitchen gardening | Men and Women | This organization have activities in remote area of Pul-e-Khumri not in city |
| Aga Khan Foundation | DDR projects | | AKF work in districts and city |
| SEWA | Food processing and | | |

Note: One new NGO wants to start activities in Pul-e-Khumri in microfinance but the Director of Planning did not have details information regarding the NGO.

Meeting with Ms Rahila, Executive Director of MOWA in Pul-e-Khumri

Ms. Rahila mentioned women in Pul-e-Khumri are mostly involved in tailoring, handicrafts, crochet, restaurants, and shops.

List of some women who have small business was provide by Ms. Rahila which is listed below:

| Name | Business | Contact Number |
|----------|-------------------------|----------------|
| Zarina | Tailoring (bed sheet) | 0772600142 |
| Shirin | Producing wool products | 0796674910 |
| Torpekai | | |
| Nadira | Restaurant | 0796674910 |

Ms. Rahila pointed out some challenges which women face in Pul-e-Khumri

- Markets in Pul-e-Khumri are very small
- Business women don't know marketing procedures (how to market their products)
- Security, which is not good in Pul-e-Khumri
- Financial problems which stop business women and men to invest in their business

Meeting with Lida, Director of Women's Garden in Pul-e-Khumri

Ms. Lida provided information regarding SEWA project as she mentioned SEWA is currently working in food processing, and handicraft sector. In SEWA project 260 women are working. SEWA provides two type of trainings - training for learning skill: participants who pass the first training can join the second training which is upgrading skill. Ms. Lida said as handicraft business can't find market in Pul-e-Khumri therefore SEWA stop producing handicraft. SEWA provide all equipment, materials which is needed and salary of a trainer the rest of women who are working in food processing are receiving wages only not salary.

For these two sectors demands come through shopkeepers in Pul-e-Khumri. Ms. Lida also mentioned regarding quality which women products has low quality in compare to market.

Discussion with Jamila, Tailoring trainer of SEWA

In SEWA there are two trainers one is in tailoring one is in food processing which each trainer receive Afs 8000/month. For trainees during trainings Afs 50/day. For producing any product wages will be paid.

How SEWA market its products

Mostly go to markets and private schools with a sample of our products if sample was acceptable for shopkeepers and school we receive orders. Sometimes shopkeepers give their own sample to make same products. Most of times there are some organizations which organize exhibition inside of women garden and all business women bring their products for showcase and sell.

Qamar Shopkeeper in women garden: Ms. Qamar mentioned I have long time experience about shop in Iran. Qamar said market was good but newly as time of visiting women garden is limited its 2 days per week so markets become down.

Nadira owner of restaurant in women garden: Nadira has restaurant and inside of women garden, she is selling different things inside of her restaurant . Nadira's product has good market. Ms. Nadira said one big problem among business women in Puli kauri is that they are not producing according to market demand that's why they don't have good market. Nadira said about Maxco that trained in tailoring and steel fixing.

Ms. Aziza: mostly people in Puli Khumri are working on livestock and poultry in Band Do area which some organization like Koh Noor, FU and Wedan has livestock project.

Samira: has worked in poultry, tailoring and literacy projects. Samira said mostly in Puli Khumri demand for computer and English language is more. Samira said a French office has a project on cotton. French office give cotton for women to separate cotton from its seeds. The office receive just seeds and give cotton back to women Afs 1,000 for a large bag. Samira mentioned in villages demands for beauty parlour is more there are some women who knows a little about beauty parlour but still need for more trainings. Samira said there is another NGO by the name of NDCO who works for women in capacity building and marketing.

Fatima: I live in Gaw Sawar area there is also more demand for beauty parlour but there is no women who have beauty parlour. Women from Gaw Sarwar are coming to city for beauty parlour which is difficult as city is far from Gaw Sawar.

Sediqa: member of development council said I had tailoring project in the village we were making samples for shopkeepers for finding order but when project finished all women lost their markets because they don't have financial support.

Zarifa: is a tailor she works for her neighbours in addition she make hair clip and sell it to shopkeepers.

Sweeta: She works in FMFB in Doshi district Sweeta assumed women are familiar in handicraft, tailoring, agriculture but unfortunately women don't have financial support.

Interview with Noor Alam, Dutch Committee Planning Director in Pul-e-Khumri

Mr. Noor pointed out some Dutch Committee activities in Pul-e-Khumri

- The Dutch Committee support livestock in villages. During the livestock project we faced some problems like dispute of villager as everybody wanted us to give them a cow which was not possible, therefore villagers argued among themselves. Finally we stopped the project.
- Cooperative of milk and diary process is established
- Value change is working in wool spinning
- Dutch Committee trained people in central Baghlan, Pulikhumri and Dane Ghory for wool spinning demand for wool in Polikhumri is less but in Mazar, Samangan, and Faryab demand is high.
- FAO trained a group of women in for keeping poultry but now it stopped
- Agha Khan Foundation is working in handicraft sector\
- HLP is working in livestock sector
- Afghan Turk is working on wool spinning which pay the labor Afs 50/Kg

Markets in Pul-e-Khumri

- Pul-e-Khumri has enough fabrics which cover fabric demand of local community.

- Women in Pul-e-Khumri have access in markets (can go to markets)
- Pashtoon market, with more than 300 shops, is only for women-related things
- Supermarket of Pul-e-Khumri has more than 300 shops its also only for women clothes and dresses
- Zadran market which has more fabric and dresses shops

Market Research findings

- Demand for Afghan products is high but at a low price
- Afghan handicraft is mostly preferred by local community women in villages

Annex 5: Transition Period tasks

Strengthening Zardozi

| Activity | Target | Progress |
|-----------------------|---|---|
| Strengthening Zardozi | Review of M&E completed, manuals finalised and agreed improvements implemented | M1 Internal review continues, additional staff for regions in place and systems under development to improve regional data collection |
| | Impact research completed, results feed into programme strategy | M2 Phase 1 of impact research completed |
| | Governance systems reviewed, report delivered and agreed improvements implemented | M3 Discussions held with Board, action plan agreed |
| | Technical assistance on operational development completed | M4 Oxfam have completed an assessment, analysis report under process |
| | Technical assistance on financial management provided, report delivered and agreed improvements implemented | M5 Zardozi will send Chief of Finance to training in November |
| | Medium to long term operational and business strategy paper completed | M6 Delayed – will be ready in November |

Scale-up of strategy

| | | |
|--|---|---|
| Area surveys and selection of new clients | 2 area surveys completed | M7 1 area survey completed from Pul-e-Khumri, Bamiyan survey planned for November |
| | Staff and NJ workshop on new client selection completed | M8 New client selection will be on the agenda for the NJ Strategy meeting to be held in November |
| Intensive training and market integration of new clients | 9 business and other training modules updated | M9 600 clients already trained using Harakat Toolkit Level 1 – all business training in future will be done using Toolkit |
| | Impact research on training completed | M10 Will be started in November |
| Providing business and related support services | New SME business training modules developed, tested and in use | M11 Numeracy training module under process |
| | 6 pilot social protection initiatives launched | M12 Childcare initiatives dropped, psychosocial initiatives started with staff and NJ |
| | NJ/Zardozi workshop on transitioning clients from micro business to SME completed | M13 Clients have been identified as small enterprise owners and re-classified as such |
| Market research and | 6 UAE/India trade visits result in repeat orders | M14 Visit to Dubai completed in July and September |

| | | | |
|---|--|-----|---|
| development | Strategy for providing marketing support to WEE sector agencies finalised | M15 | Discussions on going with other agencies |
| Institution building with Nisfe Jahan for sustainability and impact | NJ achieves federation – sets up a central committee | M16 | First Federation meeting held in July in Herat |
| | NJ strategy development workshops results in signature of MOU with Zardozi | M17 | Planned for November |
| | Technical assistance results in strategy plan for financing NJ | M18 | Planned for November – will be done with local technical assistance |
| Integrating Zardozi experience into national policy and programmes | Pilot on integration of CBC with other local projects in 4 regions | M19 | Under discussion with MOLSAMD |
| | Discussions on going with national priority programmes | M20 | Under discussion with MOLSAMD |
| | Visit to PEKKA completed and lessons learned reviewed | M21 | Visit to PEKKA completed in May, lessons learned reviewed and plans under implementation (see Q2 2015 Board report) |

Multi donor engagement and sustainability

| | | | |
|---|---|-----|----------------------------------|
| Multi donor engagement and sustainability | Public Information Unit established | M22 | |
| | Funding from at least one donor secured | M23 | Plans are in place |
| | Fund raising pursued with local companies | M24 | To be explored later in the year |

Annex 6: Impact Study: Earning Their Way to Empowerment

Sippi Azarbaijani-Moghaddam, September 2015

Introduction

Zardozi is a local Afghan non-profit organisation that works with poor and uneducated Afghan women, providing them the opportunity to become micro entrepreneurs by giving them access to not only skills and business training but also market opportunities. Zardozi also provides access to continuing support through community-based business support centres to enable women to remain competitive over time. The purpose of this study was to examine the impact on beneficiaries from earning an income through Zardozi's programme, to understand the psychosocial elements of an empowerment process for women in their families and communities and to identify best practices that can be encouraged and replicated.

Methodology

Between April and July 2015 trained Zardozi staff conducted 76 (69 women and 7 children) interviews in Kabul, Mazar-I Sharif, Herat and Jalalabad, all major urban centres in Afghanistan. Zardozi started by discussing with women the differences which had occurred in their lives since they started earning an income. Through these discussions proxy indicators of change (see Annex 1 for proxy indicators) were identified and incorporated into a standard questionnaire used in the research (see Annex 2 for questionnaire). Women were asked to compare their situation before and after they started earning an income. The interviews were conducted with women who had been beneficiaries of Zardozi for between 3 and 49 months with an average of 15 months. Interviews were also conducted with seven children of these women. Caroline Moser's¹³ Women's Triple Role concept was used as the analytical framework for the study. The content of this report is based on the interviews. Analysis has been provided by a consultant with expertise in gender and social analysis in the Afghan context and familiarity with Zardozi's work.

Women's Triple Role

In Moser's Women's Triple Role concept, reproductive, productive and community gender roles exist within a hierarchy, where men at the top of the productive hierarchy control women in their reproductive roles. This concept views empowerment for women in terms of their gains in status within their multiple roles. Each role is described below, and adaptations to Afghanistan noted by the author.

Reproductive Role: comprises the childbearing/rearing responsibilities and domestic tasks undertaken by women, required to guarantee the maintenance and reproduction of the labour force. It includes not only biological reproduction but also the care and maintenance of the workforce (husband and working children) and the future workforce (infants and school-going children).

The Productive Role: comprises work done by both women and men for payment in cash or kind. It includes both market production with an exchange value, and subsistence/home production with an actual use-value, but also a potential exchange value. For women in agricultural production this

¹³ Moser, Caroline (1993) *Gender Planning and Development: Theory, Practice and Training*

includes work as independent farmers, farmer's wives and waged workers. This aspect of Afghan women's contribution, especially to the agricultural economy, is traditional and not linked with empowerment outcomes.

The Community Managing Role: comprises activities traditionally undertaken primarily by women at the community level, as an extension of their reproductive role. This is to ensure the provision and maintenance of scarce resources of collective consumption, such as water, health care and education. It is voluntary unpaid work, undertaken in 'free time'. Formal community politics, in contrast, is the purview of men and is usually paid work, either directly or indirectly, through wages or increases in status and power.

Gender Reproductive Hierarchy

In Afghanistan, women's efforts and labours in their gender reproductive roles are generally unpaid, unseen and unappreciated. Cultural norms dictate that women undertake gender reproductive tasks in exchange for men providing food, shelter and security for themselves and their children. Women in the larger households typical of Afghanistan find their place within a gender reproductive hierarchy based on socio-cultural norms dictating status, roles and behaviours. The ranking in this hierarchy is based on age, number of sons, physical attributes, level of education and a range of other factors based on context.

Most respondents' answers indicated that before they became Zardozi beneficiaries they existed somewhere in the lower ranks of the gendered hierarchy within their households. Though expected to perform all household tasks for their husband, children and in-laws, their participation in family life was largely passive. Some expressed the anxiety they felt when they first started their microenterprises about leaving the home, describing it as a mistake that could be punished. They reported that they could not express opinions, nor personal taste in dressing themselves (their clothes were purchased and selected by other family members), and their mobility was restricted.

Gender Productive Hierarchy

The research suggests that when women enter the productive hierarchy through paid microenterprise activities, they are released from some of the dominant behaviours of those in the reproductive hierarchy and offered respect and appreciation. Family members adapted to cover their gender reproductive responsibilities. Respondents reported that this happened by tacit agreement, in recognition of the financial benefit to the household. A small number of women respondents are the sole female adults in their household, and they must continue to both care for children and manage their work. Child respondents in this situation reported that they have to juggle studies and household chores while losing out on leisure time, socialization and play.

In the majority of interviews, women reported that they became more assertive, negotiated new choices (e.g. selecting their own clothes), and participated more actively in household decision-making once they started earning well. This suggests that in most families, mobility, control of one's time, social relations, conversations, and respect are dominated by financial considerations.

The gender productive hierarchy based on ability to earn an income is overlaid on the reproductive hierarchy within a family. Sometimes there can be tensions between these two hierarchies. For example, interviews showed that young unmarried girls who start earning will rise in status to a certain extent within the productive hierarchy but there are limits to their influence as decision-makers within the reproductive hierarchy. Another example was provided by a small number (less than 5%) of women who spoke of husbands who only grudgingly let them work. In such cases financial demands or difficulties force husbands to override any negative feelings they may have towards their wives working.

Additional factors must be taken into consideration when examining the behaviour of those within the productive hierarchy. In Afghanistan's post-conflict environment where political stability is weak and there are high levels of poverty, the family unit ensures survival through a number of different processes, the most critical being economic. Where the external context is perceived as riddled with risk, the household head will try to minimize risk within the production unit by strict control of those outside the productive hierarchy. As interviews clearly demonstrated, this is done by controlling all activities associated with additional expense i.e. mobility, shopping, education, attending social events and engaging in hitherto untested income generating ventures. All of these activities are considered impossible without money and the male and his parents as the heads of the productive and reproductive hierarchies limit how the family's income and assets are spent.

In the interviews, women report that most male heads of families have financial concerns which lead to all sorts of negative social interactions with non-earning family members, notably wives e.g. violence, aggressive speech, criticism in front of others, restricting mobility, unrealistic expectations on the performance of household chores. However, all women interviewed reported that the behaviour of their husbands improved after the financial burden on them was eased. The study also examined relations between mothers and children, with the majority expressing an improvement in this relationship once the mother started earning. In a few cases, children explained that their father's relations with them also improved once the mother started earning.

Interviews revealed that when a woman becomes part of the productive hierarchy she has greater leverage in decisions on the marriage of children or, if she is younger, her own marriage or that of her siblings. This is most likely associated with making decisions about the financial costs associated with marriage and potential children. A son's engagement and marriage is costly and if he is not earning an income, the addition of a bride and grandchildren is a high recurrent cost. A daughter kept at home also has living and education costs associated with her presence. The financial considerations are of course offset by a number of other considerations – alliance building within families and communities, emotional considerations and a number of others. Fifteen percent of women interviewed were able to prevent an engagement they felt was unsuitable either because of young age or the character and situation of the proposed bride/groom and in one case a daughter being exchanged in marriage to end a family feud¹⁴. Two interviewees claimed to have talked their husbands out of taking a second wife and the only two women who admitted to domestic violence said that their husbands, although still aggressive, had stopped short of violence since they started earning their own income.

When women enter the productive hierarchy they are seen as having the ability to 'solve problems'. When women interviewed spoke about family members discussing 'problems' with them the majority usually meant they purchased something for, or provided a loan to, someone who needed money. There were few mentions of other types of problem solving e.g. sons having fights at school. Evidently the ability to give or lend money automatically raises individual status in the productive hierarchy. What is unclear is how often the loans are repaid to women.

According to the interviews, women are largely left to spend their earnings as they will. They report that they mostly spend money on items for the home, clothes for themselves and their children, social occasions and gifts unless household need requires them to cover core expenses. They will also ensure that health, education and food costs are covered, especially for children. One way of showing their love for their children is through buying them special items.. The majority of children interviewed said that their working mothers have the peace of mind to spend more quality time with them than before they worked. A large number mentioned purchases for other family members and

¹⁴ This is called *baad*, a traditional practice of settling disputes among Pashtun tribes in Afghanistan and Pakistan in which a young virgin girl from the culprit's family is traded to settle a dispute for her older relatives. This may involve being used as payment for a financial dispute or as a means to avoid larger or longer-lasting arguments and grudges.¹

loans for immediate family members. A few reported making investments in jewellery, land and property (ownership unclear) and other productive assets.

Gender Community Roles

Interviews clearly indicated that the ability to earn moves women towards the gender community hierarchy, creating space for them to engage with the public domain. Moser's conceptualization of women's community role does not fully explain the situation in urban Afghanistan. In the case of women running small businesses out of their homes, there is a category of activities that place women on the border between private and public¹⁵ thus defining a new type of community role for them. For most, products and services are targeted to women customers and as such, their interactions are with women within the unspoken social confines and rules.

Women who are trained by Zardozi may become visible in the community as having a skill and providing a professional service. All women interviewed felt that they were accorded more respect by their extended family than previously. The majority also observed a more respectful attitude towards them from their neighbours and community. Some women reported providing charity or largesse, signalling themselves as a powerful personality and patron to others. They reported receiving more invitations to social events, with expectations to reciprocate with hospitality. This demonstrates that when women enter and rise in this hierarchy they are approached by extended family, neighbours, potential clients and others for their opinions and services in certain sectors. The interactions generally remain confined to members of the same sex according to acceptable social norms.

Interviews reveal that when women start earning they are considered to have enough judgement to be allowed out on their own. Mobility is granted on the assumption that women will continue to dress and behave appropriately and that they will only visit socially sanctioned spaces, such as community business centres. Their mobility improves and they are allowed to move from the private sphere of the home to the public sphere and the market. They are now perceived to have access to new contexts and sources of knowledge, which have traditionally been the domain of men. Through skill training at the Community Business Centre, for example, women gain access to an information source on a range of small businesses from backyard poultry to fashion and dress. Thus many women who, for example, complete a Zardozi tailoring course and regularly visit a Community Business Centre are suddenly being approached for their opinion on fashion and dress sense.

Status and Worth

Interview results showed that status within each of the hierarchies above gives individuals a sense of worth according to where they feel they stand within their families and social networks. When women are not in the productive hierarchy they are often plagued with feelings of low self-esteem and guilt, which can be compounded by frequent reminders of their place both private and public from higher status individuals in both hierarchies. A self-perception of low worth and status may limit their aspirations, opinions and mobility. Their interview responses suggested that before they started earning, women unquestioningly take on all household chores and rarely, for example, asking their children to assist. When they start earning, they start delegating tasks.

¹⁵For an explanation of the history of this phenomenon see Azarbaijani-Moghaddam in *Nation-building unravelled? : aid, peace and justice in Afghanistan* edited by Antonio Donini, Norah Niland, and Karin Wermester (2004).

Moving from a risky Proposition to Enhanced Social Status

Women are considered a risky proposition by the productive hierarchy and those at the apex of the reproductive hierarchy (e.g. mother-in-laws) until they gain experience as income earners. Their families often do not believe in women's abilities until they see results. Once they have demonstrated capacity through their own initiative and have earned a place in the productive hierarchy, mobility and social risks are perceived as having been reduced and less control is exercised over these areas, making them significant status and empowerment indicators.

The riskiest proposition for women and their families is to initiate income-generating activities that require mobility outside the home in the first place. Most women interviewed had initially been discouraged by their families from starting a micro business because of perceptions of their low capacity, and the social and financial risks involved. Women had to persevere with strategy and caution to demonstrate their capability over time.

Women's mobility has social and financial risks attached and therefore whilst women are not earning an income it is discouraged. This also has to do with control of those considered low status in the gender reproductive hierarchy and perceptions of their low capacity. Most women reported that after earning, their mobility improved, and in particular she was given freedom to be independently mobile. Once a woman starts earning she is assumed to understand the value of money so it is no longer a risk to allow her to purchase goods or to go shopping on her own. Once she is earning, in most cases she has to be consulted on items being purchased for others and for the household.

Similarly, social occasions require new clothes, gifts and transport costs, and therefore women from low income families who cannot contribute to household income are discouraged by the productive hierarchy from socializing. In addition, family and neighbours will avoid visiting households who are known to have restricted financial circumstances so as not to burden them with additional costs; at the same time, low income women will not be invited anywhere because they cannot reciprocate with hospitality, are also limited for non-productive women. These social restrictions lead to isolation, shame, and reduction opportunities for recreation and networking opportunities among potential customers. Once a woman is earning she is allowed to socialize because she can cover all the associated expenses and her opportunities increase.

There are also factors related to social risks. The reputation and social standing of a family combine to create the concept of 'face'. To manage 'what people say', in most families apex family members limit and control the activities of others. The interviews reveal that the financial risk of not letting a woman earn an income by leaving the home overrides social risks associated with the gossip that may ensue if she does. Most beneficiaries' male family members ignore gossip about their female relatives and allow them to pursue income-generating activities.

One of the important long term and generational positive impacts of programmes like Markets for Afghan Artisans becomes clear from interviews with children. All of the children interviewed spoke positively about their mothers going to work, even though there was adaptation and challenges involved. These children are from a generation being socialized to respect their mothers' initiative to support their families through work. The boys and girls in these families are growing up understanding that women can handle money, make business and family decisions and have a career. These boys and girls grow up considering it less of a risk for women to open businesses once they are adults.

Conclusion

Zardozi has played a pivotal role in creating an opportunity framework for women and helping them manage the risk of their initial investment in business activities. The study reveals that when women are successful in sustaining an income, the productive hierarchy within families will encourage women's continued production unless other social factors are at play. Zardozi's practice of Successful Women celebrations¹⁶ is a powerful means of demonstrating the possibilities for women within their families and building acceptance for their business activities within their communities.

This study demonstrates clearly that when women earn their own money they increase their status in the family and enter the mainstream of daily life in Afghanistan. They can join in financial discussions, decision-making and spending simply because they are earning. Their opinions hold value. They are suddenly admitted into the 'knowing' circle who understand the cost of things, can be trusted to negotiate well and can therefore be allowed to shop alone. Since money is considered the lifeblood of daily existence, these women are accepted by the family as suddenly knowing about life. In a socio-economic landscape dominated by thoughts, conversations and activities related to earning, spending, having and not having money, when a woman starts earning she suddenly becomes visible and viable in that landscape. Her possibilities for participation in social and community life also shift dramatically.

Proxy Indicators

On the basis of discussions with women about how their lives have changed the following proxy indicators for 'empowerment' were identified:

Appreciation by the family of the woman's efforts

1. Overt statements of appreciation from family members
2. Assistance in woman's own work by family members

Freedom to take decisions

3. Is she brave enough to speak up when decisions are being taken
4. Do the traditional decision-makers listen to her
5. Is she allowed to purchase for herself and other family members

Restrictions on mobility

6. How much restriction is there on her leaving the house

Is there equity in her status in the family

7. How much criticism is there when she makes a mistake
8. Does her family criticise her in public
9. Does her family share personal problems with her
10. Does her family encourage her to better herself
11. Does her family show her compassion when she has a problem

¹⁶ Zardozi developed and pioneered regular community level celebrations of 'successful' women. In general this means women with the highest income or the greatest number of employees or who have overcome the greatest odds. The celebration is a simple ceremony of speeches and gifts; with aim of encouraging other women and girls to develop aspirations and self-confidence, and to educate men to perceive and accept women's increased economic contribution and agency.

Client interview sheet

Name of Interviewer

Date of Interview

Location of interview

Name of interviewee

ID #

Joining date Zardozi

Manbeh name and ID

Business category

Age of interviewee

Ask the client:

- Do you feel that your family and your community respect you? Ask for examples
- Has this changed since you started to earn your own income? Ask for examples

Write down and record what she says.

Indicators

The interviewer needs to make sure that the following questions have been answered by the Client during discussion. These questions can therefore be asked after the first part of the interview is completed or during the first part of the interview as long as that does not stop the Client from saying what she wants to say rather than what we want her to say.

Appreciation by the family of Client's efforts

1. Do your family members ever show you that they appreciate your efforts?
How do they show this – for example do your family members ever give you gift or say thank you for appreciating your abilities, assistance support and your achievements?
Did they show this or other appreciation before you started earning income – give examples?
2. Do your family members (including husband, mother-in-law, and sister-in-law) help you with your own work, for example who takes care of your children when your workload is too much or when you go out for work?
What was the situation before you started earning an income – give examples?

Freedom to take decisions

1. Is there habit of consultation and exchanging the opinion between your family members? If yes, how much do they listen to your opinion? Give examples
How much do you have influence or are involved in own and household decisions?
Does your husband listen to you and how much attention does he pay when you are talking?
If your husband or others family members wants to take wrong decision can you persuade them to stop doing it?
Who is the decision maker of your house?
Are you brave enough to argue or give opinion in your family? Are you able to ?
What was the situation before you started earning an income – for example were you able to disagree with your husband in the past and how did he respond to your point of view?
2. How much do you have restriction of purchasing, for example do you buy the things you need for yourself or do your family members arrange for you? Give examples.

What was the situation before you started earning an income – give examples?

Restrictions on mobility

1. How much restriction is there on you leaving the house, for example, do you have to get permission to go out for work or for purchasing? Can you participate in weddings, celebration and events whenever you want?
What was the situation before you started earning an income – give examples?

Belief in you as an equal member of the family

1. How do your family members trust and believe in your abilities and yourself, for example, do your family members (including husband, mother-in-law, and sister-in-law) accept your mistakes if you having messed up? What is your family members' behavior when you make a mistake?
What was the situation before you started earning an income – give examples?
3. Do your family members demean or criticize you in public? Does your husband say bad things about you to his family or your family members? Give examples.
What was the situation before you started earning an income – give examples?
4. Do your family members share their personal problems with you? Give examples.
What was the situation before you started earning an income – give examples?
5. Do your family members encourage you to be better than you are? Give examples.
What was the situation before you started earning an income – give examples?
6. Do your family members show compassion when you need it? Give examples.
What was the situation before you started earning an income – give examples?

Zardozi Enterprise

Ganjina Shahr-e Naw retail outlet

The table below indicates not only a gradual reduction in sales income through the first 3 quarters of the year but also a collapse of the market in Kabul in August which was month with a number of suicide bombings. Sales income reduced further in September and it is unlikely that it will recover to any great extent at least within 2015.

Monthly sales income, Ganjina shop – Kabul, Jan-Sep 2015

| Month | US \$ | Month | US \$ | Month | US \$ |
|----------------------|---------------|-------|--------------|-----------|--------------|
| January | 4,220 | April | 2,252 | July | 3,302 |
| February | 2,896 | May | 2,514 | August | 1,571 |
| March | 3,177 | June | 2,165 | September | 1,135 |
| Quarter total | 10,293 | | 6,931 | | 6,008 |

Export sales

Export sales income remains healthy for the year with good sales to Raven & Lily, a department store in the USA plus various other smaller buyers also in the USA. Total estimated export sales income for 2015 is \$109,011 which is 65% achieved. Sufficient orders have been received however to meet the target, and are under production.

Monthly income from export sales, Jan-Sep 2015

| Month | US \$ | Month | US \$ | Month | US \$ |
|----------------------|---------------|-------|---------------|-----------|---------------|
| January | 0 | April | 1,652 | July | 13,236 |
| February | 0 | May | 21,974 | August | 14,902 |
| March | 15,437 | June | 1,857 | September | 953 |
| Quarter total | 15,437 | | 25,483 | | 29,091 |

Total Export sales income to date US \$70,011

Financing plans

Given the recent collapse of the Kabul market through Ganjina, discussions are under way to analyse the feasibility of separating the Afghanistan and the Pakistan operations so as to allow Pakistan to benefit from export income without having to support Afghanistan operation should the situation further deteriorate. At present it seems that Pakistan would benefit from such a separation.

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 ¹⁷ | 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 | 233 | 360 | 360 | 360 |
| Exports | 0 | 0 | 15,437 | 1,652 | 21,974 | 1,857 | 13,236 | 14,996 | 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 | 16,567 | 2,088 | 16,260 | 13,260 | 13,260 |
| Ganjina Partners | 2,444 | 3,164 | 1,575 | 3,644 | 1,462 | 1,638 | 2,477 | 3,288 | 504 | 2,312 | 2,312 | 2,312 |
| 2015 Gross Income Total | 6,704 | 6,060 | 20,189 | 7,548 | 26,416 | 5,660 | 19,015 | 19,855 | 2,592 | 18,572 | 15,572 | 15,572 |
| Total for Quarter | | | 32,953 | | | 39,624 | | | 41,462 | | | 49,716 |
| 2015 EXPENDITURE ¹⁸ | | | | | | | | | | | | |
| Cost of Goods sold | 4,080 | 4,603 | 3,680 | 1,959 | 2,291 | 2,331 | 3,573 | 1,393 | 2,714 | 2,000 | 1,500 | 1,500 |
| Gross P/L | 2,624 | 1,457 | 16,509 | 5,589 | 24,125 | 3,329 | 15,442 | 18,462 | -122 | 16,572 | 14,072 | 14,072 |
| Overheads | 21,721 | 9,493 | 14,851 | 8,664 | 9,095 | 16,824 | 12,254 | 13,105 | 8,397 | 13,000 | 13,000 | 13,000 |
| Net Ordinary P/L | -19,097 | -8,036 | 1,658 | -3,075 | 15,030 | -13,495 | 3,188 | 5,357 | -8,519 | 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 | 8 | 11 | 2,699 | 0 | 0 | 0 |
| NET P/L 2015 | -19,091 | -8,036 | 1,658 | -3,060 | 15,481 | -13,641 | 3,196 | 5,368 | -5,820 | 3,572 | 1,072 | 1,072 |
| Total for Quarter | | | -25,469 | | | -1,220 | | | 2,745 | | | 5,716 |

¹⁷ Projected sales figures for October to December 2015

¹⁸ Projected expenditure figures for September to December 2015