



Zardozi – Markets for Afghan Artisans

Durable marketing solutions for women producers and entrepreneurs

Quarterly Progress Report to Board of Directors

1st April – 30th June 2014



Zardozi client holds her baby whilst the shopkeeper checks her products

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Acronyms and explanation of terms

Explanation of terms

Nisfe Jahan (also Guild or ASK)	The membership-based organisation established by Zardozi and now being guided to independent status
Manbeh (also design resource access point or community business centre or CBC)	Community level business resource centre within walking distance for every group of 30 to 35 Nisfe Jahan members. The <i>manbeh</i> /CBC functions for half day a week and is located in an NJ member's home. Each <i>manbeh</i> /CBC elects one NJ Executive Committee member who represents them to Zardozi and at NJ meetings
Trade facilitation centre – now known as New Business Line .	Business opportunities which Zardozi checks for competitiveness using clients for production. The aim is to mentor clients to take over those opportunities which turn out to be competitive
Guild	Term still used by Zardozi in some places for Nisfe Jahan

Acronyms

NJ	Nisfe Jahan
CBC	Community business centre
ASK	Anjuman e Sanya e Disti (previous name for Nisfe Jahan)
TFC	Trade facilitation centre – now known as New Business Line
CDA	Client demand analysis – meetings held with staff and NJ Executive Committee members to discuss feedback on services provided and requests for new services

1. Zardozi Programme

1.1 Executive summary

The third quarter of the third and last contract year has seen further development in the handover of responsibility to Nisfe Jahan and in strategy development towards sustainability.

New milestones were developed for the planned no cost extension period and submitted to DfID. Monitoring systems for the new indicators were put in place.

With the development of the new post of NJ Finance Officer, the Nisfe Jahan financial management made steady progress towards formal separation from the Zardozi accounts and eventual handover to NJ office bearers.

Now that the assessment of unemployment is completed systems were put in place to meet employment targets and to continue to monitor the situation; realistic targets were set for the future.

Further improvements were agreed in improving communication between clients and staff and translating this into appropriate action. This involved some further delegation of responsibility for decision-making to regional offices.

Staff capacity development received a boost when a consultant reviewed Zardozi policies and recommended new training courses to improve staff attitude and understanding of business.

As recommended by the mid-term review, progress was made in documentation of guidelines and rules for strategy implementation. Development of the loan fund was slightly delayed since so far it has not been possible to send staff to visit other similar projects and to acquire basic technical training. The loan fund consultancy was also delayed due to lack of qualified applicants.

During the quarter, 244 women became new Nisfe Jahan members bringing the total number of members to 2,740 – 99% of the total target of 2,778 for the 3 year contract. New FTEs¹ was 408 bringing the total of full time employment created, to 6,342 against a three year target of 6,720.

During the quarter, the TOR for a consulting company to develop open source software to upgrade the M&E MIS from Excel, was finalised and a company selected with the support of the M&E consultant. The work will be done after Eid.

Fatima struggles to be independent

Fatima (K0641) is 23 years old and living in Sarasiyab - there are 6 members in her family. She never attended school because her father did not want his daughters to be educated. Fatima was 20 years old when her father passed away and her elder brother became the head of the family. The first thing her elder brother did was to engage Fatima to her cousin, who is uneducated, jobless and according to Fatima, not a responsible person and much given to telling lies particularly to Fatima. Fatima refused to accept the engagement causing a huge upset in the family. Her brothers told her that if she did not marry her cousin then they would not be responsible for her care as they were already over-burdened with wives and children plus Fatima's widowed mother.

Fatima responded bravely and spoke up in front of her brothers – she told them that she would take care of her mother and herself and continued to refuse to marry her cousin. After many furious discussions the engagement was finally broken. Fatima struggled to feed herself and her mother until she joined Zardozi. After her tailoring skills were upgraded and she attended all business trainings, Zardozi introduced her to the market and she now has a steady income which enables her to look after herself and her mother.

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

1.2 Overview of quarterly progress

1.2.1 Strategy developments and milestones

New milestones and indicators were developed for strategy developments relating to: handover of responsibilities to NJ, the sustainability of NJ and development of the loan fund. Targets were set for the proposed no cost extension period and a concept note submitted to DfID (see Annex 3).

1.2.2 Staff capacity building

A consultant was brought in to review the capacity of field staff to advise clients on business and to implement strategy developments. Her recommendations included 2 new business training courses and an organisation-wide training in core values (Annex 4). Zardozi accepted the majority of the recommendations (see Annex 6 for Zardozi comments).

Two staff attended a leadership training course in Dubai, the course was originally scheduled to be held in Kabul but was moved to Dubai due to security concerns by the training provider. The 2 staff are planning to pass on what they learned to other staff in some informal presentations.

1.3 Product development and production

1.3.1 New production systems and business models

Five additional indicators have been added against Outcome A. These indicators are taken from the No Cost Extension concept note on targets submitted to DfID in June (see Annex 3). Although reporting against these new indicators has now started in order to ensure appropriate monitoring systems are in place, no targets have been assigned for the period of the current contract.

The season for school uniforms in all regions finished by end June. In both Herat and Mazar opening the school uniform opportunity up to clients was a success (see inset) and the Zardozi regional teams will now work on how to build client capacity to manage relationships with both school uniform buyers and suppliers more independently (see Annex 2). Jalalabad regional office started their first TFC/new business line – making *peron tumban* (NCE 3, 4 and 6). During the quarter, details of the standard operating process for establishment and monitoring of TFC/new business lines was documented and will be circulated to regions. Annex 4 shows the plan and process for handing over TFC/new business lines to client management taken from the new manual. Table 2.2.1 shows that Mazar has already reached Stage 1 for school uniforms (see inset).

The sales income from new business lines (NCE 6) in the past quarter was almost triple the income in the first quarter of the year. Primarily this is due to the excellent profits that can be made during this season from school uniforms.

Zardozi continues to bring changes to the school uniform business

Previously Zardozi reported a successful initiative to shift schools in Herat from purchasing uniforms in Iran to having them made by women in Herat.

An unexpected side effect of this initiative is that of the 47 clients who were engaged in producing school uniforms, 31 were able to use their experience with uniforms and the good name of Zardozi, to find further orders for themselves from shopkeepers and 7 were able to get uniform contracts directly with smaller schools.

In fact this additional benefit was due to the fact that the original large order was: from a large and well known school, the uniforms produced were branded with the Nisfe Jahan Tawus brand and packaged in cellophane with neat finishing and appropriate sizes. The women used samples of the uniforms produced for the well known school, together with the Zardozi guarantee, to generate trust with shopkeepers and other schools to good effect.

Zardozi is now investigating how to continue to develop this situation for the further benefit of clients.

Table 1.3.1 Progress in handing over new business lines (TFC) to client management (see Annex 2)

Handover stages*	Region	Progress of each new business line product
Competitiveness strategy development	Mazar	Peron tumban sets
		School uniform
	Herat	School uniform
	Kabul	Baby layette
		Ladies tunic shirts
Jalalabad	Peron tumban sets	
First stage	Mazar	School uniform (Salima)
Second stage		
Third stage		

*See Annex 2 for full description of the handover stages

During the quarter it was decided to review the indicators A1 and A2 to develop better tools for assessing achievement; results will be available next quarter.

The new indicator NCE 7 has been developed in order to clarify the situation regarding the number of women sustainably linked to markets by the programme. This quarterly calculation tends to vary slightly since the calculation depends on indicator A2.3 which itself varies by season and status of regional markets.

Salima starts a new business

Salima is the young, illiterate mother of 5 and wife of a daily labourer in Mazar. Earlier in the year when Zardozi was visiting schools in Mazar looking for orders for school uniforms, Salima told staff that she would like to manage an order on her own with support from Zardozi as appropriate. As she has already proved herself reliable and dynamic, staff in Mazar allocated her an order for 280 uniform sets (pants, coat and scarf) worth over \$4,000.

Salima needed a lot of support – Zardozi brought in the fabric from Pakistan and sold it to Salima who took a loan to pay for it, all Salima's tailors were trained by Zardozi but Salima supervised the tailors herself, the fabric was cut by Zardozi but Salima paid for the cutting and can find her own cutter in future. Salima's biggest issue was sizing – even with Zardozi support a number of uniform sets had to be adjusted before the school would accept them.

Finally, unfortunately the school principal who gave the order was murdered in a personal dispute and Salima needed further Zardozi support to collect her full payment from the school. Overall however, all sides were happy with the exercise and looking forward to both Zardozi and Salima making use of lessons learned for the next order.

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

Outcome Indicator		Achieved				Target Year 3	
		Qtr 1 Oct-Dec 13	Qtr 2 Jan-Mar 14	Qtr 3 Apr-Jun 14	Total		
A1	Number of NJ members with new production systems	0	3	2	5	10	
A2	Number of NJ members with new business models	0	1	0	1	8	
A1.3A*	Number of FTEs created for men and women by the program		282	326	408	1,016	2,870
		Male	0	0	0	0	0
		Female	282	326	408	1,016	2,870
NCE 3	Total number of clients employed in new business lines	10	79	98	98	na	
NCE 4	Total number of home workers employed in new business lines	24	129	122	122	na	
NCE 5	Number of new business lines handed over to client management	0	0	0	0	na	
NCE 6	Total quarterly sales income from new business line incubation (\$)	1,216	8,998	24,593	24,593	na	
NCE 7	Total number of women working with the	7,111	7,023	8,486	8,486	8,000	

Outcome Indicator		Achieved				Target Year 3
		Qtr 1 Oct-Dec 13	Qtr 2 Jan-Mar 14	Qtr 3 Apr-Jun 14	Total	
	programme (NJ members plus home workers)					

*moved from Output indicator to Outcome indicator

See Section 1.7.2 for a discussion of FTEs (A1.3A).

Design development

Monthly design collections developed by Zardozi designers continue to be popular with CBC users, 2 collections have to be developed monthly as the design collections developed for Jalalabad region are not acceptable in other regions and vice versa (A1.1). Two new CBCs were established during the quarter (A1.4), however two other CBCs were amalgamated into one to be more cost effective and one CBC was closed bringing the total number of CBCs to 67. The closed CBC was located in Barik Ab which is between 2 and 3 hours drive from Kabul and was opened in 2010 under a UNHCR funded project. The location is a Land Allocation Site which continues to face problems with inhabitants leaving for long periods and in the end Zardozi could not continue to run the CBC. The new CBCs are located in Mazar and Herat and were established to provide services to new clients in those areas (see B1.1). As mentioned in the last quarterly report, a new indicator measuring average CBC utilisation rate has been developed (see NCE 4.7 and Annex 5).

OUTPUT A1 Product types and styles developed respond to customer preferences

Output Indicator		Achieved				Target Year 3
		Qtr 1 Oct-Dec 13	Qtr 2 Jan-Mar 14	Qtr 3 Apr-Jun 14	Total	
A1.1	Number of design input collections developed	6	6	6	18	10
A1.2	Number of NJ members newly utilising design resources	32	202	234	468	450
A1.3	Number of design workshops facilitated	3	5	3	11	14
A1.4	No of new design resource access points for NJ members established	8	7	2	17	16

1.3.2 Increased volume and value of production

OUTPUT A2 NJ members have increased volume and value of production

Output Indicator		Achieved				Target Year 3
		Qtr 1 Oct-Dec 13	Qtr 2 Jan-Mar 14	Qtr 3 Apr-Jun 14	Total	
A2.1	Number of lead NJ member business women receiving performance coaching to obtain and successfully complete contracts above 50 pieces per working month	20	35	17	72	150
	Male	0	0	0	0	0
	Female	20	35	17	72	150
A2.2	Number of NJ members trained in order management	74	63	65	202	200
	Male	0	0	0	0	0
	Female	74	63	65	202	200
A2.3	Average number of home workers actively employed by ASK/NJ members	4.92	4.34	5.00	5.00	10

Average size of orders received from shopkeepers and traders is down on the past 2 quarters (A2.1) which may reflect the uncertain security situation and resultant slowing of regional economies and markets. The number of active home workers employed continues to remain around 5 (A2.3).

1.3.3 Product quality

Private sector suppliers

One additional client started the business of selling tailoring supplies such as: needles, thread, buttons etc to women visiting CBCs (A3.1).

Skills training

During the quarter finding new clients remained difficult, it seems this is a result of the uncertainty generated by the prolonged election process (A3.2). Women already working with Zardozi seem to be less affected.

Branding products

New clients particularly those producing school uniforms, continue to brand their products (A3.3). Clients use the Tawus brand which consists of a clothing label or the Butterfly brand which consists of printed cellophane packets. Tawus is used for *peron tumban* sets and Butterfly for other products such as ladies shirts. The cellophane packets are generally sold to clients through the CBC. Staff assess the quality of product and reliability of the client before allowing her access to branding materials. A list of clients authorised to use the Tawus and other brands, is maintained in each regional office.

OUTPUT A3 Product quality satisfies buyer requirements

Output Indicator		Achieved				Target Year 3
		Qtr 1 Oct-Dec 13	Qtr 2 Jan-Mar 14	Qtr 3 Apr-Jun 14	Total	
A3.1	Number of private sector suppliers sourcing materials according to NJ members' needs	3	4	1	8	8
A3.2	Number of women satisfactorily achieving agreed skills standards through skills training	297	631	469	1,397	1,870
A3.3	Number of NJ members branding products based on NJ production standards	36	56	38	130	120

1.4 Business skills development

1.4.1 Training expertise and management

Afghan Artisans Toolkit

The new sets of training modules being developed under a joint project between Far & Wide Collective², Harakat and EPAA were highlighted in a presentation at the Canadian Embassy at end June. Zardozi's in-house training modules are a key part of the new modules and were highlighted at the presentation. Development of the modules will continue during the next quarter including an audio accompaniment.

1.4.2 Strengthening business support services

Maximising CBC utilisation

A one day strategy development workshop was held with regional team leaders on 4th June. The aims of the workshop were:

- To strengthen the role of the CBC in providing all support services
- To decentralise decision-making regarding client applications for support, from Main Office to regions

² An e shopping website supporting third world artisans

The results of the workshop were documented and included in the draft Strategy Field Manual which is now under development (see recommendations of mid-term review, Annex 1).

The new indicators included below in Output A4 (NCE 4.4, 4.6, 4.7 and 4.8) are designed to enable regional managers, staff and Nisfe Jahan Executive Committee representatives of each Community Business Centre (CBC) to monitor their success in attracting clients to use the CBCs by providing appropriate services. The CBC utilisation rate for this quarter is 57% (NCE 4.7). However, the average utilisation rate figure covers a wide variation in individual CBC utilisation rates and all concerned agreed at the workshop to make achieving a minimum of 50% attendance in all CBCs, a new priority.

Hands on loan fund management

Masooma borrowed Afs 5,000 from the loan fund in order to complete a large order. Unfortunately after she delivered the first part of the order to the shopkeeper, he delayed her payment of Afs 24,000. As the time for her first loan repayment date approached, Masooma was so embarrassed by her inability to repay her loan that she returned to her home village.

When Masooma's loan repayment date had passed, Zardozi staff together with the Nisfe Jahan Executive Committee member for Masooma's CBC and Masooma's husband visited the shopkeeper who, although he paid Afs 1,000 and promised to pay the rest of the loan amount, then moved his shop and disappeared.

Zardozi staff, after several months, finally re-located him and this time the shopkeeper agreed to forfeit a piece of tailoring machinery from his shop worth Afs 6,000. The machinery will now be sold, the loan fund reimbursed and the shopkeeper put on the blacklist.

Although any excess funds from the sale of the machinery will be passed onto Masooma, she has still suffered a considerable loss. Zardozi is encouraging Masooma to come back to Kabul and is investigating why the shopkeeper did not pay her in the hope of avoiding these kind of incidents in future.

Zardozi Financial Services

Table 1.4.2 indicates that although there is no default on the loan fund, loanees do not always repay on time. When repayment is overdue, NJ office bearers generally take joint action with Zardozi staff (see inset) and funds are usually recovered.

Table 1.4.2 Loan Fund – Quarterly performance indicators, Jan-Jun '14

2014	Delinquency	Portfolio at risk	Loan loss rate	Loan re-payment rate
Jan	0.3%	1.0%	0.0%	99.9%
Feb	1.0%	1.7%	0.0%	99.4%
Mar	0.8%	0.8%	0.0%	99.6%
Apr	0.6%	1.2%	0.0%	99.7%
May	0.3%	0.3%	0.0%	99.9%
Jun	0.0%	0.0%	0.0%	99.9%

*delinquency defined as a loan repayment which is more than 4 days late

**Loans are written off if not repaid within 12 months

During the quarter a new position - Nisfe Jahan Finance Officer was developed and filled. The new Finance Officer is tasked with managing the loan, membership fee and Nisfe Jahan accounts. A chart of accounts for Nisfe Jahan was developed and reporting started using a manual system which is maintained in addition to the normal QuickBooks accounts. Once this NJ reporting system is finalised, training for all concerned completed and documentation done, then the process of handing over financial responsibility to Nisfe Jahan will start. This is expected to take at least 12 months.

The new indicator NCE 4.4 is designed to monitor the popularity of the loan service, higher take up in the 2nd quarter was due to many clients taking loans as part of their production work for the school



The family home - Zaheeda lives in this space with 4 children



Zarmeena coaching her children

Zaheeda understands small enterprise

Zaheeda lives in Jalalabad with her 5 children - an elder daughter at home and 4 sons in school. Her husband sells cooked maize on the streets of Kabul which earns him about \$53 per month. The family live in a tiny compound belonging to her uncle and until she joined Zardozi they had little food besides what her uncle would send them.

After training at Zardozi, Zaheeda borrowed \$90 and opened a little kiosk from the house selling sweets for the local kids. This was so successful she decided to branch out into phone cards, SIM, phone covers etc. She borrowed another \$180 and bought a solar panel and battery and now charges phones for a small fee; her eldest son goes to the bazaar on the local market day and sells more of the mobile phone accessories.

The family is now able to pay for their own food twice a day and the children have pencils and notebooks for school.

uniform TFC/new business line. Zardozi and Nisfe Jahan will consider how to improve take up of loans in the coming months.

Reintegration of clients into markets

Work continued on reintegration of clients into markets and improving data collection systems for this new indicator. The unemployment figures for the past 2 quarters have been adjusted since the previous quarterly report, as data collection and analysis has improved. Data for the reporting period (NCE 4.6) shows a marked improvement due to the hard work of regional teams who have made reintegration of unemployed clients into markets a priority over the past quarter. A reduction in the unemployment rate to a maximum of 5% will be achieved by the end of the year and maintained thereafter.

Clients per CBC

In order to make CBCs cost effective it is important to maximise the number of clients using each CBC. Zardozi and Nisfe Jahan aim for an average of 40 clients per CBC as against the current average of 34 (NCE 4.8). Increasing clients per CBC is not straightforward however, as there is a limit to the number of women from one community who can be accommodated in the local economy. Increasing the number of women in one area therefore requires skills in analysing the local market situation and identifying opportunities. Zardozi continues to strengthen these skills (see section 1.5.3).

OUTPUT A4 Business development support strengthens ASK/NJ members' business performance

Output Indicator		Achieved				Target Year 3
		Qtr 1 Oct-Dec 13	Qtr 2 Jan-Mar 14	Qtr 3 Apr-Jun 14	Total	
A4.1	Number of ASK/NJ members completing	180	192	244	616	935*

Output Indicator		Achieved				Target Year 3	
		Qtr 1 Oct-Dec 13	Qtr 2 Jan-Mar 14	Qtr 3 Apr-Jun 14	Total		
	basic business training (6 courses) (new)	Male	0	0	0	0	
		Female	180	192	244	616	935*
A4.2	Number of ASK/NJ members completing advanced business training (4 courses) (new)		76	65	73	214	165
		Male	0	0	0	0	0
	Female	76	65	73	214	165	
A4.3	Number of ASK/NJ members registering for accounts at formal institutions (total)		14	31	8	53	60
NCE 4.4	Number of loans disbursed		20	66	37		
NCE 4.6	Average quarterly unemployment		8.5%	8.4%	6.4%	6.4%	5%
NCE 4.7	Average quarterly CBC/ <i>manbeh</i> utilisation rate (% of registered clients using CBC/ <i>manbeh</i> at least once in the quarter)		55%	61%	57%	57%	50%
NCE 4.8	Average number of clients registered to each CBC/ <i>manbeh</i>		30	31	34	34	40

*Target revised upwards from 400 to 935

1.5 Marketing and market development

1.5.1 Shopkeeper markets

Average volume of monthly trade (A5.1) remains much the same as in the previous quarter. The number of buyers contracting with clients continues to increase as new clients develop new products and enter new markets. Twenty-three new buyers were added in the past quarter to bring the total number of buyers ever contracted with clients to 282 (A5.2).

1.5.2 New sectors

Including services enabling clients to engage in sectors other than garments is vital to the success of the programme for a number of reasons:

- A wider range of sectors enables more clients to be registered per CBC (see section 1.4.2)
- Engaging in more than one sector allows individual clients to improve cash flow by reducing the



Neighbour shop before and after taking advice from Zardozi/NJ

- effect of the seasonal fluctuations unique to each sector or product
- Offering a range of sectors allows clients a better chance of identifying the work that best suits their personal situation
- More sectors increases the number of women who can be absorbed into the programme

1.5.3 Domestic retail events & trade fairs

Retail events and trade fairs were restarted in the warmer weather (A5.3 and A5.5). In future Zardozi plans to link trade fairs more closely to TFC/new business lines (see Annex 1 SB4).

1.5.4 Retail and service outlets

Five more retail outlets were established during the quarter (A5.4). Small shops run from the home (neighbour shops) are becoming more popular with clients as staff learn from experience how to improve success rates. In the past quarter it was agreed that clients running shops need continuous support if they are to succeed and therefore staff now visit every shop twice monthly to check on profits and give advice and support (see inset). One of the biggest issues with new shops is that clients are often reluctant to take too large a risk and so limit their capital investment. As a result they end up under-stocking the shop leading to very small profits. Staff are working on a solution to this. Shops are a good way to increase CBC membership (see sections 1.4.2 and 1.5.3) as most CBCs can accommodate at least one neighbour shop in the area (see inset).

OUTPUT A5 Opportunities for marketing handwork products improved

Output Indicator		Achieved				Target Year 3
		Qtr 1 Oct-Dec 13	Qtr 2 Jan-Mar 14	Qtr 3 Apr-Jun 14	Total	
A5.1	Average volume of monthly trade per NJ member	49	56	55	55	42
A5.2	Number of buyers contracting with NJ members (total)	244	259	282	282	100
A5.3	Number of domestic retail events facilitated through NJ	0	3	0	3	8
A5.4	Number of new domestic retail outlets facilitated through NJ	6	2	5	13	8
A5.5	Number of domestic trade fairs facilitated	0	2	2	4	11
A5.6	Number of trade visits for shopkeepers facilitated	0	0	0	0	8

1.6 Industry association development

One feedback survey on member satisfaction with NJ services was completed during the quarter amongst Jalalabad NJ members, Jalalabad NJ office bearers carried out the survey. Out of 29 respondents, 100% reported satisfaction with Nisfe Jehan services (B2 and B2.2).

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

Outcome Indicator		Achieved				Target Year 3
		Qtr 1 Oct-Dec 13	Qtr 2 Jan-Mar 14	Qtr 3 Apr-Jun 14	Total	
B1	Number of times that NJ is profiled by external organisations	1	1	0	2	3*
B2	Percentage of female producers reporting satisfaction with NJ services	100%	97.5%	100%	100%	85%

*Target increased from 2 to 3 to include target not achieved in Year 2

1.6.1 Institutional development

New NJ members

During the reporting period an additional 244 women became NJ members (B1.1) bringing the total number of members in Nisfe Jehan to 2,740 against a planned total over 3 years of 2,778.

Democratic processes

During the quarter, Jalalabad Nisfe Jahan chapter held their annual Executive Committee elections. Each CBC held their own election for a CBC representative to the Executive Committee (12 CBCs). Overall 72% of NJ members voted in the elections. In Mazar the Executive Committee elections were held in Jan/Feb and as per the usual process the new Executive Committee spent 4 months learning how to manage meetings and shadowing Zardozi staff in order to understand what Zardozi does. In June this process was completed and the new Executive Committee held its own internal election for 5 office bearers.

Zarmeena has plans

Zarmeena has 11 children, all those of school age are in school. Her husband is a govt school teacher in Jalalabad, salary Afs 5,800. Their rent is Afs 2,000 which leaves little money for basic needs. Zarmeena was introduced to Zardozi in 2009 and works for 2 shopkeepers and her neighbours and now she has accepted a job with a small NGO teaching tailoring to other women which she is going to do in addition to her current work.

She uses her money to buy the books and pencils her children need for school but she is also saving her money as she says she is going to buy the family their own house.

Handover of responsibilities

During the quarter discussions continued with Executive Committee members regarding opening small NJ regional offices. In addition Executive Committee members agreed to take over budget

and marketing for successful woman celebrations (see section 1.6.3). In Kabul these practical increases in responsibility brought about a marked change in the attitude of Executive Committee members. They have now taken over the responsibility for calling each other as a reminder about meetings, they no longer complain about time wasted attending meetings, they acted as hosts for the recent successful woman celebration as though they truly felt ownership of the event and ever since then they have started treating the Zardozi office kitchen as their own responsibility providing tea for meetings themselves if kitchen staff are busy. After their visit to the Ministry of Justice to renew NJ registration, they also set up the required minute book themselves and are discussing how to improve contact between regional NJ chapters.

OUTPUT B1 Industry association has progressed in institution building

Output Indicator		Achieved				Target Year 3	
		Qtr 1 Oct-Dec 13	Qtr 2 Jan-Mar 14	Qtr 3 Apr-Jun 14	Total		
B1.1	Number of registered ASK/J members (new)	180	192	244	616	935	
B1.2	ASK/NJ is registered with GOA	0	0	0	0	0	
B1.3	Number of ASK/NJ elections for office bearers facilitated	0	4	4	8	7*	
B1.4	Number of ASK/NJ members receiving training in institution building, democratic principles and leadership		174	188	245	607	935**
		Male	0	0	0	0	0
		Female	174	188	245	607	935**
B1.5	Percentage of ASK/NJ management and accounting tasked for which ASK office bearers have responsibilities	30%	30%	30%	30%	15%	
B1.6	Number of memberships obtained with global handcraft/homework affiliates	0	0	0	0	1	

*Target revised from 5 to 7

**target revised from 220 to 935

1.6.2 Support to members

New member service

During the quarter Zardozi started a new service (B2.1) for clients – twice monthly visits to support all neighbour shops and beauty parlours (see section 1.5.4).

Feedback surveys

Zardozi provides a service through the CBCs whereby clients can request support to reintegrate into the market. Many clients find that they have lost their market for a variety of reasons, for example the product they were making has gone out of fashion, they themselves were ill for sometime or they are no longer satisfied with the income they are making. During the quarter Jalalabad Executive Committee members carried out a survey on member satisfaction with this service, results are show in Table 2.5.1 below.

Table 2.5.1 Results of 1 feedback survey on re-employment services

	Jalalabad Regional Office
No. of women interviewed	29
Comments on the service	
Zardozi should employ us directly	48%
Zardozi should find us more orders including in other provinces	6%
Zardozi should buy us embroidery machines and link us to that market	3%
Satisfaction with Zardozi/NJ services overall	
Percentage of respondents satisfied	100%

OUTPUT B2 ASK/NJ members have improved understanding of their business needs and are able to design ASK services accordingly

Outcome Indicator		Achieved				Target Year 3
		Qtr 1 Oct-Dec 13	Qtr 2 Jan-Mar 14	Qtr 3 Apr-Jun 14	Total	
B2.1	Total number of services provided by NJ to members	16	16	17	17	18
B2.2	Number of member feedback surveys on specific services	1	4	1	6	8

1.6.3 Civil society role development

Successful women celebrations

Three further celebrations were held (B3.2). The consultancy to assess Zardozi/NJ success in motivating women through these events was delayed until August due to non-availability of the selected consultant. New guidelines were developed for holding Successful Woman celebrations involving greater responsibility for NJ members both in administration and management of the event (see Section 1.6.1).

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

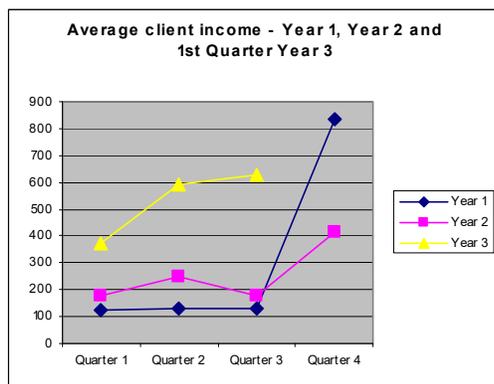
Output Indicator		Achieved				Target Year 3
		Qtr 1 Oct-Dec 13	Qtr 2 Jan-Mar 14	Qtr 3 Apr-Jun 14	Total	
B3.1	Number of NJ members trained on	191	69	26	286	220

Output Indicator		Achieved				Target Year 3
		Qtr 1 Oct-Dec 13	Qtr 2 Jan-Mar 14	Qtr 3 Apr-Jun 14	Total	
	rights, gender and civil society	Male	0	0	0	0
		Female	191	69	26	286
B3.2	Number of NJ members contributing to civil society events		2	4	8	14
B3.3	Number of civil society events organised by NJ		1	2	3	6

1.7 Impact

1.7.1 Income data

Average client income increase over baseline by quarter, Year 1, Year 2 and Year 3



	Year 1	Year 2	Year 3
Quarter 1 October - December	123%	178%	374%
Quarter 2 January -March	130%	248%	590%
Quarter 3 April - June	132%	178%	629%
Quarter 4 July - September	836%	413%	

The chart given above demonstrates that average income varies considerably during each year. Although there is a recognisable trend across the three years, it is not clear which of the many variables affecting women's sales income, is responsible.

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

Outcome Indicator		Achieved				Target Year 3
		Qtr 1 Oct-Dec 13	Qtr 2 Jan-Mar 14	Qtr 3 Apr-Jun 14	Total	
1	Average increase in income of NJ members	374%	590%	629%	629%	50%
2	Average increase in income of lead NJ member business women	1,268%	1,811%	1,271%	1,271%	60%

1.7.2 FTE and earning data

The total FTEs for the second quarter was 408 (A1.3A) bringing the total for the contract year to 1,018 against a target for the year of 2,870.

1.8 Operational constraints

During the quarter finding new clients was particularly challenging as families and women themselves were nervous about going into public space where insecurity, due to tensions over the elections, was viewed as at a high level.

1.9 Monitoring & evaluation

As recommended by the M&E consultant, Zardozi prepared a TOR for the task of upgrading the M&E MIS, currently in Excel, using an open source system. Interested companies were evaluated following standard operating procedures and with the participation of the M&E consultant. The most appropriate bid was selected and work will start after Eid. During the quarter, RSI Ltd was tasked by DfID with assessing the quality of Zardozi M&E data, Zardozi M&E cooperated with RSI over many weeks and learned some useful lessons in the process.

1.10 Financing Zardozi Programme

1.10.1 DFID Oxfam Novib contract

The current contract with Oxfam Novib and DFID will be completed on 14th September 2013. In February Zardozi submitted through Oxfam Novib an application for a no cost extension (NCE) of the contract to utilise unspent funds at the end of the project. DFID has accepted the application for extension until 31st March 2015 and is still processing it. At the request of DFID a budget for the NCE was submitted to Oxfam in April and targets for the NCE in June.

DFID has not yet agreed to accept a proposal for Phase 2, although this is ready. Although DFID speak positively of Zardozi and indicate their willingness to provide further funding, it is of concern that even if DFID agree to the NCE, it is unlikely that new funding, even DFID funding, can be found by end March 2015 which means that once again Zardozi will have a shortfall in funds and be looking to Oxfam and DFID to provide a solution.

1.10.2 Expenditure against contract

Zardozi continues to under spend against budget primarily because Zardozi is in the habit of preparing generous budgets in order to cover for shortfalls in donor funding. Zardozi is discussing with Oxfam Novib how to develop more professional funding strategies so that generous budgets are no longer part of the funding strategy.

Table 1.10.1 Zardozi Programme, budget and expenditure for Year 3, Oct '13 – Jun '14 (3 quarters)

US \$

	Revised budget (9 months)	Actual expenditure	Expenditure as % of 9 months budget	Unspent balance	Comment
Main Office	155,507	172,445	111%	-16,939	Main Office rent paid in advance has taken this over budget
Programme management	614,334	402,803	66%	211,531	2% improvement in expenditure (increase) since last quarter
Regional operations	763,676	460,060	60%	303,616	8% improvement in expenditure (increase) since last quarter
Overheads	163,814	132,577	81%	31,237	
	1,697,330	1,167,885	69%	529,445	

Table 1.10.2 Calculation of the expected unspent balance at the end of contract

US \$

	Budget	Actual	Balance remaining
Contract Year 1*	0	0	0
Contract Year 2 (Apr-Sep '13)	833,320	567,909	265,411
Contract Year 3 (Oct '13 – Sep '14)**	2,263,104	1,517,055	746,049
Total remaining end of contract	3,096,424	2,084,964	1,011,460

*the contract with DfID was revised in March '13 and the remaining balance from Year 1 was not carried forward under the new contract

**Actual includes actuals for the 3 quarters and estimate for the remaining one quarter

Table 1.10.2 indicates an estimated unspent balance at the end of the contract of \$ 1,011,460 – an increase of over \$150,000 since the last estimate of the under spend.

2. Zardozi Enterprise

2.1 Status of ZE

Zardozi Enterprise benefited from a series of consultations with enterprise development experts who suggested that one way to resolve the structural issues between Zardozi and Zardozi Enterprise was to register a charitable entity in another country which would then own Zardozi Enterprise as a company with a memorandum of understanding that all profits from ZE will be dedicated to promoting market linkages for poor Afghan women; Zardozi is now considering this option.

The sales income through Ganjina and Q-Kabul has been poorer than predicted since January 2014 due to insecurity and perceived insecurity around the election issue. In order to manage decreased income, ZE has reduced costs in Peshawar again and this time also in Kabul. Although both Peshawar and Afghanistan operations have also increased marketing efforts, the balance between income and expenditure is not improving and if the situation does not improve then next quarter it may be necessary to take further action on this.

2.2 Grant from US Embassy Kabul

The US Embassy had minimal communication with project team during the quarter. The project continues however with a lot of benefit to the four smaller partners plus Silk Road Bamiyan, Shugufa and ZE. With regard to the other project participants – PARSA does not need assistance as they have plenty of other donors and it is very difficult to assist Zarif as they continue to focus on cash injections to the business. Boumi, for reasons not related to the project, closed its retail business during the quarter and are therefore no longer part of the project. The project informed the US Embassy of this but there has been no response.

2.3 Summary of ZE accounts

Tables 2.3.1 and 2.3.2 show that although gross profit for the period April-Jun is not significantly different from Jan-Mar, the losses to ZE are considerably reduced because overheads have been more than halved by cuts and down sizing in both Kabul and Peshawar.

Table 2.3.1 Comparison of Income and Expenditure 2013 and 2014

US \$

	April-June 2012	April-June 2013	April- June 2014	Change 2013-14	% Change 2013-14
Sales	76,195	69,579	22,016	(47,562)	-68%
Partner's Income*	11,880	6,207	5,009	(1,198)	-19%
Total Income	88,075	75,786	27,025	(48,761)	-64%
COST OF GOODS SOLD	19,845	13,133	9,560	(3,573)	-27%
GROSS PROFIT	68,230	62,653	17,465	(45,188)	-72%
OVERHEADS	62,439	43,031	24,882	(18,149)	-42%
Net Ordinary Income	5,791	19,622	(7,417)	(27,039)	-137%
Exchange Gain/Loss	1,670	0	0	0	0
Total Other Income	572	568	340	(228)	-39%
Net Income	8,033	20,190	(7,077)	(27,267)	-135%

* Payment by partners in Ganjina as share of overhead costs including rent

Table 2.3.2 Breakdown of Sales income

US \$

	April- June 2013	April- June 2014	% difference
Shop Sales	23,121	9,028	-61%
Income from Ganjina consignment partners	1,265	1,089	-14%
Export sales	27,152	6,222	-77%
Trade Sales	18,041	5,677	-69%
Total Sales	69,579	22,016	-68%

Annex 1 Progress against recommendations - Mid-term Review

Recommendations for be completed in 3-9 months

		Recommendation	Timeframe 3-9 months	Progress up to end Mar 2013
Business categories	SA1	Zardozi programming would benefit from formalizing a needs assessment process and pinpointing the priority services for each business category. This can be achieved by documenting observations of staff and conducting a client survey. This would enable Zardozi to assess target services to each category – using both existing services and expanded services based on the needs evaluation.	evaluation of service needs would ideally be completed in the next 6 months	Further developments completed
	SA2	It could be helpful for staff to create documentation (possibly a handbook), which describes the characteristics of clients in each of the business categories (including needs) and outlines the differentiated strategy for each segment.	documentation could follow on the above recommendation's evaluation and be prepared as rollout of services is planned and being launched	Documentation started
Trade Facilitation Centres	SB1	Develop criteria for the selection of a commercialization partner.	Next 3 months before commercialization of Baby Sets and PTs begins.	Peron tumban started as first TFC/new business line in Jalalabad
	SB2	Baby Sets are ready for commercialization, and following a transition plan, Zardozi will be able to support the sale agent / trader to take over production and marketing as diagrammed in Figure 4.	During the next 6 - 9 months.	
	SB3	Market surveys should be conducted for the potential next test / proof of concept product in each location. Once selected, the Zardozi TFC proof of concept strategy can be followed in a step-by-step manner.	The next products for TFC proof of concept and commercialization are currently being studied (school uniforms, women's shirts) and this can be completed in the next 3-6 months.	School uniforms (survey completed previously) were launched in the past quarter
	SB4	For TFC products but not limited to them, it is recommended that alternative forms of exhibitions and trade fairs are considered – varying the location, the promotion and the setup to appeal to retailers and wholesalers who can offer a multiplier effect in opening up markets. There may also be other trade fairs and exhibitions where Zardozi can have a single booth to represent TFC products or others with mass production potential.	Ongoing market exploration and taking advantage of opportunities as they arise.	A school uniform trade fair is under consideration for the next quarter
Loan Fund	SC1	Head office should visit each regional office and review their loan fund information to make sure it is accurate and matches the information available in head office. If there are any discrepancies these should be reviewed. Capacity building may be needed in some cases.	Immediate action to ensure records are accurate and would stand up to an external audit.	By Dec '13, manual, audit and capacity building completed. Next steps waiting until Chief of Finance receives basic technical training in microfinance

		Recommendation	Timeframe 3-9 months	Progress up to end Mar 2013
	SC2	Develop the financial capacity of the Executive Committee Members of Nisfe Jehan so that over time they can manage the loan fund account and loan fund application process. A business module and workshop along with mentoring would be ideal strategies for a transition.	See individual capacity building recommendations for the NJ ECM outlined in the NJ section above.	Process of discussing with NJ started
	SC3	Prepare a policy and procedures manual for all aspects of the loan, ensuring strong management and preparing it for growth.	Prior to loan fund expansion in the next 6-12 months.	By Dec '13 completed and distributed to regions
	SC4	Transfer back the JRO member fees to the membership account.	Immediately	Completed

Recommendations for be completed in 6-12 months

		Recommendation	Timeframe 6-12 months	Progress up to end Dec 2013
Business categories	MA1	Zardozi remove the silver category, and re-categorize silver clients as either bronze or gold. As services offered by Zardozi become more targeted, this will avoid confusion and will streamline service delivery.	Recategorization can be accomplished within the next 6 to 12 months, as services are reviewed and redesigned.	completed
Trade Facilitation Centres	MB1	It is recommended that the role of TFCs within Zardozi be a 'laboratory' for market development initiatives that will lead to commercialization if a product line passes the proof of concept stage. In order to pursue this path in a consistent manner, it is further recommended that Zardozi develop a step-by-step strategy for a Zardozi TFC laboratory and the eventual commercialization of successful products (see Figure 4).	If acceptable, the process can be adapted and adopted now, and staff can be oriented to the process –with Baby Sets being the first focus in Phase 1.	Documentation started, workshop to discuss methods of handover to client management scheduled for next quarter
	MB2	Continue to develop PT production and marketing, monitoring market growth and potential, including profitability for producers, traders, and others in the chain. If viable, pilot a separate entity within Zardozi that can be spun off into a separate business.	Development to continue throughout Phase One	Options still under discussion since the viability of the peron tumban markets is new in question
	MB3	Develop a model for reaching national and other regional markets through a combination of sales agents and established traders/distributors/retailers.	Dependent on the commercialization of Baby Sets beyond Kabul	Options still under discussion
Loan Fund	MC1	The loan fund should be expanded – perhaps doubled – over the next year – and then monitored for continued expansion.	Once solidified, the loan fund can be expanded over the next 12 months and monitored for six months to the end of Phase One.	Increase of almost \$14,000 between March and May 2014 (77% increase in 3 months)
	MC2	Ensure the loan fund is understood and promoted accordingly. Consider a poster for each <i>Manbeh</i> that outlines loan criteria for all to see.	As the loan fund is being tidied up and prior to expansion in the next 6-12 months, awareness raising can begin.	Awareness raising of staff and clients on-going through CBC
Nisfe Jehan	MD1	Assess the viability of a voucher system whereby monthly paid up members receive coupons for ongoing services. Do not offer vouchers for back payments on membership fees.	Pilot a voucher system in one region in the next 6-12 months	Introduction of voucher system delayed as it is unpopular at this stage, will be discussed again when payment systems

				are more settled
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Recommendations for be completed in 18 months

		Recommendation	Timeframe 18 months	Progress up to end Dec 2013
Nisfe Jehan	LA1	Setting clear and realistic expectations of what the Executive Committee can do and contribute will assist in the development of NJ. Consider developing a document which outlines the short and medium term objectives of NJ and the Executive Committee Members' roles and responsibilities; identify the skills needed to manage those responsibilities and outline specific trainings or strategies to transfer the necessary skills to the NJ Executive Committee Members. In the medium term, consider creating a paid position within NJ which could be held by a strong or talented ECM in each regional chapter. This would help mitigate some of the transient nature of the ECMs who may come and go and leave capacity gaps within the Executive Committee. It would also continue to move the ownership of the organization from Zardozi to the members.	The capacity building of NJ ECMs can be designed and started within the next 18 months.	Formal discussions on capacity development started with Kabul NJ chapter a strategy workshop scheduled for after Eid.
	LA2	Set clear intermediate goals for NJ and separate Zardozi services from NJ services. Create an internal MOU which outlines roles and responsibilities for each organization (step 3 in the process found in the next recommendation). It may not be realistic in the near to medium term for NJ to be able to coordinate services such as trainings or market linkages, but they could, for example, start to manage more aspects of the <i>Manbehs</i> , exhibitions and the loan fund.	The strategic decisions of which services to allocate to NJ (as opposed to maintaining them within Zardozi) as well as the establishment of the plans for transfer can be achieved in the next 18 months.	
	LA3	Develop a process for setting reasonable objectives for Nisfe Jehan and delivering results, grounded in a realistic understanding of the environment and capacity of the members. Figure 3, outlines a potential process for transfer of responsibilities to NJ ECMs. The process begins by assessing the capacity of members, establishing short and medium term goals for NJ, and clearly delineating the roles and responsibilities for NJ and Zardozi. The process continues based on the identified roles and responsibilities of NJ, the capacity needed to manage these, and a capacity development plan for ECMs. As the ECMs are shepherded through the process by Zardozi and gain capacities, Zardozi can start to transfer full responsibilities for specific activities and services to NJ. Once the stated goals are achieved or well on the way, the process starts again with the evaluation of the enhanced capacity of NJ members.	This process can be established within the next 18 months and continue to be used in an iterative fashion into the next project phase. The previous recommendation outlines some of the short to medium term responsibilities which could be initially evaluated and transferred.	
	LB1	Membership fee payments may be more consistent if fees are directly linked to access to services. A potential approach to this would see the ECMs involved in the month-to-month collection of fees, and designation of fixed amounts to specific services. For example, 75 Afs per week per <i>Manbehs</i> could be earmarked for the weekly <i>Manbeh</i> services (cutting, patterns, use of space, etc). Every month, the ECM would be responsible to sign over the payment to Zardozi. This would clearly establish that services have costs, as well as the purpose of the fees. Remaining funds could then be allocated to activities or services as	This strategy will require planning and capacity building of ECMs, but can be accomplished within the next 18 months.	Pilot project expanded to include 2 more CBCs.

		Recommendation	Timeframe 18 months	Progress up to end Dec 2013
		decided by the ECMs such as exhibitions. Here, NJ could contribute a portion of the costs of an exhibition while Zardozi would still need to co-fund such activities for the foreseeable future. ECMs would be expected to assess the needs or expectations of their <i>Manbeh</i> members for these services and therefore represent them when fund-allocation is decided.		
	LB2	Support talented women who are willing to invest and to become neighbourhood service providers. Upgrading the skills of potentially strong service providers would allow for increased income flow to these clients, while at the same time providing women with access to needed services within their own neighbourhoods in a culturally acceptable manner. This transfers the onus of responsibility for operation, maintenance and quality control of services to market based operators who are generally better positioned to respond to market demand.	This activity can be launched within the next 18 months, but will require time in the next phase of the project to be solidly established and replicated.	Pilot project on-going
	LB3	In order to strengthen the representative nature of the ECM's role, the Mazar/Jalalabad model of ECM selection should be applied in all regions. Having one ECM per <i>Manbeh</i> makes it easier for all clients to at least know their ECMs and be able to access and pass feedback more easily. As membership grows there may eventually be too many <i>Manbehs</i> and corresponding elected representatives to have an effective committee in each region. If or when this number is reached (recommended 20 to 25 committee members should be the upper limit) different strategies should be evaluated, by looking at governance approaches of other membership-based organizations. One potential approach would be to create a two-tiered approach with a larger general committee which meets less often and a smaller executive committee which meets once a month – a variation on the current model of EC and office bearers.	The standardized approach can be rolled out across all regions within the next 18 months.	Completed during NJ elections in 2013
	LB4	This new development should be clearly identified as a pilot to avoid rolling it out in other areas before establishing if it presents a stronger model than the mixed union approach. If it is judged to be a more beneficial approach, a clear plan will need to be prepared for those women who are not Copper Tailors.	The Copper Tailors' Union pilot should run for up to a year with a thorough evaluation of the strengths and weaknesses of this alternative model.	Copper Tailors Union idea dropped
	LB5	As described above, the executive committee for NJ needs to be introduced to basic financial responsibilities. These should include costs of services, monthly fee collection, contribution to the payment of certain services, costs of activities such as exhibitions etc. Financial understanding is a crucial first step towards financial management. Zardozi will still bear the responsibility of funding the majority of costs for NJ.	In the next 18 months, capacity building of the ECMs in financial management can be achieved and a concerted effort to normalize monthly fee payment may be accomplished.	Formal discussions on capacity development started with Kabul NJ chapter a strategy workshop scheduled for after Eid.

Annex 2 Establishment of small business startups through TFC/new business lines

For more discussion of this issue see Section 1.3.1

Stages in handover to client management

Stage	% handover to client management	Ownership	Inputs	Skills	Finances	Order management	Shipping	New orders
Proof of concept	0%	Zardozi owns 100% and works with clients as producers	Zardozi will provide the inputs at cost and may not include cost of transportation. Cost is recovered from clients after sale	Skills training provided to all clients and their producers	All finances managed by Zardozi	All order management done by Zardozi	Done by Zardozi	Done by Zardozi
First stage	25%	Divided between Z and one or two clients (Z takes a management fee)	Zardozi will provide the inputs at cost and may not include cost of transportation. Cost is recovered from owner client(s) after sale	Skills training provided including training of trainers for client	Loans provided (for a fee)	Done by Zardozi with training to client	Done by Zardozi with training to client	Done by Zardozi with training to client
Second stage	50%	100% by client (Z takes a small management fee)	Zardozi can purchase inputs but using client money	Skills training available for a fee	Loans are available	Done partially by client and part by Z	Done partially by client and part by Z	Done partially by client and part by Z
Third stage	100%	100% by client (profits all to client)	Client owner pays Zardozi market rates for assistance with suppliers	Skills training available for a fee	Loans are available	100% by client Advice is available for a fee	100% client Support available for a fee	100% client New orders service available for a fee

The difference between the three stages is as follows:

First Stage	Next stage	Difference
Proof of Concept Zardozi is working with many clients equally	First stage Zardozi is working with selected Owner Clients	<ul style="list-style-type: none"> One client, several clients or a group of clients must agree to take over the TFC. An agreement is needed with them as to who is responsible for each of the responsibilities listed above and what Zardozi will do and what the clients will do. Zardozi will invest resources in training the clients to take over
First stage Owner clients do not have to risk own money (even loan money)	Second stage Owner clients advance money (even if borrowed) for purchases and thus manage some risk themselves	<ul style="list-style-type: none"> Owner client will use own money (even if it is a loan from Zardozi) to provide credit to suppliers, buyers etc Owner client will have share in all responsibilities such as quality assurance, new orders, shipping, design development etc
Second stage	Third stage	Owner client can still depend on Zardozi but will pay for each service provided.

	All risk belongs to the owner client	
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Annex 3 Targets and milestones for proposed no cost extension period

Introduction

Zardozi current financial estimates suggest that the project will be under spent by approximately GBP 550,000 in total by the end of the contract implementation period (15 September 2014). Zardozi has therefore requested DfID for a no cost extension of the project for the period 16th Sep '14 to 31 March 2015. The rationale for this request is three-fold. Zardozi seeks to ensure:

- i. Continuity of the project implementation between the current project end date of 15 September 2014 until new funds are likely to be secured for 2015;
- ii. Implementation of all activities to ensure that agreed project targets are met;
- iii. That recommendations from recent project and organisation assessments are followed and integrated into project and organisational management processes.

Slow down in project implementation as a consequence of the 2014 Afghan Presidential and Provincial council elections is not unexpected and has already been observed as, for example, economic uncertainty has negatively affected local-level markets, making it more difficult for Zardozi to attract the anticipated number of new clients into the programme in the first quarter of this calendar year.

In addition, a longer implementation period will provide Zardozi with the opportunity to make the most effective and sustainable use of the investments made by Oxfam and DfID over the past two years. This includes improving Zardozi's capacity to deliver effective results based on implementing key recommendations derived from the mid-term review completed in July 2013, which highlighted the key challenges Zardozi faces in both nurturing a truly sustainable and self-governing, grass-roots business support organisation, as well as in developing a cost-effective business support system that not only integrates substantial numbers of poor and uneducated women into the market, but also is able to maintain and strengthen their market engagement over time. In order to overcome these challenges, the mid-term review outlined a number of steps, achievement of which require not only staff capacity development but also investment in research and development of new implementation strategies. While Zardozi has started to implement these improvements, this work diverts key staff away from working on achieving logframe targets, which has contributed to the delayed implementation of the project and the current under-spending.

The following document details achievements and catch up over the NCE period. The document also details new targets for those activities which will continue either because they are integral to the functioning of Zardozi and Nisfe Jahan or they are needed to realise the recommendations of the midterm review. These new targets do not therefore constitute an expansion of the programme rather a deepening and strengthening of the relationship between Zardozi and Nisfe Jahan and between Nisfe Jahan and business clients.

Targets and milestones

2.1 Product development

2.1.1 *New production systems and business models*

- A2 - New business lines (previously referred to as trade facilitation centres) as suggested by the mid-term review, are a major focus in the drive to expand the market areas available to clients and in consequence 4 new targets have been set for the NCE period (NCE 3-6)
- NCE 7 – until now there has not been an overall estimation of the number of women sustainably linked to markets by the programme, this indicator will clarify the situation

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

Outcome Indicator		3 year target 15.09.14	3 year achievement (expected 15.09.14)	Total 31 March '15
A1.3A	Number of FTEs created for men and women by the program	Male		7,140
		Female	6,720	
NCE 3	Total number of clients employed in new business lines	-	-	120
NCE 4	Total number of home workers employed in new business lines	-	-	240
NCE 5	Number of new business lines handed over to client management	-	-	2
NCE 6	Total quarterly sales income from new business line incubation (\$)	-	-	10,000
NCE 7	Total number of women working with the programme (NJ members plus home workers)	-	-	8,000

- A1.3 - The workshops needed at Community Business Centre (previously known as *manbeh* or design resource centre) (CBC) level now include additional sectors beyond garment design workshops;
- A1.4 - Design resource access points are now referred to as CBCs as they offer services additional to design.

OUTPUT A1 Product types and styles developed respond to customer preferences

Outcome Indicator		3 year target 15.09.14	3 year achievement (expected 15.09.14)	Total 31 March '15
A1.1	Number of design input collections developed	24	36	48
A1.3	Number of design (<i>now known as skills development</i>) workshops facilitated	30	40	46
A1.4	No of design resource access points (<i>now known as community business centres</i>) for NJ members established	44	80	95

2.1.2 Increased volume and value of production

- A2.2 - Order management needs to continue in order to support women expanding their businesses

OUTPUT A2 NJ members have increased volume and value of production

Outcome Indicator		3 year target 15.09.14	3 year achievement (expected 15.09.14)	Total 31 March '15
A2.2	Number of NJ members trained in order management		500	625
		Male	40	
		Female	460	

2.1.3 Product quality

OUTPUT A3 Product quality satisfies buyer requirements

Outcome Indicator		3 year target 15.09.14	3 year achievement (expected 15.09.14)	Total 31 March '15
A3.2	Number of women satisfactorily achieving agreed skills standards through skills training	4,400	4,160	4,571
A3.3	Number of NJ members branding products based on NJ production standards	275	294	414

2.2 Business skills development

2.2.1 Strengthening business support services

Zardozi Financial Services

- Standard indicators for tracking the health of the loan portfolio have been added to Zardozi's internal monitoring systems (see below). Two new indicators with targets have been added to the logframe NCE 4.4 and NCE 4.5.

Loan Portfolio Indicators

Delinquency	Maximum 0.1%
Portfolio at risk	Less than 2.00%
Loan loss rate	Maximum 1%
Loan repayment rate	Minimum 95%

- NCE 4.4 – the loan fund will be expanded during the NCE as recommended by the mid-term review
- NCE 4.5 - Clients will, as recommended by the mid-term review, have the option of saving with NJ or with a formal banking institution

Sustainability of services

As recommended by the mid-term review, Zardozi will be focusing on building up the sustainability of NJ during the NCE period. The first step is to maximise CBC cost effectiveness and cost recovery; new indicators and targets are given below to track this.

- NCE 4.6 - Since this contract started Zardozi started tracking unemployment rate amongst clients, some of this unemployment cannot be addressed by the programme eg. illness, marriage etc but some can be reversed if clients use NJ services. It is planned to keep unemployment at or below 7%
- NCE 4.7 – it is planned to use this indicator to track the extent to which CBC services are regarded as useful by clients
- NCE 4.8 – one of the keys to cost recovery is to ensure maximum number of women (from various business sectors) are registered to each CBC

OUTPUT A4 Business development support strengthens NJ members' business performance

Outcome Indicator		3 year target 15.09.14	3 year achievement (expected 15.09.14)	Total 31 March '15
A4.1	Number of NJ members completing basic business training (6 courses)	960	1,911	2,195
	Male	0	0	
	Female	960	1,911	
A4.2	Number of NJ members completing advanced business training (4 courses)	397	757	857
	Male	47	0	
	Female	350	757	
A4.3	Number of NJ members registering for accounts at formal institutions	125	150	170
NCE 4.4	Number of loans disbursed	-	185	285
NCE 4.5	Number of clients starting savings with NJ	-	-	20
NCE 4.6	Average quarterly unemployment	-	-	7%
NCE 4.7	Average quarterly CBC utilisation rate (% of registered clients utilising CBCs at least once per quarter)	-	-	50%
NCE 4.8	Average number of clients registered to each CBC	-	-	40

2.3 Marketing and market development

- NJ members are eager for retail events and will cover more of the costs themselves in future
- Retail outlets now include beauty parlours and home shops of many varieties eg. groceries, electronics etc

- NCE 5.7 – this new indicator has been included in order to track the extent to which marketing opportunities have been identified in new sectors and taken up by clients

OUTPUT A5 Opportunities for marketing handwork products improved

Outcome Indicator		3 year target 15.09.14	3 year achievement (expected 15.09.14)	Total 31 March '15
A5.3	Number of domestic retail events facilitated through NJ	16	25	33
A5.4	Number of new domestic retail outlets facilitated through NJ	19	29	45
A5.5	Number of domestic trade fairs facilitated	29	24	33
A5.6	Number of trade visits for shopkeepers facilitated	17	9	17
NCE 5.7	Average number of business sectors per CBC	-	-	2

2.3.5 Market research

2.5 Industry association development

Feedback surveys will continue as they are a useful way for NJ and Zardozi to gauge member satisfaction and to take necessary action when there are complaints.

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

Outcome Indicator		3 year target 15.09.14	3 year achievement (expected 15.09.14)	Total 31 March '15
B1	Number of times that NJ is profiled by external organizations	6	4	6
B2	Percentage of female producers reporting satisfaction with NJ services	85%	97%	85%

2.5.1 Institutional development

- B1.1 - New NJ members will continue to join NJ during the NCE period
- B1.3 - NJ will continue to hold elections as the terms of office of office bearers expire
- B1.4 - As new NJ members join they require training in order to understand the NJ institutional process
- NCE 1.7 – a new indicator developed to track the extent to which selected CBC costs are being covered by revenue from service fees. This also tracks the extent to which CBCs are being made more cost effective
- NCE 1.8 - a new indicator developed to track the extent to which selected NJ costs are being covered by revenue from service and membership fees
- NEC 1.9 – During the NCE period NJ will progress towards an independent status by opening regional offices for each NJ regional chapter
- NCE 1.10 – As recommended by the mid term review, NJ office bearers and leaders will receive intensive management and financial training during the NCE
- NCE 1.11 – tracking progress towards NJ self-management

OUTPUT B1 Industry association has progressed in institution building

Outcome Indicator		3 year target 15.09.14	3 year achievement (expected 15.09.14)	Total 31 March '15
B1.1	Number of registered NJ members (new)	2,730	2,730	3,014
B1.3	Number of NJ elections for office bearers facilitated	11	13	17
	Number of NJ members receiving training in	540	1,899	2,049

B1.4	institution building, democratic principles and leadership	Male	40	0	
		Female	500	1,899	
NCE 1.7	Average quarterly CBC cost recovery		-	-	7%
NCE 1.8	Average quarterly NJ cost recovery		-	-	10%
NCE 1.9	Number of NJ regional offices established under NJ management		-	-	3
NCE 1.10	Number of NJ office bearers taking management and/or financial training		-	-	40
NCE 1.11	Number of NJ regional offices managing own finances		-	-	3

2.5.2 Support to members

- B2.2 – Feedback surveys will continue as they are needed to ensure services are responsive to client needs and to identify problems

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

Outcome Indicator		3 year target 15.09.14	3 year achievement (expected 15.09.14)	Total 31 March '15
B2.2	Number of member feedback surveys on specific services	20	20	24

Civil society role development

- Training on rights, gender etc will continue for new members joining NJ
- As part of the development of NJ as recommended by the mid term review, civil society events will continue and during NCE period will come under the management of NJ

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

Outcome Indicator		3 year target 15.09.14	3 year achievement (expected 15.09.14)	Total 31 March '15
B3.1	Number of NJ members trained on rights, gender and civil society			
		Male	25	
		Female	500	660
B3.2	Number of NJ members contributing to civil society events	47	47	57
B3.3	Number of civil society events organised by NJ	10	11	19

3. Impact

3.1 Income data

Monthly income varies widely; major variables include business category, season, product, client experience, state of the local economy and business sector. It has been observed that the large number of confounding variables means that average increase in income does not steadily increase after the first few months of working. Average income increase is therefore much higher in some quarters than in others. For this reason average increase in income is calculated using average baseline income as the base.

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

Outcome		3 year target	3 year achievement	Total
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Indicator		15.09.14	(expected 15.09.14)	31 March '15
1	Average increase in income of NJ members	265%	590%	400%

Annex 4 Staff training needs assessment

ZARDOZI, AFGHANISTAN

**STAFF TRAINING NEEDS ASSESSMENT
Short-term mission report, April 26 – May 5, 2014**

Final Report

Ruxandra Boros, Consultant

June 8, 2014

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ITC ILO WED Training Package: **Error! Bookmark not defined.**

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3. You and Small Business Trainer’s Module (Dari) **Error! Bookmark not defined.**
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ABBREVIATIONS AND ACRONYMS **Error! Bookmark not defined.**

EXECUTIVE SUMMARY

The current assignment is the result of the realization by Zardozi that it needs to revise its training policy, regarded as an essential input for allowing its staff to meet their objectives. Zardozi is facing several challenges, in addition to its ambitious pioneering work to serve Afghan low-income women clients through the promotion of entrepreneurship and access to markets on their behalf. These include a reduced level of human capacity in potential employees, especially women, high illiteracy levels, and a lack of business acumen.

These challenges are reflected to some extent in Zardozi's staff. While some employees are well educated, the vast majority lack advanced education, especially in business, and by and large they have an "uneven" educational backgrounds. However, many employees are currently completing their degrees through continuous education, thanks to a great extent to Zardozi's generous staff education support policy. Moreover, due to Zardozi's objective to support women clients, all field staff working with them should be women, for cultural reasons particular to Afghanistan.

The NGO has developed a comprehensive training program for staff and clients and is conducting numerous trainings to help staff meet their objectives. However, Zardozi feels that its training policy is still inadequate to respond to staff's training needs. The current mission has assessed staff's capacity and their training needs and it is obvious that staff needs to increase and deepen the amount and quality of training they receive to enable better performance. Especially many staff lack a real understanding of what business is about, and thus fail to help clients become good entrepreneurs.

The Plan for providing training to staff developed as part of this consultancy aims to propose to Zardozi a systemic approach for training of its staff in such a way so as to ensure a general understanding by all staff of the issues involved at the core of Zardozi's activities.

The Training Plan is articulated around four layers. Layer One, a short training targeted at all employees aims to explain core values of Zardozi and is considered as an "induction training to be taken by all employees. It is to be given in two formats, one for senior and management staff, and a simplified version of the latter to support staff.

Layer Two training recommends the provision of business awareness and gender training to all staff working with clients. The author of this report suggests as training package on this subject a manual developed especially for Afghan women by the International Centre of the International Labour Organization, available in the Appendix of this report in both Dari and English.

Layer Three training refers to specialized modules needed for different employees to accomplish their tasks and finally the Level Four training is in literacy, Information Technology (IT) and English. It is recommended that Zardozi adopt a zero level tolerance for illiteracy among staff. This does not preclude the NGO from hiring illiterate staff, but it encourages it to request illiterate staff to become literate if they want to continue being employed by Zardozi. As a corollary, the NGO will provide itself or will subcontract the provision of basic training in IT and English to most employees.

It is further suggested that Zardozi calls the totality of its training given to staff "The Zardozi Academy" to "build a unity" and to increase the appreciation of its training in the eyes of the staff and outsiders. Additionally to seek accreditation for its training and give diplomas to staff undertaking the training, thus increasing the motivation of the employees both in taking the training and in meeting their goals.

The Training Plan outlined above represents a major breakthrough for Zardozi and also a large investment for the organization. By providing this training Zardozi can ensure that its staff will effectively and efficiently fulfil their job requirements and will feel motivated to contribute to the NGOs and its clients' success.

1. INTRODUCTION

SHORT DESCRIPTION OF ZARDOZI

As indicated in the Terms of Reference of this mission (See Annex 1) « Zardozi - *Markets for Afghan Artisans* » has provided marketing support services to homebound Afghan women embroiderers since 1984. In 2008, Zardozi shifted from a direct service delivery model to one of market facilitation. The objective is to raise incomes for women with limited or no education through a commercially sustainable system, which links female producers to local markets. Zardozi’s sustainability strategy hinges on establishing a membership-based organization (called Nisfe Jahan or Nisfe) that will continue not only to support women engaged in production or marketing but also engages in subsector growth and development.

In 2011 Zardozi signed a contract with a consortium of donors for a greatly enhanced flow of funds and increased targets of achievement over a three-year period. Zardozi has now completed the second year of this three year project and is looking for additional capacity- building for staff to ensure that inclusive and innovative strategy development continues during the last part of the project and during the coming Phase 2. In addition to this initiative Zardozi is currently pursuing two additional projects, one financed by US Embassy, about to be finalized, employing 3 staff and « *Zardozi Enterprise* » which employs 34 staff. The focus of this mission is to assess the training needs of Zardozi’s staff connected only with « *Zardozi – Markets for Afghan Artisans* ».

1.2 OBJECTIVES AND DELIVERABLES

The objectives of this assignment as shown in more detail in the Terms of Reference presented in **Annex 1**, are: 1) to assess the level of understanding of staff at Main Office and Regional management and field operations level regarding business principles and 2) to recommend options for improving staff understanding at three levels, Main Office, Regional management and staff).

Deliverables include the present Report on staff capacity and analysis of training needs and a Plan for providing training to staff.

1.3 METHODOLOGICAL FRAMEWORK

Despite the fact that the scope of this consultancy called solely for an assessment of the staff’s capacity and an analysis of staff’s training needs, this could not have been done properly without this author’s understanding to some extent of the clients’ needs and of how could staff most effectively support them. The main reason is that most staff’s work is ultimately geared towards servicing clients. To this effect the consultancy focused on three target audiences: the first and second comprised staff at the main office and at regional offices and the third clients gravitating around the latter.

The mission involved:

- visits to the main office, regional offices, several *manbehs* and a trade fair in Kabul where clients of the RO were selling their wares
- a combination of semi-structured, in-depth interviews, conducted on a one-to-one basis and in group, focus group discussions and group work
- target audience: staff, clients, including members of executive committees of Nisfe. For security reasons visits and interviews were carried out only in two locations, Kabul and Mazar ROs. In addition, three staff members and a client of Jalalabad RO came to Kabul and had meetings with the international consultant. The same arrangement could not be made with the Herat RO given its distance from Kabul
- at the Main Office I had meeting with the following staff members: Mehri Merzad, Mkt Dev Officer; Sultana , Training Mgr, Habibullah, Bus Officer, Trade Facilitation. Centre, Faisal Akram, M&E Manager.

The table below summarizes the meetings held and the numbers of people interviewed.

Table 1: Number of staff interviewed, clients and *manbehs* visited

	Number of staff	Number of clients	Number of executive committee members

Main Office in Kabul	4	N/A	N/A
Herat Regional Office	-	-	-
Jalalabad Regional Office	3	1 ³	1
Kabul Regional Office	12	20 ⁴	3
Mazar Regional Office	11	7 ⁵	0
TOTAL	26	28	4

At the beginning of the mission the author of this report was given a comprehensive presentation of the program and its staff by its Executive Director, Dr Kerry Jane Wilson and the Program Director, Mr Laiq Samim. This included challenges experienced in running the NGO.

After the visit at the Mazar Regional Office the consultant provided a short review of her findings and preliminary suggestions to the Executive and Program Directors for their feedback. At the end of the mission, the consultant presented a first draft of her conclusions and initial recommendations to a panel composed of the Dr Kerry Jane Wilson, Executive Director, Ms. Storai Ahmadi, Kabul Regional Manager and Guild Director, Mr. Faisal Akhram, Monitoring & Evaluation Manager and Mr. Shafiqullah Azizi, Human Resource Manager. They provided helpful suggestions that are incorporated in the report.

1.4 TIME FRAME

The field mission took place from April 26th to May 5th. Initially comprising nine days, it was subsequently increased to ten to allow for more interviews and discussion with senior management. These days were spent in Mazar RO (three days) and Kabul RO and main office (seven days). A detailed agenda is presented in Annex 2.

CONTEXTUAL BACKGROUND FOR THIS REPORT ZARDOZI'S APPROACH TO SUPPORT ITS CLIENTS

Staff at the main office working closely with counterparts at regional office level undertakes research to identify city areas where there might be a demand for women working at home to start or develop tailoring⁶ activities and low-income, women-only clients in the selected locations with a view to offer them support services aiming to link them to local markets.

Such services include: 1) capacity-building, e.g. skills training and coaching, mostly in tailoring and business and short modules on gender, sensitization to women's rights, etc. and 2) marketing services. **Figure 1** presents a comprehensive list of training modules provided in-house by Zardozi to staff and clients.

These services are channelled by Zardozi through "*manbehs*". These are rented spaces – usually a room in one of the clients' houses - called "community business centre" or perhaps more appropriately referred to in Dari as "*manbeh*", meaning resources or a place where resources are made available to clients.

Before becoming clients of Zardozi, women need first to become members of an association registered with the Ministry of Justice⁷, called Nisfe Jahan (or *half world* in Dari, i.e. women) or "Jahan", or the "Guild" and pay a membership fee. Zardozi has been "incubating" the association since the inception of the program, and is currently in the midst of letting it "fly with its own wings", i.e. as an autonomous body while still supporting it⁸. Each manbeh has to choose one woman from their ranks to represent

³ The interview with the client was conducted in Kabul, as explained before. The client was at the same time member of the executive committee of Nisfe Jahan Jelalbad.

⁴ 7 at the trade fair, 12 at *manbeh* name.

⁵ 1 at manbeh name and 8 at manbeh name.

⁶ Over the last months Zardozi has been exploring ways of supporting clients in other areas of economic activities, in addition to tailoring, such as in food processing. Historically though, the program was geared solely to tailoring activities, as evidenced by the choice of RO staff, who are mostly design and tailoring trainers.

⁷ In Afghanistan associations are registered with the Ministry of Justice.

⁸ Today the development of Nisfe Jahan as an institution is led by a Zardozi employee, Storai Ahmadi, who is at the same time Guild Manager and Kabul Regional Manager.

them in the Executive Committee of the association. This is in line with Zardozi’s sustainability policy, as Nisfe is geared to replace it at some point in the future.

The following table summarizes the number of clients per region and the number of *manbehs*.

Table 2: Number of clients and *manbehs* at regional level

	Number of clients	Number of <i>manbehs</i>	Number of executive committee members
Herat Regional Office	480	17	17
Jalalabad Regional Office	900	24	22
Kabul Regional Office	306	10	12
Mazar Regional Office	668	15	14
TOTAL	2,354	66	65

ZARDOZI’S CURRENT CHALLENGES

Despite security problems, which remain a major constraint for any organization conducting operations in Afghanistan, Zardozi is facing several challenges, of which some are contextual and others are related to its stage of development and its mission, vision, strategy. It is worth highlighting them as they have a clear effect on staff’s capacity development and training needs.

The existence of a “charity approach” versus a “business approach” at Zardozi
 Among contextual challenges it is worth noting the difficulty of finding suitable staff in today’s Afghanistan, especially well educated, experienced women with a background in business, as business development and access to markets constitute core activities at Zardozi. One of the complaints heard by this consultant at Zardozi is the propensity of some staff to use a “charity” approach as opposed to a “business” one vis-à-vis clients. For example some female staff would collect faulty items produced by female clients despite their knowledge that they could not be sold, rather than refuse the items because the client is poor. This penalizes not only Zardozi, which loses money in these transactions, but also the women clients themselves, who are not given an opportunity to learn that they must produce good quality items. While this problem has been partially solved - at least this was clearly stated at Kabul Regional Office, where the Regional Manager had solved the problem by requesting the faulty staff members to pay themselves the cost of non-saleable items - this attitude still remains. It actually stems from staff’s lack of understanding of what business is all about.

Low literacy levels, especially for women

Another contextual issue faced by Zardozi is related to the high levels of illiteracy prevalent in the country. Female literacy rates lag behind those of men⁹. Although Zardozi’s Regional Offices are in major cities where literacy levels tend to be higher than in rural areas, still, 7% of staff are illiterate¹⁰. Most of the clients, including some of the members of the executive committees of Nisfe are illiterate.

Difficulty of women staff to travel and to relocate

This is another contextual challenge for the NGOs. In the cultural environment of today’s Afghanistan women are not entitled to travel to another city; and if they do, most of them have to be accompanied by a trusted member of their family, mostly a man (“*mahram*” in Dari).

⁹ Female literacy rates lag behind those of men: 87% of females above 15 are illiterate as compared to 61% of men. Literacy rates also vary sharply across provinces; in 18 of the 34 provinces of the country the literacy rate for women are less than 10% with 1% literacy rates in six provinces. Islamic Republic of Afghanistan, “MDGs Country Report 2005”, p 34, quoted in “Women’s Economic Empowerment in Afghanistan, 2002-2012: Information Mapping and Situation Analysis”, p 10.

¹⁰ As reported by Zardozi; if support staff is included, this figure is higher.

This means that on one hand it is difficult for the NGO to hire adequate women staff in particular regions, and in addition all women staff who need to undertake on-the-job travel could only do so with a chaperone, incurring thus additional travel and accommodation expenses.

New product development at Zardozi

One of the strengths of Zardozi seems to be its continuous quest for innovation to better serve its clients and hence its readiness to address ways to satisfy new demand dimensions that surface in the course of its operations. The NGO constantly conducts research such as for instance to assess the impact of its clients' activities on the other participants in the market, or to find new outlets for business development on behalf of its clients.

Along these lines, Zardozi is now seeking to expand the pallet of skills training given to its clients beyond tailoring, to other domains that could constitute new sources of income generation. As for example food-processing.

In addition Zardozi sees the need for clients to be able to easily access microfinance services. While the NGO it is not entirely new to the sector, as it has successfully been offering for some time supply (micro) credits to women clients (some 200 per year) and it has promoted savings through formal financial institutions, Zardozi is ready now to tackle the microfinance sector head on.

Zardozi's vendor credit supply initiatives meant that the NGO bought production item needed for the client's business, e.g. a sewing machine and hand it over to the client, the buyer. The latter would repay the cost of the sewing machine to Zardozi in equal instalments over a previously agreed period of some ten months. The transactions did not involve fees, nor interest rates. Clients' repayments reached close to 100% of the credit. This policy of new development implies that both management and staff will need to be sensitized and trained at least to some extent on what microfinance is and how it works so that they can transfer this knowledge onto clients. Moreover the latter will also need to be trained in financial literacy.

REPORT OF STAFF CAPACITY AND ANALYSIS OF TRAINING NEEDS

Staff is used in this report to refer to the target audience of the consultancy, i.e. regional office employees and main office ones – with the exception of “support” staff, such as cooks, cleaners, drivers and guards. When is necessary, the terms “management”, as opposed to “field” staff or “leadership” are being used.

The staff capacity report and the analysis of the staff's training needs could be well explained against the contextual background previously presented. The bulk of the work at Zardozi is carried out through the four Regional Offices mostly in interactions with the clients and the market, while the Main Office is providing support mostly with research, systems and operations and overall guidance and strategy.

Thus this report is presented on two levels: the Main Office and the Regional Offices.

STAFF AT THE REGIONAL OFFICE

To understand the training needs of the staff one needs to understand the staff's configuration. The four regions have an almost identical structure and employ almost the same number of staff, as outlined below.

« *Zardozi – Markets for Afghan Artisans* » is composed of some 60 staff including top management employees, of whom 15 work at the main office in Taimoni, Kabul and the remaining 45 across the NGOs four regional offices in Herat, Jalalabad, Kabul and Mazar. Of the ones employed at the main office, 5 are Program staff, including the Program Director, Mr Laiq Samim, 6 are employed in the Finance Department and 4 in the Administration Department. The additional 45 staff are deployed across the aforementioned four regional offices (RO).

At regional level, the regional manager has a double mandate: one is outward-oriented, to create goodwill within the community, and one is directed inward, to ensure that the office is run smoothly and efficiently. Three of the four regional directors are men, despite Zardozi's openness/willingness to hiring women for this position. However, I was told that it is very difficult to do so, especially outside

Kabul, historically known as providing a more emancipated environment for women. This is substantiated by the fact that the only woman regional manager is the one in charge of the Kabul regional office.

It is worth noting that Zardozi employs large numbers of women¹¹, especially in its regional offices. This is also necessary, as the majority of staff has to work directly with women clients. Given the cultural context of Afghanistan, in many cases only women can work with women.

The table below summarizes the numbers of staff working at each regional office. The positions in the space coloured in orange indicate a direct relationship with clients, as opposed to the ones in white, which refer to leadership, administrative and support positions. It is worth noting that the majority of the regional staff i.e. some 75-80% work directly with clients. In addition each regional office employs cooks, guards and drivers, but they did not constitute a direct priority for this consultancy.

Table 3: Job profile and number of staff at regional level

	Herat RO	Jalalabad RO	Kabul RO	Mazar RO
Regional Manager	1	1	1	1
Admin Account	1	1	1	1
Project Officer	1	1	1	1
Business Trainer	1	1	1	1
Business Motivator	1			
Market Facilitator	3	1	2	3
Sales Facilitator			2	
Design Facilitator		1	1	1
Vocational Tailoring Trainer	3	4	2	5
TOTAL 45	11	10	11	13

Source: Zardozi Staff Contact List and for Mazar, updated staff list provided by Mazar RO.

3.2 STAFF AT THE MAIN OFFICE

Staff at the Main Office is divided into three categories: Program, Finance Department, Administration Department and Security and Transport Department. My assignment was concerned with the Program Staff. As already mentioned, I had individual meetings with four members of the Program and lengthy conversations and meetings with the Program Director with whom I travelled from Kabul to Mazar Regional Office.

3.3 STAFF'S CAPACITY

Most staff finished high-school, some have not attended high-school and some are even non literate (vocational trainers). In Mazar, Jalalabad and Kabul several staff members are university graduates or currently attending business school (four years). Zardozi has a policy of covering a certain percentage (up to 70%) of the school fees, in fields of study related to staff's work, mostly business, thus greatly encouraging staff to pursue their education and helping them become more efficient in their work. Many of those interviewed were taking advantage of this policy.

Staff are good at interactions with clients, having earned their trust and respect. Given the staff's limited human capital (education and experience with previous employment) they sometimes tend to be conservative and do not welcome the introduction of new ideas. Zardozi's training policy aiming to increase staff's skills and knowledge is therefore crucial for allowing staff to meet their job requirements and the challenges connected with on-going work and new product development.

Furthermore staff are seemingly well managed, disciplined and organized in the ways they tackle their tasks. Moreover they appear committed to their work and willing to achieve the NGOs goals. Their

¹¹ This is highly commendable in a country with a very low record of formal employment, especially for women knowing that formal employment significantly contributes to increase women's human and economic capital and hence their empowerment.

current capacity to complete their jobs seems adequate, especially at main office level, but it certainly needs to be increased, especially at regional level, should Zardozi achieve its set goals of building – in time - a sustainable operation.

Zardozi has visibly put into place the necessary structure, strategy, style, systems and staff¹² that should give it the ability to operate smoothly and efficiently. The one area that needs improvement is unsurprisingly “skills” and this is undoubtedly why this assignment was originated. Indeed staff’s capacity to complete their jobs, including to integrate change in line with Zardozi’s transformation, could greatly be enhanced with the suggested recommendations on new training in Part 4 of this report.

3.4 CURRENT TRAINING POLICY AT ZARDOZI

Zardozi provides in-house training to staff and clients, totalling 15 training modules lasting 38,4 hours. They are supplemented by outside specialized modules. The NGO’s current training policy includes the rule that all field staff and Regional Management staff should attend once each training module given to clients. In addition training of trainers (TOT) modules are also made available to staff engaged in training. However, perhaps the amount of TOT available is not enough, as several staff interviewed by this author mentioned the need to increase the amount they receive (See **Annexes 3-5**, for interviews with staff from 3 Regional Offices).

Figure 1 below summarizes the training given to staff and clients on an on-going basis and the total amount of time allocated to each type of Training Modules. Each module can last from 1 to 5.5 hours.

Figure 1: List of training modules provided in-house by Zardozi to staff and clients

Advanced Training Modules	Basic Training Modules	Guild Training Modules
<ul style="list-style-type: none"> • Branding • Business Plan • Order Management 	<ul style="list-style-type: none"> • Colours • Communication • Design Drawing • Fashion Design • Final Induction • Pricing • Quality Assurance • Record Keeping • ShopTtour Guide 	<ul style="list-style-type: none"> • Gender Awareness • Good Governance • Leadership • Zardozi Civil Society
<ul style="list-style-type: none"> • Total training: 3 modules lasting: 8 hours 	<ul style="list-style-type: none"> • Total training: 8 modules lasting: 17.2 hours 	<ul style="list-style-type: none"> • Total training time: 15.2 hours

4. PLAN FOR PROVIDING TRAINING TO STAFF

Based on the training needs assessment carried out in the field with stakeholders the following comprehensive Training Plan encompassing all staff, albeit at different levels of intensity, emerged as being an adequate response to Zardozi’s challenges. The training plan is geared on the one hand to build a common basis of understanding about Zardozi’s strategy and objectives and “shared values” for all staff – as core training - and on the other hand to respond to staff’s specific training needs. The overall objective of the training plan is to ensure that all staff reach a ‘common denominator’ level of understanding of the organization’s strategy and management approach while developing the business attitude and professionalism that will allow them to perform optimally. This is expected to spill over into all dealings among colleagues and especially in interactions with clients.

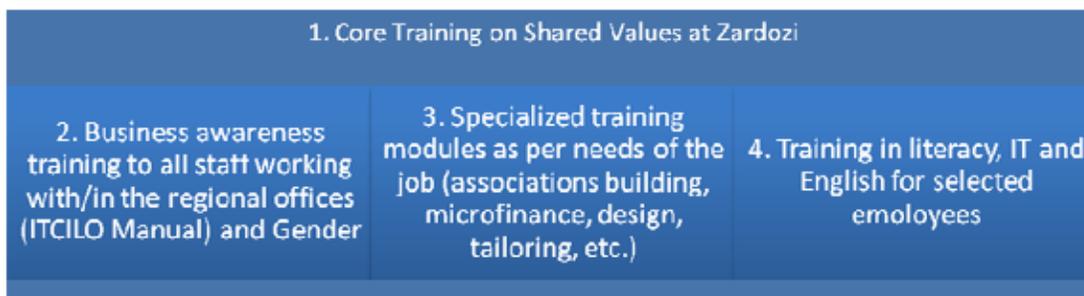
4.1 Training Plan Content

The content of the Plan for training to staff is presented below in **Figure 2**. It involves four main types of training to be given to different staff as shows in **Table 5**. One innovation is the first training module, called “Core Training on Shared Values at Zardozi”, both in content and in that it is suggested to be

¹² These elements are make reference to the 7-S model presented in Annex 6.

given to all employees. The other three types of training are: “Business awareness training and Gender”; “Specialized training modules as per job needs” and “Training in literacy and English”.

Figure 2: Suggested Capacity-building content



4.1.1 Training on Shared Values at Zardozi

This Core training should be conceived as induction training to present Zardozi and its Shared Values to all incoming employees as from now on, but also to the ones who are already working in the organization but have not taken it. It should constitute a basis on which to build people’s “buy-in” and commitment to the work done by the NGO.

Shared Values are one of the seven elements composing “The 7 S Model”, a management model presented in **Annex 6**. The model is based on the theory that, for an organization to perform well, seven elements need to be aligned and mutually reinforcing: Strategy, Skills, Structure, Systems, Staff, Style and at their centre, Shared Values. In accordance to the 7 S Model, Shared Values are “a set of traits, behaviours, and characteristics that the organization believes in. These would include the organization’s vision and mission”¹³.

To assess Shared Values, these are some questions to ask:

- What is the mission of the organization?
- What is the vision to get there? If so, what is it?
- What are ideal versus real values?
- How do the values play out in daily life?
- What are the founding values that the organization was built upon?

Running this training entails for Zardozi defining what its “Shared Values” are, i.e. principles of work ethic that guide the organization and to which all employees should abide in order to reach the NGOs set goals.

Seen through the eyes of this author, Shared Values at Zardozi include: promoting women in business – as partners, not charity beneficiaries - and as equal citizens to men; contributing to raising the livelihood of women and their families, and thus strengthening the economy of Afghanistan, offering jobs for women and men at Zardozi and training them to increase their performance, offering support to continuing their education while on the workplace, having transparent systems set into place.

The Core Training on Shared Values should focus on:

- Explaining Zardozi’s program and what needs to be accomplished to reach its goals
- Providing elements of finance, marketing, accounting, law, organizational behaviour, communication, entrepreneurship development while explaining how Zardozi operates

¹³ <http://whittblog.wordpress.com/2011/04/24/mckinsey-7s-model-a-strategic-assessment-and-alignment-model/> consulted on May, 31st, 2014.

- Gender and development
- It should emphasize the “business approach” chosen by Zardozi in dealing with clients as opposed to the “charity approach” geared to “beneficiaries”

This training could take a day or two and it could be split into two sessions at some short, convenient interval, but not longer than, say two weeks.

Zardozi could choose to structure this training in either two modules: a shorter one geared to support-staff and a more developed one to the remaining employees – or in one module, and give all employees one and the same training version.

The Core Training could be given by a pool of staff, with previous training on “how to be a trainer”. A facilitation manual should be developed to ensure that all training sessions have the same content and follow the same format.

It must be noted that many notions needing to be covered in the core training are already in place in a training module that Zardozi is currently giving to Nisfe clients and to staff, the Induction Training module, listed under Basic Training Modules (as shown in Figure 1).

“Support-staff,” such as cooks, cleaners, drivers and guards need to be considered also when envisioning to set up a comprehensive training policy. Even if they are not involved directly in running the office nor in working with clients, their importance as “ambassadors” of Zardozi vis-à-vis the community is not to be underestimated. As the Program Director explained to the author of this report, and as is true elsewhere, drivers can be important goodwill builders within the communities where Zardozi operates. Not only can they contribute to building trust by their manner of communicating and behaviour but they can also explain to the people they come into contact with the activities of the NGO and its objectives, thus dissipating potential doubts or fears or mistrust. Therefore they should also be integrated in the Training Plan of Zardozi at the level of Core Training.

4.1.2 Business awareness training and Gender

Zardozi’s goal is to promote the advancement of women through entrepreneurship and improved skills. In particular it facilitates their access to markets. Hence the need to help Regional Office and selected Main Office staff understand what entrepreneurship is all about so as first to build an entrepreneurial attitude for themselves if they wish to help their clients effectively.

The training package suggested for raising business awareness among Zardozi’s staff has been prepared by the International Training Centre of the International Labour Organization (ITCILO) in the context of a technical Cooperation project for promoting women’s entrepreneurship development (WED) in Afghanistan from 2003 to 2005. Both trainers’ and participants’ modules of the package are presented in English and Dari in the **Appendix** of this report. Despite its strong emphasis on enterprise creation and business planning, the training package is conceived as a business awareness training, as indicated by the name of its first chapter, “Welcome to the World of Business”:

The training manual comprises four chapters:

- Welcome to the World of Business
 - You, The Idea and The Market
 - Planning your business
 - Financing your business
- plus a series of exercises to apply the content.

This training seems particularly well suited for the staff of Zardozi who work with women entrepreneurs, as their inputs are oriented towards helping clients become successful entrepreneurs.

The Business Awareness training can be presented over a period of five days by a professional trainer¹⁴. Some staff can become trainers in entrepreneurship development through this training, should Zardozi wish to follow this possibility, and thereafter be able to train colleagues themselves.

This training should be supplemented by elements of women entrepreneurship development because of the differences existing between men and women entrepreneurs when it comes to accessing resources and capital (human, social, financial, time, etc.). This will supplement the module on Gender training, which is made available to all field staff and Regional Management staff as already mentioned (§3.4).

Most of the staff should take this training, but unlike the core training, business awareness training does not need to be attended by all staff.

4.1.3 Specialized training modules as per job needs

Annexes 3-5 present top priority training needs as expressed by staff from the Regional Offices of Mazar, Kabul and Jalalabad, in the course of group exercises. By extrapolation, it can be inferred that the Regional Office Herat staff have similar priority training needs. It is apparent, and logical, that training needs are influenced by job type and responsibilities of respondents.

In a nutshell, based on this author's observations and discussions with staff the following training needs emerged as priorities at different levels of the organization:

- I) **Entrepreneurship training:** Organize TOTs in entrepreneurship development (such as CEFE Grassroots, special training package in entrepreneurship development conceived for the barely literate¹⁵). This training can be given to selected Zardozi employees and also clients in order to build Zardozi in-house capacity for training staff and that of its clients. Training should be continuously updated in line with best practices. The upfront investment cost might seem high but over time it would most certainly prove cost efficient. Clients can also develop expertise as trainers in business support services and earn money by selling their training or advisory services to their peers.
- II) **Management Training:** a variety of subjects related to management are needed for Zardozi's employees, such as leadership, organizational behaviour, human resources management
- III) **Vocational training modules :** "Tailoring" (using a unique approach to be used by all trainers across the regions where Zardozi operates – today there are various schools of training, which creates confusion amongst clients) and "Design for tailoring", but also poultry production; other income generation activities, such as for example furniture-making (already being produced by women, for instance in Kabul).
- IV) **Specialized Training Modules** in Market Research, IT, M&E, Report Writing, etc.

¹⁴ Trainers of this package formed through the WED program exist in Kabul and are known to Zardozi, such as Kaweyan, a training company created by Kamela Sediqi, one of the participants to the aforementioned program. Kaweyan has already provided different training packages to Zardozi's staff.

¹⁵ CEFE Grassroots was developed in Bangladesh in mid 1990s by (then) GTZ together with a local NGO, Tarango. It is a adaptation form GTZs CEFE, an advanced training package in Business Development Services, conceived to serve barely literate learners. Tarango as been giving CEFE Grassroots in Balngladesh and increasingly at international level. In 2004 Tarango has started giving CEFE training in Afghanistan.

- V) **Training for Trainers (TOTs)** or Training modules on “How to give training”– be it in design, tailoring or other subject – should be compulsory for all Zardozi trainers.

Again it must be stressed that Zardozi is already giving training in many of the areas outlined above, as described in some detail in section 3.4 of this report. Some of the training modules Zardozi is currently giving are adequate and could be simply repeated as a refresher training to staff, and supplemented perhaps with more group exercises thus avoiding the unnecessary pain of seeking/developing new training modules.

If we take as an example training of trainers (TOT) – largely identified as being insufficiently given, Zardozi could simply introduce the practice of providing repeat training to trainers, i.e. repeating the one module currently used for TOT, rather than giving it once only. It is an accepted practice in the field that trainers need to be upgraded constantly and receive refreshment training if they are to improve their training skills and become good trainers. Zardozi could well put this knowledge into practice. The same holds true for some of the other needed trainings, for which good training modules already exist and are currently given as part of the NGO training policy.

In addition, Zardozi could start a practice of exchanging experience between trainers as peers – ideally mixing staff from different regions, should this be possible - so that practitioners will have a forum for sharing good practices and experiences while learning from one another. An added benefit is that this will be likely to increase cohesion among staff and the desire to perform well.

The same is true for other subjects, such as say “Management Training” some of the training needs apparent under this category may well be sufficiently covered with notions present in training modules already given, such as for example leadership, covered in the modules on Leadership and Good Governance used for Guild training. However, notions on Management that are not covered in that series could perhaps form the basis of special presentations made by staff who are attending business schools, as a way of “repaying” in part the investment that Zardozi in making in them by subsidizing a portion of their school tuition.

It should be emphasized that it is not easy for Zardozi to access specialized training modules. To date the NGO has relied on foreign consultants especially for Design and Product development in tailoring, and style. It appears that over the years a body of consulting companies has been created, some of whom are giving quality training, especially in the large cities such as Kabul, Mazar, Herat.

4.1.4 Training in literacy, Information Technology and English

As part of Zardozi’s Entrepreneurship Academy, more employees should be conversant with Information Technology (IT) and English.

Zardozi could launch a campaign “literacy for all at Zardozi” OR “Zero literacy at Zardozi”.

This should not preclude Zardozi from hiring barely literate people. However illiterate staff should become literate within a year of employment at Zardozi at the latest. If not they could be asked to leave the organization.

4.1.5 Administrative issues in conjunction with the Training Plan

Zardozi could adopt this Training Plan as an organization “striving for excellence” policy and should ensure that in time all staff participate at training. The following Table presents an indication of the number of staff participating at training:

Table 4: Capacity-building content by type of staff

All staff	RO/Some MO staff	Some RO/MO staff	Some RO/MO staff ¹⁶
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¹⁶ Including support staff, more prone to being illiterate and not speak English than their colleagues.

1) Training on shared values	✓	✓		✓
2) Business awareness training and Gender		✓		
3) Specialized training modules as per job needs			✓	
4) Training in literacy and English				✓
TOTAL	86	52	41	TBD ¹⁷

N.B. The numbers are indicative.

The Training Plan could be labelled “Zardozi Entrepreneurship Academy” to raise the image of the NGO in the eyes of the employees and make them value more their participation. All participating staff should receive diplomas for the training taken, including clients. Diplomas should not be given to participants only for attendance but also for active participation and successfully passing a test or examination.

To ensure easy management of the Training Plan, Zardozi should set into place a staff training management system that will allow individual planning for the training of all staff, along with monitoring and evaluation. Each staff member’s “training profile” should be defined by the Human Resource Manager together with the employee direct supervisor and be approved by the Program Director. Employees’ progress should be followed closely and training completion should be tied to the annual performance appraisal of each staff.

As previously noted, an additional benefit for the NGO in adopting the Training Plan outlined here is that this may create increased opportunities for exchange of work experiences across the four Zardozi Regional Offices, through organizing trainings with employees from different locations. Exchanges of good practices across regions and of business on behalf of clients could also be enhanced. Finally this is likely to increase the feeling of belonging and shared ownership of the staff.

Training should be compulsory for all employees and it should be completed within say a year of joining Zardozi; additional modules should be also ‘a must’ for staff and should be taken during subsequent years in such a way that every year, every staff member takes at a minimum a predefined number of days of training (7 days could be a good minimum number).

Zardozi is already organizing visits to the bazaar for clients, to allow them - and staff – to practice business notions learned in other training modules, such as Communication. Shop tours for clients are organized in accordance with a protocol described in a document that is part of the Basic Training Modules Package, titled Shop Tour Guide (as shown in Figure 1).

In parallel to trainings or as part thereof, Zardozi could organize field trips to relevant organizations doing similar work so as to inspire staff and adapt good practices that they have observed in other settings to their work context. In addition, exchange travels could also involve clients, especially the members of the executive committees of Nisfe, as a way of training. Worldwide practices, including in Afghanistan show that such opportunities are great “eye openers” for women, otherwise restricted to the private sphere, in which they can build their entrepreneurial vision and thus help them better serve the members they represent

CONCLUSIONS

Zardozi’s staff needs adequate training in order to meet Zardozi’s objectives. They lack a minimum training foundation, as most employees have a ‘chequered’ or uneven human capital. There is a strong need for entrepreneurship training (how to start and develop economic activities) and business training, especially business planning, marketing.

Zardozi could institute a training policy as outlined above, with core training for all staff; a basic business awareness training for the large majority of staff and specialized modules to respond to particular

¹⁷ With regards to literacy: this number should include some 8 RO staff – based on extrapolating the numbers of illiterate vocational trainers I encountered in RO Mazar and Kabul – in addition to other illiterate people working in ROs and the Main office, such as cooks, cleaners and guards.

needs. By involving staff in the management of their training and holding them responsible for completing a set number of trainings each year, in addition to the compulsory ones, Zardozi is sure to motivate its employees and give them the right means to make a strong contribution to its success.

ANNEXES
ANNEX 1: TERMS OF REFERENCE



Zardozi – Markets for Afghan Artisans
Terms of Reference

Staff training needs assessment followed by facilitation of staff training

02 February 2014

Background

Zardozi Markets for Afghan Artisans has provided marketing support services to homebound Afghan women embroiderers since 1984. In 2008, Zardozi shifted from a direct service delivery model to one of market facilitation. The objective is to raise incomes for women with limited or no education through commercially sustainable system which links female producers to local markets. Zardozi's sustainability strategy hinges on establishing a membership based organization (called Nisfe Jahan) that will continue to not only support women engaged in production or marketing but also engage in subsector growth and development. In 2011 Zardozi signed a contract with a consortium of donors for a greatly enhanced flow of funds and increased targets of achievement over a three year period. Zardozi has now completed the second year of this three year project and is looking for additional capacity building for staff to ensure that inclusive and innovative strategy development continues during the last part of the project and during the coming Phase 2.

Scope of Work

Consultant is required to:

1. assess level of understanding of staff at Main Office, Regional management and field operations levels regarding:
 - business principles
 - value of business planning and how to develop business plans
 - markets (value chain, market system change, market surveys, market development)
 - product development to meet market demand
 - quality assurance and how to communicate this to others
2. recommend options for improving staff understanding at three levels (Main Office, Regional management and field staff) including facilitation of the training by the consultant

Output

- Report on staff capacity and analysis of training needs
- Plan for providing training to staff as agreed with Zardozi management

METHODOLOGY

The task will involve at least two trips to Afghanistan and at least one visit to a Zardozi Regional Office to talk to staff.

Staffing and timing

The consultant should have the following skills and experience:

- Practical experience and understanding of business training for both educated and less educated women (at least 5 years)

- Familiarity with business training options available regionally especially through specialist organisations such as ILO
- Experience of the region will be an advantage
- Consultant should preferably be female

It is proposed that the needs assessment should be completed by end March 2014 and the staff training implemented in stages over the subsequent 4 months.

The applicants should send their quotations and CVs to zardozi.mail@gmail.com no later than 18 Feb 2014.

ANNEX 2: MISSION AGENDA

R Boros – ZARDOZI Mission Agenda April 25th – May 5th, 2014

Sat Apr 26 th	Sun Apr 27 th	Mon Apr 28 th	Tue Apr 29 th	Wed Apr 30 th	Thu May 1 st	Fri May 2 nd
Arrival in Kabul	Meeting: all RO staff mission presentation	Meeting: Nooria, BT (ex Hand in Hand NGO)	Departure from Mazar, Arrival in Kabul	Meeting with Kabul RO staff	Group Meeting RO staff to ascertain their level of understanding of training needs	Visit Zardozi shop
Meeting w/ Ms. KJ Wilson	Meeting w/ Ms Humaira Sultani, PO	Meeting: Amena, and Sakina, both MF	Meeting: with KJ Wilson, Laiq Samim	Meeting with Shamsia, PO		
Meeting with KJ Wilson & Laiq Samim	Meeting with Eng Ata	Group Meeting RO staff to ascertain their level of understanding of training needs	Prepared 1 st draft report	Meeting with Storai, RM & Guild Director	Lunch Meeting Weeda Haziq, GIZ Gender Mgr WESA Badakhshan	
Flight to Mazar with Mr. Laiq Samim	Visit CBC Sajadia w/Humaira, Zarguna, TT Sheiba MF	Group Meeting RO staff to ascertain their level of understanding of training needs	Meeting with Mehri Merzad, Mkt Dev Officer	Meetings with field staff in Kabul RO	Sultana, Business Trainer brief meeting	Wrote preliminary findings
Meeting w/ Eng Ata, RM, Mr Laiq Samim, PM	Visit CBC Kampe Sahi w/Humaira, Shazia, TT, Farhama, DF		Meeting with Sultana, Training Mgr	Visit of the trade fair with Hosai, Mkt Facilitator	Shafiqullh Aziz, HR Manager brief meeting	
Mazar-e-Sharif			Kabul			

Sat May 3 rd	Sun May 4 th	Mon May 5 th				
Storai, RM & Guild Mgr	Meeting with Farida, Jalalabad RO client	Boros Presentation of preliminary findings to Ms KJ Wilson, Ms Storai Ahmadi, Mr Faisal, M&E Mgr, Mr Shafiqullah Azizi, HR Manager				
Meeting with three Guild Board members: Dordona, Zahera, Tahera	Meeting Habibullah, Bus Officer, Trade Facilitation. Center					
Group meeting RO Jalalabad: Khan Zeman, RM, Baspari, PO, Qudisia, BT	Meeting Faisal, M&E Mgr, Main office	Departure from Kabul				
Kabul						

ANNEX 3: FOCUS GROUP DISCUSSION WITH RO MAZAR STAFF

Group exercise - Mazar Regional Team

Top Three Priorities for Staff Training – self-evaluation

	Group 1: Field Staff	Group 2: Field Staff	Group 3: Senior & Management Level Staff
1	Design	Design & Style	Small enterprise development (how to start/how to develop a small enterprise)
2	Style	Business	Market Study/Analysis -Assess offer/demand -Identify opportunities
3	Business -Business concept “it will generate business ideas in our minds”	Social -Communication with clients -Working with the community	Monitoring and Evaluation (M&E) (at the level of each staff, not only by an outsider)

	-Product costing -Pricing -Net profit calculation		
4		TOT in entrepreneurship -Enterprise: entry concepts -Marketing -Learn how to be a trainer	-Marketing -Value chains (e.g. PT) -How to contact shopkeepers -How to find opportunities -How to enter the market (method- not successful as yet)
5			Leadership skills (implement the vision)
6			Business Plan (help clients with their business plans)
7			Microfinance (preparation of new program to start in 6 month – in fact “expand”)
8			Human Resource Management
9			-Should know the needs of our staff/ what’s important/ how to handle HR
10			Environment -Consider its importance “global village” as it has a direct impact on our lives -have responsible attitude towards our world
11			Social organization “we are living and working within communities, intercultural management; entering communities tactics and sustaining a good presence, find motivators and encourage innovation

Conducted on April 28, 2014

Participants by group:

Group 1 Field staff: Asifa (Vocational Trainer), Zarghuna, Shazia and Malika (Tailoring Trainers)

Group 2 Field staff: Amena and Sheiba (Market Facilitator), Farkhama (Design Facilitator), Nasreen (Tailoring Trainer)

Group 3: Senior level: Laiq (program Director), Eng Ata (Regional Manager), Humaira (Project Officer), Nooria (Business Trainer), Zabiullah (Admin/Account), Sakina (Market Facilitator)

NB

- English proficiency was recognized as being an important asset, hence English training should be pursued (Zardozi has a policy that supports staff willing to study English - based on certain criteria)
- The most helpful training as indicated by Humaira was CEFE Grassroots

ANNEX 4: FOCUS GROUP DISCUSSION WITH RO KABUL STAFF

Group exercise - Kabul Regional Team Top Three Priorities for Staff Training – self-evaluation

	Group 1: Field Staff	Group 2: Field and Admin Staff	Group 3: Management Level Staff
1	Tailoring adopt one single (standard) approach for tailoring – vs now: some use 2 small size instead of S, M, L or how you teach cutting and stitching, hence confusion among clients	Time management & Planning in the office, task duration & prioritizing: “we are poor in planning for our own tasks in Zardozi”	Planning Office like GR 1 point 3
2	Communication with clients how to make ourselves understood in 10 day training (<i>improve training skills?</i>)	Design clothes and baby sets “which color we should use in which design”. See Group 1 point 4	Business Planning we need it to help clients who are business people; a module for BP exists but it is not sufficient: it lasts only 3-4 hours
3	Planning Office - to be more efficient, prioritize	Market Research Mehri, technical specific for Palwasha Assessing Market Opportunities for clients (bazaar-e-iobi)	Training in how to be a good trainer Hasina and Nahid need this (pricing, quality assurance)
4	Design training from Claire ¹⁸ , 1 st class in which they worked w/ fabric and pictures however too little time was spent on baby sets ¹⁹ ...	Quick Book – financial software for Qudsia	TOT in Business
5	Business “because we work w/ business	Pricing (Shahnaz has problems w/ helping	Leadership (Rahbaigat)

¹⁸ Claire is a consultant in design from Turkey who gave several trainings to Zardozi’s staff.

¹⁹ These are new products developed with Claire’s help.

	people we need to understand business to help clients prioritize if they have orders to complete, help them w/ pricing, buy material, advise with marketing, eg for urgent orders clients should charge more; record keeping..."	clients w/ baby sets: she buys raw material w/ clients and trains them how to produce them, clients spend money on transportation and find profit=0 which is wrong, she believes they make 2-500 Afs, but they have no record skills, clients do not register time spent for work/transportation, she can not explain to clients if they have profit/loss	Training Ineke, MDF scheduled fin June 2014 for Storai, Faisal (M&E), Mohtar (Fin) Storai thinks it is needed for Shamsia, Hasina, Nahid, Shahnaz, Farima
6	English "we are very interested but no time"; "I need English, I can't express myself, I have so much to tell you"; "we work w/ horigi and report in Dari > translated into English, inefficient, could do it directly in English"	Internet use	Conflict Resolution (haie monazeat) RB: NVC Non Violent Communication (Rosenberg)
7	Computer training and using internet search ideas on internet, patterns, u-tube lessons	English	How to delegate (Storai to Shamsia)
8		Quality control	Training in Sustainability subot OR paidar? Khod kefa Storai needs it for her work w/ for NJ RB = institutional building; they don't understand difference between enterprise (tujorat) and association (anjuman)
9			Market research (Palwash for work w/ Mehri; Hasina, Shamsia, Hosay)

			RB There is confusion between mkt research (theory) and market analysis (practice for clients (bazaar-e-iobi) offer/demand, hence identify gap
10			Report writing
11			In-house communication

Conducted in Kabul on May 1, 2014

Participants by group:

Group 1 Field staff: Khatera (Vocational Trainer), Gulrokh (Vocational Trainer Supervisor), Farima (Design Facilitator)

Group 2 Field staff and admin: Palwasha (Sales Facilitator), Shahnaz (Design Facilitator), Qudsia (Admin/Accountant)

Group 3 Management level staff: Storai (Regional Manager), Shamsia (Project Officer), Hasina (Business Motivator), Nahid (Business Trainer)

NB

- The most helpful training received so far while at Zardozi was Design for Groups 1 and 2) and Project Management (ABE Consult), CEFE (Kaweyan) and Communication (BRAC), for Group 3
- All participants to the group are able to travel to other province/country

ANNEX 5: FOCUS GROUP DISCUSSION WITH RO JALALABAD STAFF

Group exercise - Jalalabad Regional Team Top Three Priorities for Staff Training – self-evaluation

	Group: Management Level Staff
1	Data collection training (prepare info to be mailed to M&E)
2	M&E of: a) clients' business, b) staff activities, c) <i>manbeh's</i> services provided to clients (including if vocational trainers are going...)
3	Report writing: narrative (client stories); case studies, regular reports
4	Business training: <ul style="list-style-type: none"> • how to motivate clients, how to start a business, how to develop a business • marketing training: know the market; finding opportunities for clients (<i>bazaar-e-iobi</i>) • financial management • business plan
5	Participate at exchange visits to other countries to find new ideas
6	Specific training needs for Khan Zamin: advanced management training, strategy, leadership
7	Specific training needs for Baspari: microfinance training

Conducted in Kabul, May 3, 2014

Group participants: Khan Zamin, (Regional Officer), Baspari (Project Officer), Qudsia (Business Trainer)

NB

Only three members of the team participated at this exercise. At the time of the mission it was not possible due to security reasons to travel to Jalalabad to meet the entire team.

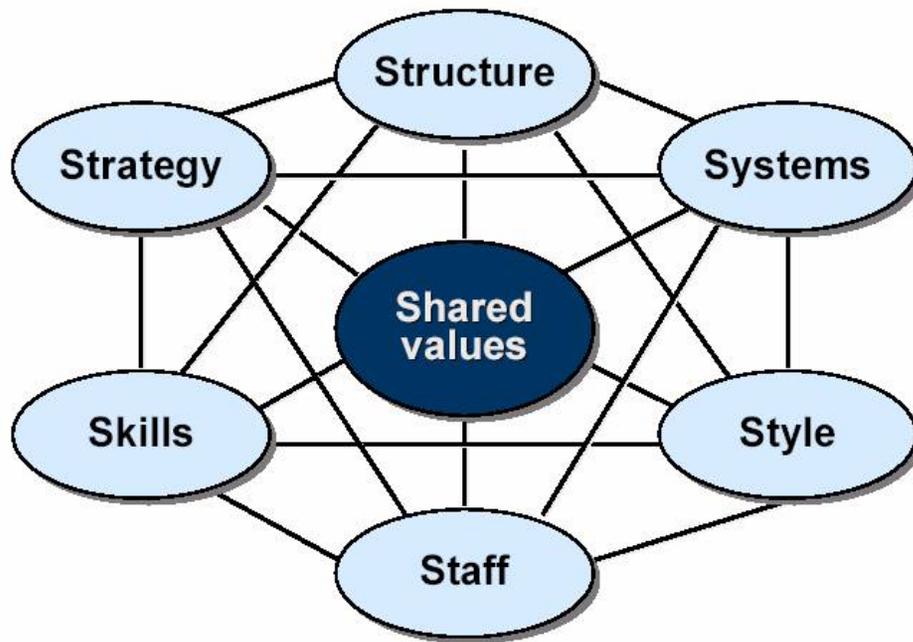
ANNEX 6: The 7-S Model

The 7 S Model, developed by McKinsey Consulting, can describe how effectively one can organize a company, holistically. It is based around seven key elements of any organization, with the view that in order for it to operate successfully, all the elements in this model must align synergistically together.

The elements are split into two groups: hard and soft. The hard elements are those that can be seen where in place, whereas the soft are more intangible and cannot readily be seen.

Hard Elements	Soft Elements
Strategy	Shared Values
Structure	Skills
Systems	Staff
	Style

The 7 S Model can be seen below. (Notice that all elements are interrelated).



Shared values are the pinnacle of the model and therefore in any organization they form the underpinning culture, strategy, effectiveness and performance, linking to every other element in this framework. They link all that is of the organization: how people behave, the structure, its systems and so on.

Getting this balance right, means getting the culture right.

In addition to the Central Values alignment, each of the other six elements has an important role in designing the correct organization and is just as important as the next.

Structure: the line of reporting, task allocation coordination and supervision levels

Strategy: the top level plan to craft the organization mission and its niche in the market place

Skills: the skills and competencies of the employees

Style: the overarching style of leadership adopted within the organization

Staff: the number and types of employees within the organization

Shared values: these are the core values of the company and form the underpinning culture and how the business behaves and is perceived to behave in the wider context of the community

Systems: the supporting systems and processes of the firm, like information systems, financial reporting, payment systems, resource allocation, etc.

Source: <http://www.educational-business-articles.com/7s-model.html> consulted May 31st, 2014 with slight adaptations.

Annex 5 CBC utilisation rates broken down by CBC – April-June 2014

MRO				KRO				JRO				HRO			
CBC	No NJ members	No attended CBC	%	CBC	No NJ members	NJ attended CBC	%	Manbeh	No NJ members	NJ attended CBC	%	Manbeh	No NJ members	NJ attended CBC	%
Sajadia	61	3	5%	KRO	77	19	25%	Majbor Abad	53	24	45%	Tawhid	21	13	62%
Faqir Abad	54	10	19%	Haji Nabi	27	19	70%	Zarmandi	19	12	63%	Jibraeel	26	14	54%
Ali Chopan	36	8	22%	QalaeFatu	20	13	65%	Saray	18	15	83%	HawzeKarbass	39	26	67%
NooreKhuda	80	17	21%	QalaeQazi	18	5	28%	Pir-Bagh	16	13	81%	Pol Rangina	34	25	74%
Zerat	38	24	63%	Koshkak	35	18	51%	Office	63	7	11%	Shalbafan	34	24	71%
Bakhter	97	35	36%	Qarabagh	14	10	71%	DehGhazi	22	16	73%	BaghNazargah	28	21	75%
Yul marab	21	9	43%	Paghman	20	17	85%	Shikh Misry	29	8	28%	Office	39	22	56%
BabaYadgar	35	19	54%	Shiwaki	14	10	71%	Moy-Mubarak	19	13	68%	Se Polak	28	22	79%
Khulm	81	17	21%	SarAsiyab	20	16	80%	Adam Khil	22	14	64%	Naw Abad	31	23	74%
Kamp Sakhi	33	24	73%					Shaga	35	26	74%	Qhalwan	29	24	83%
Tukhta	41	16	39%					Atawar	29	16	55%	Ghaizan	27	25	93%
Qezel Abad	23	16	70%					Behsood	66	33	50%	Shahrak Anbia	32	22	69%
Wahdat	26	16	62%					Daronta	28	25	89%	Soofi Abad	27	26	96%
GuzareArabha	21	17	81%					Barabad	23	21	91%	Kababiyani	27	27	100%
Sher Abad	38	31	82%					Khoshgunbad	42	15	36%	Sarwestan	24	21	88%
								Landa Buch	28	28	100%	Ghond-e-11	33	23	70%
								Mama Khil	37	34	92%	Bagh-e-Dasht	28	28	100%
								Lasma villah	30	13	43%	Jaghara	25	23	92%
								Base	36	28	78%				
								Kabul camp	53	33	62%				
								Farm-Hada	48	33	69%				
								Kabul-Hada	19	12	63%				

MRO				KRO				JRO				HRO			
CBC	No NJ members	No attended CBC	%	CBC	No NJ members	NJ attended CBC	%	Manbeh	No NJ members	NJ attended CBC	%	Manbeh	No NJ members	NJ attended CBC	%
								Arbapan	23	22	96%				
								Tagb camp	27	21	78%				
Total	685	262	38%	Total	245	127	52%	Total	785	482	61%	Total	532	409	77%
Total NJ members			2247												
Total NJ members attended CBC			1280												
Percentage			57%												

Annex 6 Zardozi response to Staff Capacity Building Consultancy Report

	The 4 layers of the Training Plan	Zardozi's response	Time scale
Layer One	A short training targeted at all employees aims to explain core values of Zardozi and is considered as an induction training to be taken by all employees. It is to be given in two formats, one for senior and management staff, and a simplified version of the latter to support staff.	Agreed, work has started on this	Will be set up by end September '14
Layer Two	Business awareness and gender training to all staff working with clients using a manual developed especially for Afghan women by the International Centre of the International Labour Organization available both Dari and English and the CEFE business training for micro entrepreneurs available from Bangladesh	In principle this is agreed but it depends on how these training courses can be accessed on a regular basis. Discussions are taking place with local training providers	Discussions will be complete by end August and decision taken on how to access the recommended training courses
Layer Three	It is recommended that Zardozi adopt a zero level tolerance for illiteracy among staff. This does not preclude the NGO from hiring illiterate staff, but it encourages it to request illiterate staff to become literate if they want to continue being employed by Zardozi.	6 vocational trainers are illiterate or semi literate (out of 13) together with the majority of support staff. Zardozi agrees to work with the vocational trainers to improve their literacy but questions whether providing literacy to support staff will be cost effective. Work has started on assessing literacy courses available	Selection of literacy materials and documentation of guidelines will be complete by end September '14
Layer 4	The NGO will provide in house or subcontract the provision of basic training in IT and English to most employees.	Zardozi questions whether English courses will be cost effective for all staff – at present courses are provide for staff that require better English for their job. A basic course in IT for most staff is agreed and will be addressed later in the year.	Basic course in IT will be developed by the end of the year
Layer 5	It is further suggested that Zardozi calls the totality of its training given to staff "The Zardozi Academy" to "build unity" and to increase the appreciation of its training in the eyes of the staff and outsiders. Additionally to seek accreditation for its training and give diplomas to staff undertaking the training, thus increasing the motivation of the employees both in taking the training and in meeting their goals.	In principle this is a good suggestion, how to implement it in practise is under discussion. Informal diplomas and accreditation will be appreciated by staff.	A concept paper on this will be developed by end October '14