HAND IN HAND
EASTERN AFRICA



Annual FINANCIAL & SUSTAINABILITY REPORT 2025

Inspiring Hope, Dignity and Choice

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List of Abbreviations

Abbreviation	Meaning
HIH EA	Hand in Hand Eastern Africa
SDG	Sustainable Development Goals
ESG	Environmental, Social, and Governance
BRO	Business Relationship Officer
BDO	Business Development Officer
EDO	Enterprise Development Officer
KES	Kenya Shillings
KEBS	Kenya Bureau of Standards
KIRDI	Kenya Industrial Research and Development Institute
MoU	Memorandum of Understanding
CIC	Co-operative Insurance Company (CIC Insurance Group)
SHG	Self-Help Group
GALS	Gender Action Learning System
GBV	Gender-Based Violence
FGM	Female Genital Mutilation
EAC	East African Community
IFRS	International Financial Reporting Standards
ISA	International Standards on Auditing
NGO	Non-Governmental Organization
BOP	Bottom of the Pyramid



about us

Hand in Hand Eastern Africa (HIH EA) is registered in Kenya as a Public Benefits Organization (PBO) with a mandate to operate within the Eastern Africa region. It is a member of the Hand in Hand Global Network that comprises affiliated organizations that mutually pursue the shared goal of poverty alleviation by supporting emerging entrepreneurs to create sustainable enterprises and jobs. The organization strives to work with the marginalized communities in the areas of economic and social empowerment using a participatory approach aimed at helping people fight poverty and vulnerability. The organization has operations in 40 out of the 47 counties in Kenya. Since its inception in 2010, the organization has reached and supported over **420,720 beneficiaries** 80% being women, 20% men and 40% youth. The beneficiaries have been facilitated to create and enhance **396,226 enterprises**, which has led to the creation of **534,140 jobs**. The organization's goal towards poverty alleviation through enterprise development is complemented by efforts in thematic areas that increase resilience to climate change, promote advocacy to human rights, enhance gender mainstreaming, regenerative agriculture and circular economy. The organization is committed to achieving the aspirations of its 2023 -2027 strategic plan which has a mission and vision to; **Mission:** To facilitate communities out of poverty through training and enterprise development **Vision:** An empowered and resilient society with sustainable enterprises and jobs.

OUR APROACH

The process kicks off with mobilizing marginalized community members to form Self Help Groups. These groups are strengthened through registration with relevant authorities and receive training on group leadership, governance and groups dynamics. This comprehensive support helps Self Help Groups navigate the stages of growth and develop the resilience to withstand the challenges that led to immature group collapse.

The Self Help Groups serve as savings groups where the concept of savings is introduced with the aim of promote self-reliance, trust and cohesion within the group. The concept of merry go round and table banking is implemented with a goal to bring financial services close to the aspiring entrepreneurs who face systemic barriers to formal financial services. The table banking system not only fosters a culture of savings but also facilitates access to credit, crucially enhancing financial inclusion particularly for rural women who are often side lined by traditional banking systems.

Besides serving as savings Groups, Self Help Groups acts as learning clubs for enterprise development training where members are taken through enterprise development including business plan development, marketing strategy development, record keeping and pricing of goods and services.



Hand in Hand Eastern Africa

HIH EA is a registered Public Benefits Organization (BPO) and a member of the Hand in Hand global network whose vision is an empowered society with sustainable enterprises and jobs.

Transformational Goal

To **amplify enterprise development** impact by **doubling** the reach on the number of **people** in East Africa, and enhance their resilience and **increase** their **profitability** from $2 to $8 per day.

650,000
Enterprise development of unemployed people in EA

Women, men and youth

30%
Enterprise Acceleration



Purpose, Mission and Vision

Vision

An empowered and resilient society with sustainable enterprises and jobs.

01

Mission

To facilitate communities out of poverty through training and enterprise development

02

01

Respect for All
Sustainable enterprises and Socioeconomic wellbeing of communities

02

Innovativeness
Transforming ideas into valuable and groundbreaking solutions.

03

Professionalism
Consistently demonstrating competence, reliability, and ethical behavior.

04

Teamwork
Collaboration, synergy, and unity driving shared success.

05

Community Focus
We prioritize the needs of the community.

06

Integrity
Consistently adhering to strong moral and ethical principle



introduction

Hand in Hand Eastern Africa (HIH EA) is proud to present its **Annual and Sustainability Report for 2025,** a year defined by resilience, innovation, and inclusive growth. Against a backdrop of shifting donor portfolios, evolving financing mechanisms, and heightened sustainability expectations, the organization remained steadfast in its mission: reducing poverty through enterprise development, job creation, and financial inclusion.

In 2025, HIH EA empowered **13,753 beneficiaries,** with women making up **78%** of participants, underscoring our commitment to gender equality and structural transformation. Together, communities established and strengthened **11,618 enterprises,** of which **39% were green enterprises,** driving climate-smart agriculture, renewable energy, and waste management solutions. These enterprises generated 15,400 jobs, strengthening household resilience and fueling local economies.

Financially, HIH EA facilitated over **KES 137 million in credit access,** while embedding responsible lending, savings-led growth, and micro-insurance partnerships to safeguard vulnerable households. Strategic collaborations with institutions such as **CIC Insurance Group** and regulatory bodies like **KEBS** reinforced governance, market access, and enterprise sustainability.

Our gender transformation agenda advanced through the **Gender Action Learning System (GALS),** advocacy networks, and policy engagements, tackling unpaid care work, restrictive norms, and barriers to women's enterprise scaling. Meanwhile, climate resilience projects achieved adoption rates above **88%** for regenerative agriculture practices, positioning HIH EA as a leader in sustainable food systems.

Looking ahead, HIH EA is committed to deepening financial resilience, expanding green technology adoption, strengthening regional market linkages, and accelerating gender equality reforms. This report captures not only the achievements of 2025 but also the forward-looking strategies that will shape inclusive, sustainable development across Eastern Africa.

We invite you to explore the pages that follow, celebrating the milestones achieved and the transformative journeys of communities we serve. May this report inspire confidence, dialogue, and shared commitment to building resilient futures.



Board Chair Statement



The last 12 months have seen a systemic shift in the global development landscape. Traditional development institutions have undergone enormous change, and aid levels have dropped 23% year-on-year from an already shrinking base. Against this backdrop, Hand in Hand Eastern Africa has demonstrated remarkable resilience while reaffirming the enduring importance of our mission.

Our work remains anchored in the belief that unlocking the entrepreneurial potential of communities — particularly women, youth and men living in poverty — is the most immediate and sustainable path to improving livelihoods across Kenya. Despite growing economic pressure on households and small enterprises, our programmes continue to deliver transformative impact, significantly boosting incomes, financial resilience and social outcomes.

This year's operating environment has been challenging. Demand for our services has grown, yet mobilising resources has been harder than ever, with less funding available and more competition for what remains. Despite these headwinds, we have secured significant new partnerships. A multi-year partnership with the Embassy of Sweden will expand our work in catalytic funding, mentorship and market access for micro and small enterprises. Further partnerships in digitalisation and regenerative agriculture will help future-proof the farmers and enterprises we support.

> *"Our work remains anchored in the belief that unlocking the entrepreneurial potential of communities"*

As we enter 2026, we remain deeply confident in our model, our team and our results. The determination of the women and men we work with to build better lives is our core inspiration, and we are honoured to support them on that journey. It is with this that I am pleased to present this year's annual report on behalf of the Board.

Amalia Johnson Hodgson
Board Chairperson - HIH EA (K)

Foreword from the Chief Executive Officer



It is my privilege to present the **2025 Annual and Sustainability Report** of Hand in Hand Eastern Africa (HIH EA). This year reflects both the resilience of our communities and the adaptability of our organization in navigating shifting development, geopolitical and financial landscapes. It also marked a pivotal chapter in our mission to reduce poverty and build resilient communities through enterprise development, financial inclusion, climate resilience and gender transformation. In the backdrop of a significantly dynamic operating environment, our teams and partners worked tirelessly to deliver measurable results and impact across economic, social, and environmental pillars.

The passing on of Hand in Hand founder Percy Barnevik in July 2025 was a sad yet inspiring transition. We reflect with honour, gratitude and admiration his philosophy, focus and investments in building the Hand in Hand organization and network into a global actor in poverty alleviation through entrepreneurship.

In a year that we experienced a reduction in overall revenue from **KES 1.05 billion in 2024 to KES 858 million in 2025**, our commitment to impact remained unwavering. Through prudent financial management, expenditure was contained at **KES 856 million**, resulting in a modest surplus of **KES 1.7 million**. Importantly, **93% of total costs were directed to project activities**, well above our internal benchmark of 65%, underscoring our dedication to channeling resources where they matter most — directly to communities.

Our programmes reached **13,753 beneficiaries**, with women comprising **78%** and youth **35%**. Together, they established or strengthened **11,618 enterprises**, out of which **39% were green businesses** integrating climate-smart practices. These enterprises generated **15,400 jobs**, contributing to household income growth, community resilience, and inclusive economic ecosystems. Cumulatively, since inception, HIH EA has mobilized over **423,000 members**, supported the creation of **390,000 enterprises**, and contributed to the creation of more than **526,000 jobs**.

Financial inclusion remained central to our mission. In 2025, we facilitated member to access **KES 137 million in credit,** mobilized nearly **KES 11 million in structured savings**, and ensured that **81% of loans were accessed by women entrepreneurs**. Strategic partnerships, including our collaboration with CIC Insurance Group, expanded access to micro-insurance, strengthening household resilience against unforeseen shocks.

We also advanced **value chain development and market linkages**, facilitating **15 new market connections**, certifying **10 additional products with KEBS**, and establishing **40 aggregation centers**. These interventions enhanced competitiveness, improved product quality, and expanded regional trade opportunities.

Our gender equality agenda deepened through the **Gender Action Learning System (GALS)**, reaching over **11,000 individuals** and fostering shared household decision-making. Advocacy networks engaged **2,342 community members** and **102 duty bearers**, advancing dialogues on gender-based violence, child protection, and equitable service delivery.

The year's outcomes demonstrate that sustainability is both embedded in our programming and built into our governance and financial stewardship. While challenges such as reduced donor inflows and high certification costs persisted, our focus on resilience, efficiency, and innovation ensured continued progress.

Looking ahead, we remain committed to expanding green technology adoption, scaling women and youth enterprises, and enhancing digital market linkages. Our vision is clear: an empowered and resilient society with sustainable enterprises and jobs across Eastern Africa.

On behalf of the Board, management, and staff, I extend heartfelt gratitude to our network, funder, partners and the communities of entrepreneurs for the trust, diligence and collaboration. Together, we continue to prove that when opportunity meets determination, transformation is inevitable.

Albert Wambugu
Chief Executive Officer, Hand in Hand Eastern Africa

Board of Directors



Amalia Johnson Hodgson

Board Chairperson – HIH EA (K)

Amalia is the Chief Executive Officer at HIH International (UK) and has worked in international development for more than 13 years, specializing in financial inclusion and supporting rural livelihoods. Prior to joining Hand in Hand, she was Head of Financial Sector Development at Nathan Associates, overseeing the organization's portfolio of financial sector focused work. Amalia has worked with and advised a range of institutional and corporate donors, including DFID, SIDA, FSDA, Access to Finance Rwanda, MasterCard Foundation, International UK, and spent several years at the OECD and in the UK financial industry. She has a Masters in International Affairs from Columbia University and a Bachelor degree in Economics from the University of Cambridge.



Professor Catherine Ndungo

Secretary – HIH EA (K) Board

Chair – Human Resources & Nomination Committee

Prof Catherine Ndungo is an Associate Professor in the Department of Kiswahili at Kenyatta University. She holds a PhD in African Oral Literature.

She also holds a Masters degree in Linguistics and African Languages. Prof Catherine Ndungo was formally the Associate Dean, School of Humanities and Social Sciences. Previously she was the Director, Institute of African Studies. She was the founder Chairperson of the Department of Gender and Development Studies.

She has published widely in her area of Scholarship. She is also a member of many professional bodies such as Association of African Women for Research and Development, Organization for Social Science Research for Eastern Africa among others. She sits in several boards and is also the Chairperson of British Institute of East Africa.



Nicholas Lynch Staunton

Treasurer – HIH EA (K)
Chair of Finance, ICT, Audit and Risk Committee

Nick Lynch Staunton is a highly motivated international development professional with extensive in-country experience in humanitarian and community development work across diverse developing contexts. Currently serving as Head of Programmes at Hand in Hand International, he brings a detail-oriented, analytical, and impact-focused approach to project design and implementation. Nick has a proven track record in securing multi-year grants and delivering results-driven reporting to institutional donors. His previous roles with CAFOD and SEED Madagascar further reflect his deep commitment to inclusive development and strategic programme leadership.



Abraham Barno

Chair – Governance & Programs Board Committee.
Chair - Strategic Planning (SP) Monitoring Committee

Abraham Barno has an education background with a MSc in Agriculture Economics from Benguet State University- Republic of Philippines and BSc in Agriculture from the University of Nairobi. He worked in the Ministry of Agriculture and Irrigation as Project Coordinator Small Scale Irrigation and Value Addition. He is also an alternate Director in a Government parastatal. Previous responsibilities include working as an Agriculture Attaché at the Kenya High Commission in London. He previously worked extensively as the Head of Agriculture extension services in the former Western and Rift Valley provinces in Kenya.



Janet Maro Wostry

Chair Social Enterprise Committee.

Janet Maro is a graduate of Sokoine University of Agriculture (SUA) in Tanzania. She holds a BSc. In Agricultural Economics and Agribusiness as well as a MSc. Project Management. Janet has a strong passion for sustainable agriculture and rural micro financing, and this crystallized out during her work at Bustani ya Tushikamane (ByT) where she works with farmers on agro ecological farming, group saving and lending.

Janet is a co-founder and Chief Executive Officer (CEO) of Sustainable Agriculture Tanzania (SAT), a national organization in Tanzania. SAT's vision is to reduce the social and environmental problems and as well to provide sustainable food for the fast-growing global population. She was appointed to the Hand in Hand Eastern Africa Board in 2015 and has supported in the establishment of the Hand in Hand Eastern Africa -Tanzania (HIH EA -TZ). Janet is also a Board member of the Tanzania Organic Agriculture Movement (TOAM).



Edwin Njamura

Member – Finance, ICT, Audit & Risk Board Committee

Edwin Njamura joined the Capital Markets Authority in July 2012 as Director, Corporate Services. With tremendous support of CMA colleagues and the Board through its various organs, he has been instrumental in the development of the institutional capacity of the Authority by leading transformational programs and maintaining high standards around Accounting & Finance, Human Capital & Administration, Information Technology, and Procurement operations. That is besides involvement in other CMA initiatives and activities including activation of the Code of Corporate Governance for Issuers of Securities to the Public.

Edwin sits on the Council of ICIFA – Kenya's Institute of Certified Investment and Financial Analysts and is a pioneering committee member of the AIRC – Africa Integrated Reporting Council. He is also a member of the Institute of Certified Public Accountants of Kenya.



Felisters Gitau Mutugu

Member – HR & Nominations; Social Enterprise Board Committee

Felisters is the Chief Executive Officer - Farmers' Choice

She provides strategic advice to the Board and prepares & implement comprehensive business plans. Also plans cost effective operations & market development activities. Other highlights:

- Verified Finance stewardship through planning and oversight of expenditure with budgets
  exceeding $130M annually.
- A knack for Regional Business with 12+ years' experience in domestic and export markets across Sub-Saharan, Asia and Middles East region.
- Track-record of growing topline performance over 40% year on year by guiding business
  development initiatives to originate multi-million business case development.
- People leader; managed and mentored over 500 staff across the ladder.
- Named in Business Daily Africa among the 2025 Top 40 Under 40 Trailblazing Women and Captains of Industry.



2025 Annual Financial Report Overview

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BOARD OF DIRECTORS

Amalia Johnsson Hodgson	Chairperson
Prof. Catherine Ndungo	Secretary
Nicholas Lynch Staunton	Treasurer
Abraham Barno	Member
Janet Maro	Member
Edwin Njamura	Member
Felister Gitau	Member

REGISTERED OFFICE

Hand in Hand Eastern Africa

Lower Hill Duplex Apartments
Upper Hill Road

P.O. Box 8562,00100
Nairobi, Kenya

INDEPENDENT AUDITOR

Ernst & Young LLP
Kenya Re Towers
Upper Hill
Off Ragati Road
P.O. Box 44286 - 00100
Nairobi, Kenya

PRINCIPAL BANKERS

KCB Bank Kenya Limited Moi Avenue Branch
P.O. Box 30437,00100
Nairobi, Kenya

Absa Bank Limited
Bunyala Road Branch
P.O. Box 72058,00200
Nairobi, Kenya

LEGAL ADVISOR

Naikuni Ngaah & Miencha Co Advocates
Kose Heights, 6th Floor Apt No F6.3
Argwings Kodhek Groove, Hurlingham

The board of directors submit their report and the audited financial statements for the year ended 31 December 2025, which disclose the state of Hand In Hand Eastern Africa ('Organisation') affairs.

REGISTRATION

The organisation is a nonprofit, nonpolitical International NonGovernmental Organisation (NGO) registered in Kenya under Section 10 of the NonGovernmental Organisations Coordination Act. Its registered address is provided on page 1.

PRINCIPAL ACTIVITIES

The principal activity of the organisation is to reduce poverty through enterprise development and job creation.

RESULTS FOR THE YEAR

During the year ended 31 December 2025, the revenue decreased from Kes 1,049,503,787 to Kes 858,214,040. Notably, the expenditure decreased by Kes 149,606,388 due to decreased project activities as compared to the prior year.

	2025 Kes	2024 Kes	Movement Kes
Revenue	858,214,040	1,049,503,787	(191,289,747)
Expenditure	856,474,470	1,006,080,858	(149,606,388)
Surplus for the year	1,739,570	43,422,929	(41,683,359)
Key performance indicator			
Programme expense percentage			
Project costs to total costs (%)	93%	93%	
Standard minimum – Over the years, the organization has internally set a standard minimum ratio of direct project cost to total cost to be 65%.	65%	65%	
	Cumulative 2025	**2025**	**2024**
Members Mobilized	423,871	13,753	15,879
Existing Member - Under Acceleration	23,595	2,590	3,538
Groups Created	21,529	841	794
Enterprises Created	390,609	11,694	10,500
Jobs Created	526,291	15,400	14,501
Hand in Hand EA Staff	266	266	295

A number of the projects did not recruit new members in the year 2025 but were rather training members who were on board before 2025 since the projects were in their final year of implementation. In addition, most of the new projects during the period also focused on the acceleration of members who had graduated from the Bottom of the Pyramid (BOP) program.

DIRECTORS

The Directors who held office during the year and to the date of this report are set out on page 1.

EVENTS AFTER THE REPORTING DATE

The Board of Directors are not aware of any matters or circumstances arising since the end of the financial period which have a material effect on the financial statements.

STATEMENT AS TO DISCLOSURE TO THE ORGANISATION AUDITORS

With respect to each director at the time this report was approved:

a) There is, so far as the director is aware, no relevant audit information of which the organisation's auditor is unaware; and

b) The director has taken all the steps that the director ought to have taken as a director so as to be aware of any relevant audit information and to establish that the organisation's auditor is aware of that information.

TERMS OF APPOINTMENT OF AUDITORS

The Organisation's auditors, Ernst & Young LLP, have expressed their willingness to continue in office. The directors monitor the effectiveness, objectivity and independence of the auditors. The directors also approve the annual audit engagement contract which sets out the terms of the auditor's appointment and the related fees. The agreed auditor's remuneration has been charged to the statement of comprehensive income.

BY ORDER OF THE BOARD OF DIRECTORS

It is the responsibility of the Directors of Hand in Hand Eastern Africa to prepare financial statements for each financial year that give a true and fair view of the financial position of the Organisation as at the end of the financial year and performance for that period. The Directors are required to ensure that the Organisation maintains proper accounting records that are sufficient to show and explain the transactions of the Organisation and disclose, with reasonable accuracy, the financial position of the Organisation. The Directors are also responsible for safeguarding the assets of the Organisation, and for taking reasonable steps for the prevention and detection of fraud and error.

The Directors accept responsibility for the preparation and presentation of these annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Financial Reporting Standards. The Directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Organisation and of its operating results.

The Directors also accept responsibility for:

i. designing, implementing and maintaining such internal controls as it determines necessary to enable the presentation of financial statements that are free from material misstatement, whether due to fraud or error;
ii. selecting suitable accounting policies and applying them consistently; and,
iii. making accounting estimates and judgements that are reasonable in the circumstances.

Having made an assessment of the Organisation's ability to continue as a going concern, the Directors are not aware of any material uncertainties related to events or conditions that may cast doubt upon the Organisation's ability to continue as a going concern.

The Directors acknowledge that the independent audit of the financial statements does not relieve them of their responsibilities.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF HAND IN HAND EASTERN AFRICA

Opinion

We have audited the accompanying financial statements of Hand in Hand Eastern Africa ('Organisation') set out on pages 22 to 47, which comprise the statement of financial position as at 31 December 2025, and the statement of comprehensive income, statement of changes in fund balances and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policy information.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Hand in Hand Eastern Africa as at 31 December 2025, and its financial performance and cash flows for the year then ended in accordance with IFRS for SMEs Accounting Standard as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the organisation in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code)

and other independence requirements applicable to performing an audit of the financial statements in Kenya. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing an audit of the financial statements in Kenya. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Directors' Responsibilities for the financial statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRS for SMEs Accounting Standard as issued by the International Accounting Standards Board and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the organisation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the organisation or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organisation's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the organisation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the organisation to cease to continue as a going concern; and
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The engagement partner responsible for the audit resulting in this independent auditors' Report is CPA Tom Nyakoe, Practicing Certificate No. 2283.

For and on behalf of Ernst & Young LLP

Certified Public Accountants Nairobi, Kenya

Revenue	Notes	2025 Kes Restricted	2025 Kes Unrestricted	2025 Kes Total	2024 Kes Restricted	2024 Kes Unrestricted	2024 Kes Total
Restricted income	3 a)	769,744,469	-	769,744,469	913,987,723	-	913,987,723
Unrestricted income	3 b)	-	17,666,166	17,666,166	-	21,636,465	21,636,465
Interest income	3 a), 4 a)	10,521,243	39,524,791	50,046,034	23,410,006	68,736,446	92,146,452
Other operating income	4 b)	-	6,976,163	6,976,163	-	4,768,418	4,768,418
Amortised capital grant	5 b)	13,781,208	-	13,781,208	16,964,729	-	16,964,729
		794,046,920	**64,167,120**	**858,214,040**	**954,362,458**	**95,141,329**	**1,049,503,787**
Expenditure							
Project costs	6 a)	738,838,982	58,939,331	797,778,313	891,444,242	44,231,796	935,676,038
Administration costs	6 b)	41,426,730	2,776,755	44,203,485	45,953,487	6,454,817	52,408,304
Depreciation and amortisation	6 c)	13,781,208	711,464	14,492,672	16,964,729	1,031,787	17,996,516
Total expenditure		**794,046,920**	**62,427,550**	**856,474,470**	**954,362,458**	**51,718,400**	**1,006,080,858**
Surplus for the year		**-**	**1,739,570**	**1,739,570**	**-**	**43,422,929**	**43,422,929**

	Notes	2025 Kes	2024 Kes
Assets			
Non-current assets			
Land and buildings	7	18,891,452	18,891,452
Property and equipment	7	19,593,007	27,292,726
Intangible assets	8	-	946,663
Total non-current assets		**38,484,459**	**47,130,841**
Current assets			
Loans and advances	9	39,061,535	42,218,406
Receivables	10	25,005,888	62,331,141
Inventory	11	1,026,480	247,520
Cash and cash equivalents	12	953,407,256	837,651,527
Total current assets		**1,018,501,159**	**942,448,594**
Total Assets		**1,056,985,618**	**989,579,435**
Reserves and Liabilities			
Reserves			
Accumulated funds	13	76,013,823	85,468,978
Capital fund reserve	14	982,054	1,331,714
Revolving fund reserve	15	82,964,288	90,000,000
Hand in Hand EA reserve fund	16	75,496,828	63,952,443
Loan loss reserve	17	1,317,161	1,317,161
Total reserves		**236,774,154**	**242,070,296**
Non-current liabilities			
Deferred income	5 a)	49,139,787	63,687,236
Retirement benefit obligations	18	38,737,446	33,645,268
Borrowings	19	16,500,000	16,500,000
Total non-current liabilities		**104,377,233**	**113,832,504**
Current liabilities			
Payables	20	23,347,604	22,262,927
Borrowings	19	32,006,507	54,192,346
Member deposits	21	20,193,165	29,036,940
Deferred income	5 c)	640,286,955	528,184,422
Total current liabilities		**715,834,231**	**633,676,635**
Total Reserves and Liabilities		**1,056,985,618**	**989,579,435**

The financial statements were approved by the Board of Directors on _____2026

Year ended 31 December 2025	Notes	Accumulated fund Kes	Capital reserve Kes	Revolving fund reserve Kes	HIH EA Reserve Fund Kes	Loan loss reserve Kes	Total Kes
At start of year		85,468,978	1,331,714	90,000,000	63,952,443	1,317,161	242,070,296
Amortisation of capital reserve	13 (b)	711,464	(711,464)	-	-	-	-
Transfers to capital reserve during the year	14	(361,804)	361,804	-	-	-	-
Transfer to Fanikisha Company	22	-	-	(7,035,712)	-	-	(7,035,712)
Transfer to HIH EA fund reserve	16	(11,544,385)	-	-	11,544,385	-	-
Surplus for the year		1,739,570	-	-	-	-	1,739,570
At end of year		**76,013,823**	**982,054**	**82,964,288**	**75,496,828**	**1,317,161**	**236,774,154**
Year ended 31 December 2024							
At start of year		87,903,372	2,137,157	64,470,327	42,819,350	1,317,161	198,647,367
Amortisation of capital reserve	13 (b)	1,031,787	(1,031,787)	-	-	-	-
Transfers to capital reserve during the year	14	(226,344)	226,344	-	-	-	-
Transfer of general reserves to revolving fund reserve	15	(25,529,673)	-	25,529,673	-	-	-
Transfer to HIH EA fund reserve	16	(21,133,093)	-	-	21,133,093	-	-
Surplus for the year		43,422,929	-	-	-	-	43,422,929
At end of year		**85,468,978**	**1,331,714**	**90,000,000**	**63,952,443**	**1,317,161**	**242,070,296**

	Notes	2025 Kes	2024 Kes
OPERATING ACTIVITIES:			
Surplus for the year		1,739,570	43,422,929
Adjustments for:			
Depreciation on equipment	7	13,546,008	15,323,699
Amortisation of intangible assets	8	946,663	2,672,818
Non-current deferred income		(14,547,449)	52,558
Gain on disposal of assets	4 b)	(203,045)	(69,070)
Increase in provision for retirement benefit obligation	18	25,271,506	27,947,821
Payment of retirement benefit obligation	18	(20,179,328)	(36,155,547)
Changes in working capital:			
- Loans and advances		3,156,871	(9,913,591)
- Receivables		37,325,253	(28,897,724)
- Inventory		(778,960)	(247,520)
- Payables		1,084,677	(42,852,671)
- Members deposits		(8,843,775)	(11,065,464)
- Current deferred income		112,102,533	95,616,216
Net cash flows generated from operating activities		**150,620,524**	**55,834,454**
INVESTING ACTIVITIES:			
Purchase of equipment	5	(5,846,289)	(10,156,056)
Proceeds from disposal of equipment	14 b)	203,045	317,466
Transfer to Fanikisha Hub Limited	22	(7,035,712)	-
Net cash flows used in investing activities		**(12,678,956)**	**(9,838,590)**
FINANCING ACTIVITIES:			
Proceeds from borrowings		5,944,940	16,494,701
Repayments of borrowings		(28,130,779)	(42,706,602)
Net cash flows used in financing activities		**(22,185,839)**	**(26,211,901)**
Increase in cash and cash equivalents		115,755,729	19,783,963
At start of year		837,651,527	817,867,564
At end of year	12	**953,407,256**	**837,651,527**

1. General information

The organisation is a Not-for- profit organization registered under Non-Governmental Organization Coordination Act and is domiciled in Kenya. The address of its registered office and principal place of business is in Lower Hill duplex flats on lower upper hill road, Upper hill. The principal activity of the organisation is to reduce poverty through enterprise development and job creation.

The organisation is governed by a constitution which installs the board of directors as the policy-making organ. It also provides that the organisation should not have less 7 members who in the event of a winding up will be liable to a contribution of not less than Kes 100.

Hand in Hand Eastern Africa is part of the Hand in Hand network, whose shared vision is to fight poverty through job and business creation. Hand in Hand's mission is to work for the economic and social empowerment of the poorest and most marginalized people by supporting the development of businesses and jobs. The organizations within the Hand in Hand group actively support each other, although they are independent, and each organization has its own governance and management structure as well as strategic plan.

2. Material accounting policy information

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Basis of preparation

The financial statements have been prepared on a historical cost basis in accordance with the IFRS for SMEs Accounting Standard as issued by the International Accounting Standards Board.

Going concern

The financial performance of the organisation is set out in the report of the board of directors and in the statement of comprehensive income. The financial position of the organisation is set out in the statement of financial position.

Based on the financial performance and position of the organisation and its risk management policies, the board of directors is of the opinion that the organisation is well placed to continue in operation for the foreseeable future and therefore the financial statements have been prepared on a going concern basis.

b) Key sources of estimation uncertainty

In the application of the accounting policies, the board members are required to make the judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other relevant factors. Such estimates and assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

The board members have made the following significant accounting estimates and assumptions:

(i) Useful lives of property and equipment

The board of directors reviews the useful lives and residual values of the items of property and equipment on a regular basis. During the financial year, the board members determined no significant changes in the useful lives and residual values.

(ii) Simplified approach in accounting for retirement benefit obligations

In determining whether to use a simplified approach in accounting for the retirement benefit obligations as management have considered the cost versus the benefit of using the unit credit method and the ultimate user of the accounts. The management are of the view that the unit credit method will not give additional beneficial information to the users of the financial statements.

c) Revenue recognition

i) Grants for restricted purposes and for specified funded projects are recognized when spent on qualifying activities. Any unutilized grants are recognized as deferred income and any excess expenditure over income is recorded as grants receivable at year end where there is commitment of additional funds from grant providers.

ii) All other donations and unrestricted funds are accounted for on a cash receipt basis unless there is committed funds or pledged funds that are receivable.

iii) Interest income is accrued by reference to time under the effective interest method.

d) Expenditure

Expenditure is accounted for on an accrual basis.

e) Taxation

No tax has been provided in these accounts, as the organisation is exempt from tax on its income as discussed on note 24.

f) Capital grants

This represents funds received for purchase of equipment or the value of such equipment that are granted to the organization. The initial amount is credited to a deferred income account known as capital grants. The grant balance is amortised to income annually at an amount equal to that of depreciating the assets purchased with the grants.

g) Property and Equipment

Property and equipment are initially recorded at cost, which includes the purchase price and all costs directly attributable to bringing the asset to the location and condition necessary for it to operate as intended.

i. Land

Land is carried at historical cost and is not depreciated, as it is considered to have an indefinite useful life. The carrying amount of land is reviewed at each reporting date to assess whether there is any indication of impairment. If such indications exist, land is written down to its recoverable amount and the impairment loss is recognised in the statement of (deficit)/surplus.

Gains or losses arising from the disposal of land are determined as the difference between the disposal proceeds and the carrying amount and are recognised in the statement of (deficit)/surplus in the period in which the disposal occurs.

ii. Equipment

Equipment is carried at historical cost less accumulated depreciation and impairment losses, where applicable. Historical cost comprises expenditure initially incurred to bring the asset to its location and condition ready for its intended use.

The organisation capitalises all individual items of equipment in excess of Kes 10,000 in cost. All other equipment is written off as expenditure on acquisition unless other considerations make it prudent to have it capitalized.

Depreciation

Depreciation is calculated on a straight line method on a monthly basis to write down the cost of each asset, to its residual value over its estimated useful life using the following annual rates:

g) Property and Equipment (Continued)

Details	Rate %
Motor vehicles	25
Furniture, fixtures and equipment	12.5
Computers	30

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date.

Gains and losses on disposal of equipment are determined by comparing the proceeds with the carrying amount and are taken into account in determining (deficit)/surplus.

h) Intangible assets

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of three years at a rate of 33.3%.

i) Inventories

HIHEA presents inventories at the lower of cost and net realizable value in accordance with IAS 2. Inventories comprise silage bags held for program activities for support to community livestock and resilience initiatives in arid and semi-arid lands. The Silage Bags are used for preserving grass silage used in livestock feed programs to enhance animal nutrition and drought resilience among beneficiary communities.

j) Loans and advances and other receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are classified as current assets where maturities are within 12 months of the reporting date. Subsequent to initial recognition, such assets are carried at amortised cost using the effective interest rate method. Changes in the carrying amount are recognised in profit or loss.

A financial asset is impaired if its carrying amount is greater than its estimated recoverable amount. The amount of the impairment loss is calculated as the difference between the asset's carrying amount and the present values of expected future cash flows, discounted at the financial instrument's effective interest rate. Impairment losses are recognised in profit or loss.

Other receivables include deposits and prepayment for services/goods to be received in future and advances to staff, related parties and sub-grantees. Other receivables are only accounted for if there is tangible evidence that the service will be performed in

future, or a refund will be made in the event the service/goods is not delivered.

k) Payables

Trade payables are obligations on the basis of normal credit terms and do not bear interest.

l) Deferred income

Grant income is deferred where it has been received to fund specific future expenditure.

m) Borrowings and members guarantee deposits

Borrowings and members guarantee deposits are initially measured at fair value and subsequently measured at amortised cost, using the effective interest rate method.

Any difference between the proceeds (net of transaction costs) and the redemption value is recognised as interest expense in the statement of comprehensive income under finance costs under the effective interest rate method.

n) Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash in hand and deposits held at call with banks.

o) Retirement benefit obligations

The organisation operates a defined contribution staff retirement benefit scheme for all employees who have successfully completed their probation period. The scheme is administered by an insurance company. The organisation's contributions to the defined contribution retirement benefit scheme are charged to the statement of comprehensive income in the year to which they relate. The organisation has no other payment obligations once the contributions have been paid.

The organisation and its employees contribute to the National Social Security Fund (NSSF), a statutory defined contribution scheme registered under the NSSF Act. The organisation's contributions to the defined contribution scheme are charged to the statement of comprehensive income in the year to which they relate.

p) Accumulated Funds

Accumulated Funds represent the organisation's net surplus/ deficit after accounting for all income and expenditure, adjusted for movements in the designated reserves. The balance is directly influenced each year by the surplus or deficit for the period and by transfers to or from the specific reserves in line with internal financial policies and donor requirements.

q) Revolving fund reserve

Revolving fund reserve relates to funds given by donors or from retained earnings meant to ensure that there is sufficient capital to lend to members as enterprise incubation Fund.

The loan amount repaid is ploughed back to the fund ready for on lending to other members hence the revolving fund.

h) **Capital fund reserve**

This represents unrestricted funds received for purchase of equipment and intangible assets with no conditions or future compliance. Where a capital grant has a condition or future compliance then the same is classified as non-current liability. The fund is appropriated from the general reserves and an amount equivalent to the depreciation or armortisation is released back to the general reserves.

h) **Hand in Hand EA reserve fund**

This represents an accumulation of funds acquired from interest income earned from investment in unrestricted funds and also where specific donors has approved transfer of earned interest to the reserve fund account. Hand in Hand Eastern Africa has an operating reserve set aside to stabilize providing a cushion against unexpected events, losses of income, and any expenses not covered by donor project budgets. Reserve funds will allow the organization to weather serious financial challenges hence able to implement strategies to surmount encounters.

i) **Loan loss reserve**

This represents an accumulation of funds reserved to cushion the organisation against any impairment of loans in the future.

j) **Employee entitlements**

The estimated monetary liability for employees' accrued annual leave entitlement at the reporting date is recognised as an expense accrual.

h) **Leases**

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of comprehensive income on a straight-line basis over the period of the lease.

The organisation leases certain items of property, plant and equipment. Leases of property, plant and equipment where the organisation has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is apportioned between the liability and finance charges using the effective interest method. Rental obligations, net of finance charges, are included in borrowings in the statement of financial position. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

i) **Translation of foreign currencies**

The organisation maintains the project funds in Kenya Shilling which is the functional currency.
Transactions in foreign currency during the year are converted into Kenya Shilling at the rates ruling at the transaction date.

The resulting differences from conversion and translation are dealt with in the receipts and payment in the year in which they arise.

3 Grant income and receipts

(a) Restricted funds

Year ended 31 December 2025	Deferred Income Balance as at 1 Jan 2025	Receipts	Transfer to deferred income	Capital grants	Grant income	Bank interest earned
	Kes	Kes	Kes	Kes	Kes	Kes
	a	b	c	d	e=(a+b)—(c+d)	f
Hand in Hand Sweden - community uplifts projects	69,239,981	58,061,724	69,844,595	804,177	56,652,933	1,461,279
Hand in Hand International - village uplifts projects	230,110	12,214,037	2,093,195	38,671	10,312,281	50,266
Kitui Regenerative Agriculture – PFF*	1,514,651	10,206,051	-	-	11,720,702	(358,929)
Enterprise Development for Rural Families in Kenya- SIDA*	2,461,810	-	-	-	2,461,810	(2,155,713)
Planet and People Friendly Farming*	7,879,313	32,252,964	-	565,800	39,566,477	(2,701,461)
ForumCiv	2,032,919	23,416,033	-	106,256	25,342,696	91,729
Cohort of entrepreneurs, Level 2	8,864,880	19,483,319	-	-	28,348,199	-
Lind Invest	41,857,345	47,796,849	52,454,626	212,512	36,987,056	907,343
Enterprise Development For Rural Families In Kenya-HIHS* & **	9,899,637	(14,448,076)	-	-	(4,548,439)	(5,351,198)
Driving Innovation, Growth and Income	4,974,537	65,990,614	3,024,494	202,459	67,738,198	629,413
Increasing Net-Worth of Underserved Actors (INUA)	1,858,634	93,946,290	4,741,618	264,480	90,798,826	-
Bloom, Buzz and Business	21,409,805	34,594,357	8,607,658	265,900	47,130,604	438,994
Rights Wayforfawrd to Social and Economic Justice	4,494,513	-	-	51,860	4,442,653	-
Unlocking the potential and growth of Micro Enterprises	5,021,293	52,590,028	2,357,953	149,153	55,104,215	-
Waste to Profit	116,182,650	70,404,261	147,001,592	398,550	39,186,769	2,889,751
Bridging the Digital and Poverty Gap in Greater Nairobi	56,047	4,359,551	44,685	110,280	4,260,633	25,387
GUNVOR-Empowerment	1,754,617	43,334,236	9,192,683	755,199	35,140,971	223,517
The path to prosperity-CISCO	161,074	6,834,438	1,374,564	-	5,620,948	37,417
Building Inclusive and Resilience Enterprises-SIDA (BIRE)	229,071,137	163,896,608	285,112,072	1,152,736	106,702,937	13,995,651
County Aggregation and Industrial Parks- FAO***	1,323,148	5,981,017	(1,364,948)	-	8,669,113	-
Developing Entrepreneurship through Digital Skills (DEIDS-CDS II)	13,271,852	27,077,305	18,784,708	235,779	21,328,670	293,895
Evidence-Based Policy for Advancing the Care Economy in Kenya (EPKCE-UNWOMEN)	2,512,577	2,870,900	-	19,430	5,364,047	-
Business Owners Scaling for Success-BOSS	-	41,281,750	8,167,408	135,248	32,979,094	-
Mpesa Foundation-Wezesha mama program	-	3,360,000	908,847	-	2,451,153	-
Enabling Gender Responsive Circular and Sustainable Blue Economies for Kenya's Coastal Communities (GRCSBE-UNWOMEN)	-	5,572,589	3,803,994	-	1,768,595	-
Global Giving Fund	-	19,584	19,584	-	-	-
Business Behond Barriers (SIDA-BBB)	-	34,537,174	16,966,024	-	17,571,150	-
Roots for Transformation	-	35,447,158	18,788,985	15,995	16,642,178	43,902
	546,072,530	**881,080,761**	**651,924,337**	**5,484,485**	**769,744,469**	**10,521,243**

* Negatives on bank interest earned relate to interest either refunded to the donor, transferred to related projects or reallocated to unrestricted income/reserve fund.

** Negatives on receipts relate to funds transferred to related projects

*** Negatives on funds transferred to deferred income relate to funds receivable from the donor

3. Grant income and receipts (continued)

Year ended 31 December 2024	Deferred Income Balance as at 1 Jan 2024	Receipts	Transfer to deferred income	Capital grants	Grant income	Bank interest earned
	Kes a	Kes b	Kes c	Kes d	Kes e=(a+b)—(c+d)	Kes f
Hand in Hand Sweden - community uplifts projects	47,389,848	64,202,885	69,239,981	243,900	42,108,852	1,353,312
Hand in Hand International - village uplifts projects	230,473	7,562,292	230,110	46,600	7,516,055	45,704
On the farm and beyond Project Bomet & Busia	1,748,410	-	-	-	1,748,410	(503,373)
Kitui Regenerative Agriculture - PFF	1,452,214	21,258,347	1,514,651	132,536	21,063,374	222,533
Entrepreneurship in the community, Kenya	1,225,029	-	-	-	1,225,029	(1,225,029)
Enterprise Development for Rural Families In Kenya- SIDA	157,837,154	-	2,461,810	1,766,992	153,608,352	7,095,158
Capitalizing on digital solutions	24,573,551	-	-	394,835	24,178,716	680,229
Baringo honey value chain	300,000	-	-	300,000	-	-
Planet and People Friendly Farming	111,095	42,704,573	7,879,313	277,240	34,659,115	558,830
FSDK Poultry Value chain *	2,689,115	(1,961,192)	-	-	727,923	(512,160)
Safaricom Foundation	389,734	-	-	-	389,734	12,416
ForumCiv	-	24,589,033	2,032,919	345,600	22,210,514	1,530,853
German Development Cooperation	454,081	-	-	-	454,081	-
Cohort of entrepreneurs, Level 2	7,859,970	113,592,084	8,864,880	236,784	112,350,390	-
Planet Friendly Farming-Kitui	2,532,623	3,938,211	-	-	6,470,834	(110,397)
Lind Invest	46,314,912	39,098,840	41,857,345	311,024	43,245,383	1,987,465
Enterprise Development for Rural Families In Kenya-HIHS	50,855,029	-	9,899,637	-	40,955,392	1,907,777
Women Economic Empowerment-UN Women	(538,145)	21,340,321	-	-	20,802,176	-
Women in Waste	2,263,123	12,241,721	-	-	14,504,844	(124,820)
Driving Innovation, Growth and Income	1,210,592	47,766,537	4,974,537	666,536	43,336,056	894,009
Increasing Net-Worth of Underserved Actors (INUA)	(1,924)	81,553,103	1,858,634	274,430	79,418,115	-
Bloom, Buzz and Business	22,465,414	39,754,710	21,409,805	231,523	40,578,796	1,447,698
Rights Way forward to Social and Economic Justice	11,128,327	8,854,743	4,494,513	59,220	15,429,337	-
Unlocking the potential and growth of Micro Enterprises	3,675,417	94,715,519	5,021,293	957,160	92,412,483	-
Waste to Profit	56,954,302	103,316,070	116,182,650	1,232,158	42,855,564	2,192,805
Bridging the Digital and Poverty Gap in greater Nairobi	-	1,777,554	56,047	135,720	1,585,787	11,513
GUNVOR-Empowerment	-	32,663,609	1,754,617	269,700	30,639,292	514,133
The path to prosperity-CISCO	-	2,409,311	161,075	-	2,248,236	40,982
Building Inclusive and Resilience Entreprises-SIDA (BIRE)	-	242,977,615	229,071,137	1,998,533	11,907,945	5,356,164
County Aggregation and Industrial Parks-FAO	-	3,588,610	1,323,147	-	2,265,463	-
Developing Entrepreneurship through Digital Skills (DEIDS CDS II)	-	16,146,025	13,271,852	49,221	2,824,952	34,204
Evidence Based Policy for Advancing the care economy in Kenya-UN Women (EPKCE -UNWOMEN)	-	2,779,100	2,512,577	-	266,523	-
	443,120,344	1,026,869,621	546,072,530	9,929,712	913,987,723	23,410,006

* Negative balance on funds received under FSDK Poultry Value chain project relates to surplus sent back to the donor during the year when the project came to an end.

** Negatives on bank interest earned relates to interest either refunded to the donor, reallocated to unrestricted expenses/ reserve fund

		2025 Kes	2024 Kes
3.	Grant income and receipts (continued)		
	b) Unrestricted income		
	Interest Income Reserved	10,134,585	21,133,092
	Transfer from HIH International	7,531,581	503,373
		17,666,166	21,636,465
4.	Other income		
	a) Interest income		
	Interest on loans and advances	9,878,052	13,164,060
	Bank interest Income	29,646,739	55,572,386
		39,524,791	68,736,446
	b) Other operating income		
	Member registration fees	1,329,000	1,530,000
	Training certificate fees	203,000	280,700
	Loans and savings processing fees	1,161,999	1,473,982
	Passbook fees	244,250	275,100
	Group registration fees	70,900	57,900
	Training fees Income	360,000	-
	Group registration renewals fees	80,800	126,300
	Loan insurance fees	77,859	100,805
	Gain on disposal of fixed asset	203,045	69,070
	Write off on net book value of disposed capital grant	-	248,395
	Other miscellaneous income	3,245,310	606,166
		6,976,163	4,768,418
5.	Deferred income		
	Non-current		
(a)	Revenue grant	11,637,382	17,888,108
(b)	Capital grant	37,502,405	45,799,128
		49,139,787	63,687,236
	Current		
(c)	Revenue grant	640,286,955	528,184,422
	Total deferred income	689,426,742	591,871,658

a) Revenue grants are classified as non-current where the funds for an ongoing project are received in advance and are to be used for more than one year. In the event that funds are received in advance the organisation release funds for use on the project on a pro-rata basis over the period of the grant.
The above non-current grant of Kes 11,637,382 relate to funds received in advance for HIH Sweden - Community Uplift Project which runs over a period exceeding 12 months.

a) Capital grants are classified as non-current where funds received for the purchase of equipment or the value of such equipment is granted to the organization. The initial amount is credited to a deferred income account known as capital grants. The grant balance is amortised to income annually at an amount equal to the depreciation of the assets purchased with the grants.

b) Revenue grants are classified as current where funds for an ongoing project are received in advance and are expected to be utilized within a period of less than 12 months.

Capital grant	2025 Kes	2024 Kes
At start of year	45,799,128	53,082,540
Capital grants during the year	5,484,485	9,929,712
Amortisation of capital grants	(13,781,208)	(16,964,729)
Write off on net book value of disposals	-	(248,395)
At end of year	37,502,405	45,799,128

6. Expenditure

a) Project Costs	2025 Kes Restricted	2025 Kes Unrestricted	2025 Kes Total	2024 Kes Restricted	2024 Kes Unrestricted	2024 Kes Total
Staff cost	446,088,593	40,149,342	486,237,935	470,126,625	24,918,657	495,045,282
Transport expenses	48,685,436	2,408,221	51,093,657	53,970,716	7,377,966	61,348,682
Marketing & group leaders' trainings	94,062,658	1,990,279	96,052,937	209,259,131	2,043,077	211,302,208
Partnerships and VCM cost	18,216,358	4,752,730	22,969,088	24,037,107	2,044,657	26,081,764
Monitoring and evaluation	16,479,860	2,925,520	19,405,380	23,675,360	2,399,436	26,074,796
Program monitoring systems	8,511,454	37,405	8,548,859	4,442,979	722,000	5,164,979
Professional services	2,689,439	720,455	3,409,894	7,283,934	120,239	7,404,173
Staff capacity building	27,906,576	5,146,229	33,052,805	29,078,435	3,225,555	32,303,990
Assets maintenance and insurance cost	4,246,528	285,035	4,531,563	6,643,681	324,996	6,968,677
Premises expenses	25,620,430	524,115	26,144,545	25,798,330	1,055,213	26,853,543
External monitoring and evaluation surveys	21,876,242	-	21,876,242	24,694,936	-	24,694,936
Technical assistance	21,130,928	-	21,130,928	8,122,418	-	8,122,418
Community resource persons expenses	3,324,480	-	3,324,480	4,310,590	-	4,310,590
	738,838,982	58,939,331	797,778,313	891,444,242	44,231,796	935,676,038
The following shows breakdown for staff costs;						
Salaries, Insurance and wages	349,126,928	35,331,047	384,457,975	370,230,417	19,735,390	389,965,807
Pension contribution	29,470,214	2,507,239	31,977,453	31,683,159	1,430,813	33,113,972
Staff medical expenses	42,872,254	1,574,318	44,446,572	41,254,122	2,360,462	43,614,584
Gratuity expense	24,619,197	566,888	25,186,085	26,640,819	1,218,492	27,859,311
Other staff costs	-	169,850	169,850	318,108	173,500	491,608
	446,088,593	40,149,342	486,237,935	470,126,625	24,918,657	495,045,282

6.	Expenditure (continued)	2025 Kes Restricted	2025 Kes Unrestricted	2025 Kes Total	2024 Kes Restricted	2024 Kes Unrestricted	2024 Kes Total
b)	Administration Costs						
	Stationery supplies and printing	4,417,147	179,777	4,596,924	6,893,063	321,225	7,214,288
	Communication costs	10,423,186	750,337	11,173,523	11,070,586	776,018	11,846,604
	Office running costs	18,712,196	415,716	19,127,912	19,448,884	713,514	20,162,398
	Staff relocation expenses	-	-	-	177,500	-	177,500
	Management and trustee meetings	1,350,089	-	1,350,089	1,163,733	371,213	1,534,946
	Audit fees	2,426,023	134,305	2,560,328	3,257,134	154,058	3,411,192
	Premises expenses	2,397,448	194,157	2,591,605	2,046,807	318,979	2,365,786
	Bank and money transfer charges	1,700,641	113,905	1,814,546	1,895,780	86,058	1,981,838
	Exchange (gain)/loss	-	48,787	48,787	-	2,441,106	2,441,106
	Interest on Borrowings	-	939,771	939,771	-	1,171,826	1,171,826
	Provision for impairment of loans	-	-	-	-	100,820	100,820
	Total administrative costs	41,426,730	2,776,755	44,203,485	45,953,487	6,454,817	52,408,304
c)	Depreciation and Amortisation						
	Depreciation	12,893,215	652,794	13,546,009	14,512,650	811,049	15,323,699
	Amortisation	887,993	58,670	946,663	2,452,079	220,738	2,672,817
		13,781,208	711,464	14,492,672	16,964,729	1,031,787	17,996,516

7. Property and Equipment (Motor Vehicles, Furniture, Fixtures and Equipments

2025	Land and buildings	Motor vehicles	Furniture, fixtures and equipment	Computer	Total
	Kes	Kes	Kes	Kes	Kes
Cost					
At start of year	18,891,452	41,577,004	28,028,310	45,610,783	115,216,097
Additions	-	920,799	1,836,642	3,088,848	5,846,289
Disposals	-	(362,620)	-	(111,760)	(474,380)
At end of year	18,891,452	42,135,183	29,864,952	48,587,871	120,588,006
Depreciation					
At start of year	-	35,334,647	19,458,708	33,130,016	87,923,371
Charge for the year	-	4,606,201	1,828,998	7,110,809	13,546,008
On disposal	-	(362,620)	-	(111,760)	(474,380)
At end of year	-	39,578,228	21,287,706	40,129,065	100,994,999
Net book value					
At end of year	**18,891,452**	**2,556,955**	**8,577,246**	**8,458,806**	**19,593,007**
2024					
Cost					
At start of year	18,891,452	40,735,604	25,348,454	39,441,062	105,525,120
Additions	-	841,400	2,696,855	6,617,801	10,156,056
Disposals	-	-	(16,999)	(448,080)	(465,079)
At end of year	18,891,452	41,577,004	28,028,310	45,610,783	115,216,097
Depreciation					
At start of year	-	28,441,669	17,788,057	26,586,629	72,816,355
Charge for the year	-	6,892,978	1,687,650	6,743,071	15,323,699
On disposal	-	-	(16,999)	(199,684)	(216,683)
At end of year	-	35,334,647	19,458,708	33,130,016	87,923,371
Net book value					
At end of year	**18,891,452**	**6,242,357**	**8,569,602**	**12,480,767**	**27,292,726**

7. Property plant and equipment (continued)

	2025 Kes	2024 Kes
Net book value of assets under grant	37,502,405	44,911,136
Net book value of purchased assets - under capital reserve	982,054	1,273,042
	38,484,459	46,184,178
8. Intangible assets		
Cost		
At start and end of year	37,463,787	37,463,787
Amortisation		
At start of year	36,517,124	33,844,306
Charge for the year	946,663	2,672,818
At end of year	37,463,787	36,517,124
Net book value		
At end of year	-	946,663
The intangible assets comprise of acquired application software for accounting, sales and payroll.		
Net book value of assets under grant	-	887,992
Net book value of assets from unrestricted funds - under capital reserve	-	58,671
	-	946,663
9. Loans and advances		
Gross loans	42,716,318	45,873,189
Provisions for loans	(3,654,783)	(3,654,783)
Net loans for the year	39,061,535	42,218,406
At the start of the year	45,873,189	35,959,598
Additions during the year	72,642,987	100,298,608
Repayments during the year	(75,799,858)	(90,385,017)
	42,716,318	45,873,189
Provisions for loans	(3,654,783)	(3,654,783)
At the end of the year	39,061,535	42,218,406
Interest charged during the year	9,878,052	13,164,060

9. Loans and advances (continued)

Loans and advances are funds advanced to registered members under Enterprise Incubation Fund and Mazingira Fund which are sourced from various donors including Hand in Hand International, Safaricom Foundation and KIVA. The program is meant to empower the recipient of the funds to enhance business skills through training, provide startup capital and enhance capacity.

Registered members comprise individuals who come together to form self-help groups to participate in the above listed programmes. The minimum number of members per group is 15 persons. The members guarantee each to the maximum of the group savings as disclosed in Note 21 below.

The funds repaid are ploughed back to a revolving fund under Enterprise Incubation Fund and Mazingira Fund to further the activities of the programmes while the interest income is used to cover the expenses of administering the incubation fund.

The organisation provides for impairment loss where there is objective evidence of impairment. The impairment loss is calculated as the difference between outstanding amount of the loan and the present value of the estimated future cash flows which includes the realisation of collateral except where the collateral value is typically undeterminable.

For the purpose of credit risk management, the organisation considers accounts that are overdue by 1 day or more as delinquent loans and measures the level of delinquency as 1-30, 31-90, 91-180 ,181 and above days past due. The organisation makes a full provision on those loans above 181 days and carries out specific assessment on the remaining portfolio.

In 2020 the organisation received a guarantee fund of Kes. 9,757,584 from Hand In Hand International. By 31 December 2023 the organisation had utilised Kes. 777,598 of this guarantee fund against loans that were considered to be in impaired based on management's assessment. Due to low risk on loan default, the donor approved in 2022 transfer of Kes.7,806,067 to the Member Loans Revolving Fund to enable more members access new loans as part of financial inclusion. The current Guarantee Fund Balance is Kes.1,173,919.

a) Provision for impairment	2025 Kes	2024 Kes
At start of year	3,654,783	3,654,783
Movement during the year	-	-
At end of year	3,654,783	3,654,783

10. Receivables		
Other receivables	10,731,866	17,204,817
Deposits and prepayments	13,275,921	14,439,855
Due from Related party (Fanikisha Hub Limited - Note 22 (vi))	998,101	30,686,469
	25,005,888	62,331,141

11. Inventory		
At start of year	247,520	-
Purchases during the year	1,092,000	247,520
Disbursement during the year	(313,040)	-
At end of year	1,026,480	247,520

12. Cash and cash equivalents	2025 Kes	2024 Kes
Cash at bank	210,241,277	230,951,527
Fixed deposits*	743,165,979	606,700,000
	953,407,256	837,651,527

*The fixed deposit balances relate to funds held in call, fixed, and term deposits accounts earning effective interest rates between 6% and 10%, with maturity tenors ranging from 3 to 6 months. The deposits accrue interest income over their respective terms and are held with regulated banking institutions.

13. Accumulated funds		
At start of year	85,468,978	87,903,372
Amortisation of capital reserve	711,464	1,031,787
Transfers to capital reserve during the year	(361,804)	(226,344)
Transfer of general reserves to revolving fund reserve	-	(25,529,673)
Transfer to HIH EA fund reserve	(11,544,385)	(21,133,093)
Surplus for the year	1,739,570	43,422,929
At end of year	76,013,823	85,468,978

14. Capital fund reserve		
At start of year	1,331,713	2,137,157
Additions during the year	361,805	226,344
Amortisation of capital reserve	(711,464)	(1,031,787)
	982,054	1,331,714

The capital fund reserve is an appropriation of the reserve fund for unrestricted funds already utilised in the purchase of capital equipment.

15. Revolving fund reserve	2025 Kes	2024 Kes
At start of year	90,000,000	64,470,327
Transfer (to)/from accumulated funds	(7,035,712)	25,529,673
At end of year	82,964,288	90,000,000
Breakdown for revolving fund reserve is as follows:		
MESP incentive revolving funds	2,512,610	2,512,610
Swiss-Re loan capital	7,331,192	7,331,192
Conrad EIF Loan Capital	813,445	813,445
BHVC revolving fund	300,000	300,000
Collector micro loan revolving funds*	-	7,035,712
Ansar micro loan revolving funds	1,671,301	1,671,301
Hilti ETP revolving funds	7,000,000	7,000,000
Gunvor Loan Capital	7,806,067	7,806,067
General fund transferred to revolving fund	55,529,673	55,529,673
	82,964,288	90,000,000

* Collector micro loan revolving funds - The donor approved transfer of the revolving fund balance amounting to KES 7,035,712 held by HIH EA to Fanikisha Hub Limited bank account in FY 2025.

16. Hand in Hand EA Reserve Fund	2025 Kes	2024 Kes
At start of year	63,952,443	42,819,350
Transfer from accumulated funds*	11,544,385	21,133,093
At end of year	75,496,828	63,952,443

*This relates to accumulation of funds from interest income earned from unrestricted funds.

17. Loan loss reserve	2025 Kes	2024 Kes
At start and end of the year	1,317,161	1,317,161

This represents an accumulation of funds reserved to cushion the organisation against any impairment of loans in the future.

18. Retirement benefit obligations	2025 Kes	2024 Kes
At start of year	33,645,268	41,852,994
Current service cost	25,271,506	27,947,821
Benefits paid	(20,179,328)	(36,155,547)
At end of year	38,737,446	33,645,268

The organisation uses a simplified approach in accounting for the retirement benefit obligations as management feel that using the unit credit method will involve undue cost due to the fact that all expenditure is budgeted for and donor approved at the beginning of each year and use of the unit credit method will not give additional beneficial information to the users of the financial statements.

The organisation has no external users of the financial statements apart from the donors.

Assumptions regarding future mortality experience are set based on organisation's analysis in accordance with published statistics and experience in each country.

Amounts recognised in the statement of comprehensive income for the year are as follows:

	2025 Kes	2024 Kes
Current service cost	25,271,506	27,947,821

19. Borrowings		
Non - current		
Child Fund	1,100,000	1,100,000
Safaricom Foundation	15,400,000	15,400,000
	16,500,000	16,500,000
Current		
KIVA	10,832,588	7,787,963
EIF Guarantee Fund	21,173,919	21,173,918
HIH International	-	25,230,465
	32,006,507	54,192,346
Total borrowings	48,506,507	70,692,346

19. Borrowings (Continued)

The loan from Hand in Hand International (HIH) was for a five-year term from 9 April 2013, this was however extended for another 5 years and later extended up to 8 April 2025, the loan is interest free after period extension and no security has been placed on this loan facility. The loan has been repaid in full this year and on time.

Hand in Hand Eastern Africa makes use of the Kiva.org website to source for funds from its partner institutions. The debt capital sourced for Hand in Hand Eastern Africa on the Kiva website is earmarked to re-finance the capital used to disburse loans to their clients. The total amount of funds awarded each month is dependent upon the amount of monies Hand in Hand Eastern Africa is able to raise on the Kiva website (www.kiva.org) from Kiva's base of social investors. The total payment due to Kiva during a given month is therefore the sum of the individual principal payments owed by Hand in Hand Eastern Africa clients during that month. At the close of the month, Kiva aggregates these payments, and bills Hand in Hand Eastern Africa. There are no guarantees associated with Kiva financing, and there is no interest rate charged on this loan.

Safaricom Foundation's loan fund was for the initial one year (pilot). Then repayment for a period of three years after the pilot. The Foundation renewed the contract for a period of 3 years from 20 November 2018, and revolved for another 3 years from 1 March 2022, this has however been revolved again for 3 years effective 27th June 2025. There is no interest charged on this loan.

Enterprise Incubation Fund (EIF) Guarantee Fund is a Guarantee Fund held as a provision for bad debt resulting from existing EIF loans defaulting due to business disruptions caused by COVID 19. The guarantee fund has been entrusted to the Borrower with zero-rate interest. The initial term of the guarantee fund was six months from 1 July 2020 to 31 December 2020. In December 2020 it was agreed that the term be extended until 31 December 2021. In July 2022 the transfer of Kes. 7.8 million to Loan revolving Fund was approved while the balance was to be utilised against any future loan impairments. The fund is unsecured and interest free.

EIF Guarantee fund movement	2025 Kes	2024 Kes
At start of year	1,173,919	1,173,919
Movement during the year (Note 9)	-	-
At the end of year	1,173,919	1,173,919

20. Payables		
Trade payables	21,331,570	9,932,338
Other payables	282,925	10,987,162
Member refunds	59,690	61,419
Members prepayment account	644,030	842,358
Accruals	1,029,389	439,650
	23,347,604	22,262,927

Members' prepayment account includes unallocated funds to either deposit or loan repayment.
Members refund account comprise of balance refundable to members.

21.	Member deposits		
	At start of the year	29,036,940	40,102,404
	Additions	29,412,801	39,354,390
	Paid out	(38,256,576)	(50,419,854)
	At end of the year	20,193,165	29,036,940

Deposits are funds received from registered members to act as security for loans advanced to the individual members. The loans and advances are advanced under the Enterprise Incubation Fund and Mazingira Fund as disclosed under Note 9 above. The member deposits are maintained in a separate bank account therefore not used for on lending. Once the members have repaid their loans, the members guarantee deposit is available for withdrawal.

22. Related party transactions and balances`

The organization works closely with other Hand in Hand organizations such as HIH Tanzania, HIH International and HIH Sweden. The organization also has a social enterprise by the name Fanikisha Hub Limited which was registered in 2023. The donor approved transfer of the revolving fund balance amounting to KES 7,035,712 held by HIH EA to Fanikisha's Hub Limited bank account in FY 2025.

i)	Grant income and receipts	**2025 Kes**	**2024 Kes**
	Restricted funds		
	Grant income	769,744,469	913,987,723
	Deferred income	651,924,337	546,072,530
	Receipts during the year	881,080,761	1,026,869,622
ii)	Key management personnel compensation		
	Short term employee benefits	46,335,568	53,142,719
	Post-employment benefits	6,297,909	7,724,499
		52,633,477	60,867,218
iii)	Loans from related parties (Hand in Hand International)		
	Movement		
	At start of year	25,230,465	50,230,465
	Paid during the year	(25,230,465)	(25,000,000)
	At end of year	-	25,230,465

iv)	Transfer of Funds to Fanikisha Hub		
	Transfer during the year	7,035,712	-
v)	Expenses paid on behalf of Hand in Hand Tanzania		
	Payments during the year	3,727,918	8,619,629

Hand in Hand Eastern Africa make payments on behalf of Hand in Hand Tanzania and are reimbursed on a quarterly basis.

22. Related party transactions and balances

		2025 Kes	2024 Kes
v)	Expenses paid on behalf of Hand in Hand Tanzania		
	Payments during the year	3,727,918	8,619,629

Hand in Hand Eastern Africa make payments on behalf of Hand in Hand Tanzania and are reimbursed on a quarterly basis.

vi) Outstanding balances arising from sale and purchase of goods/services/property/other assets
Receivables from related parties can be analysed as follows:

Hand in Hand International	-	30,686,469
Fanikisha Hub	998,101	-
Total Receivables from related party- Fanikisha Hub (Note 10)	998,101	30,686,469
Movement on Hand in Hand International		
At start of year	30,686,469	(244,203)
Expenses paid on behalf of related parties	733,271	33,089,200
Payments Received	(31,419,740)	(2,158,528)
	-	30,686,469
Receivable by related party- Fanikisha Hub Limited (Note 10) Movement		
At start of year	-	-
Expenses paid on behalf of related parties	2,909,812	-
Payments Received	(1,911,711)	-
At end of year	998,101	-

23.	Operating lease commitments - as a lessee	2025 Kes	2024 Kes
	The future minimum lease payments payable under non-cancellable operating leases are as follows:		
	Not later than 1 year	23,213,459	24,574,418
	Later than 1 year and not later than 5 years	53,804,446	70,806,929
		77,017,905	95,381,347

24. Taxation

The organisation is registered under the Non-Governmental Organisations Act (1995) and renewed its Tax exemption on 20 November 2024 which runs from 26th August 2022 to 26th August 2027. The organisation has therefore not provided for tax payment in the financial statements

25. Presentation currency

The financial statements are presented in Kenya Shillings (Kes).

26. Contingent Liabilities

As at 31 December 2025, Hand in Hand Eastern Africa had no pending lawsuit (2024: Nill).

27. Events after the reporting date

There are no significant events after the reporting period which have not been reported in these financial statements.



Economic and Social Pillar

Enterprise Development and Job Creation

Hand in Hand Eastern Africa (HIH EA) remains committed to its mission of reducing poverty through enterprise development and job creation. During 2025, the organization continued to empower vulnerable communities, particularly women and youth, with entrepreneurship skills, business development support, market linkages, and financial inclusion services. Through these interventions, beneficiaries were able to establish and grow enterprises, create employment opportunities, and strengthen household resilience.

Enterprise development remains a key pillar of HIH EA's sustainability agenda, contributing to inclusive economic growth, poverty reduction, gender equality, and environmental sustainability. The programme's approach aligns with the Sustainable Development Goals (SDGs), particularly SDG 1 (No Poverty), SDG 5 (Gender Equality), SDG 8 (Decent Work and Economic Growth), and SDG 13 (Climate Action).



2025 Performance Highlights

Beneficiary Outreach

During 2025, HIH EA reached a total of **13,753 beneficiaries** through enterprise development interventions. Beneficiaries received support through entrepreneurship training, enterprise coaching, business mentoring, financial literacy education, savings mobilization, and market access initiatives. The programme maintained a strong focus on women's economic empowerment, with **women (78%)** participating in enterprise development activities compared to **men (22%)**. This reflects HIH EA's continued commitment to addressing barriers that limit women's participation in economic activities and promoting inclusive economic opportunities. Youth engagement remained a priority, with **35% youth** benefiting from programme interventions. Adults accounted for **65% beneficiaries,** demonstrating the programme's broad reach among economically active populations.

Enterprise Development

Entrepreneurship continued to serve as a critical pathway for sustainable livelihood creation. During the reporting period, beneficiaries established or strengthened **11,618 enterprises** across various sectors, including agriculture, retail trade, manufacturing, service provision, and environmentally sustainable businesses. The growth of these enterprises contributed significantly to household income generation and local economic development. Through continuous business coaching and mentorship, entrepreneurs enhanced their business management skills, improved productivity, and expanded market opportunities.

Promoting Green Enterprises

Environmental sustainability remained an integral component of HIH EA's enterprise development model. Of the **11,618 enterprises** supported during 2025, **4,474 enterprises (39%)** were classified as green enterprises, while **7,144 enterprises (61%)** were non-green enterprises. Green enterprises included climate-smart agriculture ventures, waste management businesses, renewable energy enterprises, recycling initiatives, and environmentally responsible production activities. The increasing adoption of green business practices demonstrates the programme contribution to climate resilience, environmental conservation, and sustainable economic growth. By integrating sustainability principles into entrepreneurship development, HIH EA is enabling communities to pursue income-generating opportunities while protecting natural resources and mitigating environmental degradation.

Job Creation and Economic Impact

The enterprises supported by HIH EA generated a total of **15,400 jobs** during 2025. These jobs included self-employment opportunities, family employment, wage employment, and seasonal work opportunities created through enterprise expansion. The jobs created contributed directly to increased household incomes, improved living standards, and enhanced economic resilience among vulnerable populations. Beyond direct employment, the enterprises stimulated local economic activity through increased demand for goods and services, strengthening community-level economic ecosystems. The achievement underscores the effectiveness of entrepreneurship as a sustainable strategy for addressing unemployment and underemployment, particularly among women and youth.

Programme Delivery and Capacity

The successful implementation of enterprise development interventions was supported by a dedicated team of **146 staff members**, comprising Business Relationship Officers (BROs), Business Development Officers (BDOs), and Enterprise Development Officers (EDOs).These frontline teams played a critical role in delivering training, providing business advisory services, facilitating market linkages, monitoring enterprise performance, and supporting entrepreneurs throughout their business development journey.

Sustainability Impact

The outcomes achieved in 2025 demonstrate the long-term sustainability of HIH EA's enterprise development model. By equipping beneficiaries with entrepreneurship skills and supporting enterprise growth, the programme creates lasting economic opportunities that extend beyond the duration of project support.

Key sustainability outcomes achieved during the year include:

- Enhanced economic empowerment for 13,762 beneficiaries.
- Increased participation of women in enterprise development and income-generating activities.
- Creation and strengthening of 11,618 enterprises.
- Generation of 15,400 employment opportunities.
- Expansion of environmentally sustainable enterprises, with green businesses accounting for 39% of all enterprises supported.
- Strengthened resilience of households and communities through diversified income sources.

Key Performance Indicators – 2025

Indicator	Achievement
Beneficiaries Reached	13,753
Female Beneficiaries	10,727(78%)
Male Beneficiaries	3026(22%)
Youth Beneficiaries	4,814 (35%)
Adult Beneficiaries	8,939 (65%)
Enterprises Created/Strengthened	11,618
Green Enterprises	4,474 (39%)
Non-Green Enterprises	7,144 (61%)
Jobs Created	15,400
Programme Staff (BROs, BDOs, EDOs)	146

Through enterprise development and job creation, Hand in Hand Eastern Africa continues to transform lives, foster economic inclusion, and build sustainable pathways out of poverty for thousands of households across the region.

Deepening Financial Resilience and Advancing Inclusive Development

In 2025, Hand in Hand Eastern Africa (HIH EA) continued to strengthen its commitment to sustainable financial inclusion by transitioning from a scale-driven approach to a resilience-focused and sustainability-oriented model. The organization emphasized responsible lending, savings-led growth, enterprise resilience, and strategic partnerships as critical drivers of inclusive socio-economic transformation. Through financial empowerment, enterprise strengthening, and enhanced access to inclusive financial services, HIH EA continues to contribute toward poverty reduction, job creation, women empowerment, and sustainable community livelihoods.

HIH EA contributed to the Economic Pillar of Kenya Vision 2030 by strengthening access to affordable financial services for micro and small enterprises, particularly women-led businesses operating within underserved communities. In 2025:

- A total of **KES 137,619,155** was facilitated in credit access;
- 3,825 members accessed internal lending amounting to **KES 72,642,988;**
- 870 members accessed **KES 64,976,167** through external financial linkages.

  Although this represented a reduction compared to 2024, the shift reflected a deliberate strategic transition toward:

- Responsible lending
- Portfolio quality improvement
- Client suitability assessments
- Sustainable enterprise financing

The approach supported stronger financial discipline among members while reducing exposure to over-indebtedness and financial vulnerability. HIH EA also strengthened savings mobilization as a foundation for local capital formation and enterprise resilience:

- 4,885 members adopted structured savings practices
- **KES 10,807,050** was mobilized through savings competitions
- 1,893 members participated in savings challenges

Gamified savings initiatives enhanced member engagement, accountability, and long-term financial planning, contributing to improved household and enterprise stability.

Advancing Women Empowerment, Financial Literacy, and Community Resilience

HIH-EA continued to support the Social Pillar by promoting equitable access to financial services, enhancing financial capability, and strengthening social protection mechanisms.

Women remained the primary beneficiaries of financial inclusion interventions:

- 81% of all loans accessed in 2025 were by women entrepreneurs.

This sustained participation underscores HIH EA's commitment to:

- Women's economic empowerment
- Household income improvement
- Community-level socio-economic inclusion.

Capacity building remained central to improving financial decision-making and enterprise sustainability:

- 1,020 members trained on credit, savings, and financial management;
- 800 members trained on gamification approaches;
- 400 members trained on micro-insurance.

These interventions enhanced:

- Financial literacy
- Savings behavior
- Credit management
- Risk preparedness among vulnerable households and enterprises

HIH EA further strengthened social resilience through enhanced risk mitigation initiatives. A key milestone was the formalization of a strategic partnership with CIC Insurance Group through a Memorandum of Understanding (MoU) to advance access to inclusive micro-insurance products.

The partnership aims to:

- Increase access to affordable and tailored insurance solutions
- Strengthen enterprise resilience against unforeseen shocks
- Build long-term financial security among vulnerable communities.

The initiative lays a strong foundation for scaling social protection and financial resilience interventions in future years.

Strengthening Partnerships, Governance, and Institutional Sustainability

In support of the Governance and Partnership aspirations, HIH EA strengthened collaboration with financial institutions, insurance providers, and development stakeholders to improve financial service delivery and sustainability.

The organization adopted a more strategic partnership-driven approach focused on:

- Product suitability and client protection
- Responsible financing models
- Enhanced accountability and transparency
- Long-term institutional sustainability.

The partnership with CIC Insurance Group marked a significant step toward structured and scalable financial protection systems for enterprise groups. HIH EA also continued to promote ethical financial practices through:

- Responsible lending frameworks
- Member-centered financial literacy approaches
- Continuous portfolio monitoring and risk management

These efforts contributed to stronger governance structures within community enterprise groups and enhanced trust among financial ecosystem partners.

Program Insights and Sustainability Outcomes

Key sustainability insights observed in 2025 include:

- A strategic transition from volume-driven growth toward resilience-focused financial inclusion
- Increased effectiveness of gamification in driving savings behavior and member engagement;
- Continued strong participation by women, reinforcing inclusive economic development
- Enhanced focus on financial risk mitigation through micro-insurance integration
- Strengthened partnerships supporting sustainable and client-centered financial ecosystems.

The year also highlighted the importance of balancing outreach with financial sustainability to ensure long-term impact for both members and institutional partners.

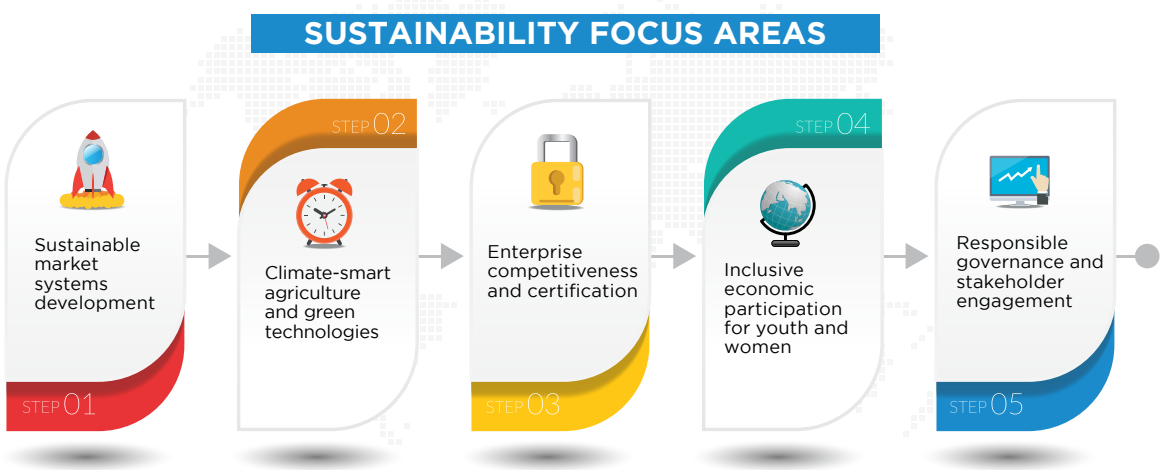
Value chains and Market linkages

During the reporting period, the organization continued to strengthen sustainable agricultural value chains through market systems development, enterprise growth, value addition, and promotion of climate-smart technologies. The interventions focused on enhancing enterprise competitiveness, improving access to markets, increasing compliance with quality standards, and supporting inclusive economic participation among producer organizations and SMEs.

Key achievements realized during the year include:

- 15 additional successful market linkages facilitated between producers, input suppliers, aggregators, processors, and off-takers.
- 10 additional enterprise products certified by KEBS across dairy, sunflower, honey, toiletries, food spices and cosmetics value chains.
- 40 aggregation centers established across dairy milk, cereals, poultry, potatoes, vegetables, feed formulation, and milk aggregation value chains.
- Distribution of strategic value chain assets including incubators, poultry slaughter house equipment, honey harvest and processing equipment, pasteurizers, milk cans, feed mixers, digital weighing scales, and sunflower oil pressing machines.
- 40 market-facing exposure visits conducted, including participation in East African Community (EAC) trade fairs and exhibitions.

These interventions contributed to increased enterprise productivity, improved product quality, enhanced market access, employment creation, and strengthened regional trade integration. The organization integrates Environmental, Social, and Governance (ESG) principles into all program interventions to ensure long-term economic resilience, environmental stewardship, and inclusive development.



2. Environmental Sustainability

The organization promoted environmentally responsible production and processing systems through investment in green technologies and resource-efficient value chain infrastructure.



Green Technologies Distributed



The program supported enterprises and producer organizations with strategic value chain assets aimed at reducing post-harvest losses, improving operational efficiency, enhancing product quality, and promoting sustainable production systems across multiple value chains. The assets distributed included one pasteurizer to support dairy value addition and quality improvement, ten milk cans to enhance hygienic milk handling and preservation, and two sunflower oil pressing machines to promote local edible oil processing and value addition. In addition, four incubators were provided to strengthen improved poultry production systems, while one poultry slaughter house and related equipment supported hygienic and standardized poultry processing. The program also distributed three feed mixers to improve feed formulation efficiency and fifteen digital weighing scales to enhance accurate aggregation, measurement, and trade coordination among producer organizations and aggregators. These investments contributed significantly to enterprise productivity, improved market readiness, and strengthened sustainable value chain development.

Environmental Impact Achieved

- Reduced post-harvest losses in dairy and sunflower value chains.
- Improved food safety and hygienic handling practices.
- Enhanced local processing and reduced dependency on imported processed products.
- Promotion of localized production systems contributing to reduced transport-related losses.

3. Social Sustainability

The organization enhanced social and economic inclusion by strengthening producer organizations, promoting enterprise growth, and facilitating market participation.

Market Linkages Facilitated



A total of 15 additional successful market linkages were established between input providers, aggregators, processors, off-takers, and producer organizations across various value chains. These linkages enhanced access to stable and reliable markets, strengthened supply chain coordination, improved business relationships among market actors, and contributed to increased producer incomes and enterprise sustainability.

Product Certification Support

The organization facilitated product development through collaboration with the Kenya Industrial Research and Development Institute (KIRDI) and supported the certification of 10 additional products by the Kenya Bureau of Standards (KEBS) across the dairy, sunflower, cosmetics, honey, toiletries, and food spices value chains. The certification process enhanced product quality, credibility, competitiveness, consumer confidence, and access to formal and regional markets, thereby strengthening enterprise growth and sustainability.

Aggregation Centers Established



A total of 40 aggregation centers were established across key value chains including dairy milk aggregation, poultry products, potatoes, vegetables, feed and salt formulation, cereals, poultry chicks, and honey. The aggregation centers strengthened collective marketing systems by enhancing bulking efficiency, improving bargaining power among producers, supporting product quality control, and facilitating better market coordination and access to structured markets.

Market Exposure and Trade Participation

The organization facilitated 40 market-facing exposure visits and supported enterprise participation in East African Community (EAC) trade fairs, regional exhibitions, business networking forums, and agricultural shows and exhibitions. These exposure opportunities enabled enterprises and producer organizations to learn best practices, explore new market opportunities, build commercial partnerships, strengthen business networks, and increase product visibility within local, regional, and cross-border markets.

4.Governance and Institutional Strengthening

The organization maintained transparent and accountable implementation processes through stakeholder engagement, enterprise capacity building, and strategic partnerships.

Governance Practices

- Continuous stakeholder consultations
- Compliance with regulatory and certification requirements
- Capacity building for producer organizations and SMEs
- Monitoring and evaluation of enterprise performance
- Promotion of ethical business practices

Partnerships and Collaboration

The organization collaborated closely with producer organizations, county governments, market actors, the Kenya Industrial Research and Development Institute (KIRDI), the Kenya Bureau of Standards (KEBS), regional trade and exhibition partners, as well as private sector processors and aggregators to strengthen enterprise development and market systems. These strategic partnerships enhanced sustainability, promoted innovation and product standardization, improved market access, and contributed to the long-term impact and resilience of the program interventions.

5. ESG Performance Highlights

Indicator	Achievement
Additional Market Linkages Facilitated	15
Additional KEBS Certified Products	10
Aggregation Centers Established	40
Market Exposure Visits Conducted	40
EAC Trade Fair Participation	Achieved
Green and Non-Green Value Chain Assets Distributed	Multiple categories

6. Challenges and Lessons Learned

Challenge	Mitigation Strategy
High certification costs for SMEs	Strengthened technical support and compliance training
Limited market information among producers	Increased exposure visits and market networking
Equipment maintenance challenges	Enhanced user training and technical support
Market competition	Improved branding and product quality initiatives

7. Future Sustainability Commitments

Going forward, the organization aims to:

- Expand green technology adoption across value chains
- Support additional enterprise product certifications
- Strengthen regional and export market access
- Promote climate-smart production systems
- Increase women and youth participation in agribusiness
- Enhance digital market linkage systems

Advancing Gender Equality for Inclusive and Sustainable Development

In 2025, Hand in Hand Eastern Africa (HIH EA) advanced its commitment to Gender Equality and Women's Empowerment (SDG 5) through a deliberate shift from participation-based programming to structural gender transformation. This approach focused on addressing the root causes of inequality, including unpaid care work, restrictive social norms, unequal access to productive assets, and limited decision-making power within households and communities.

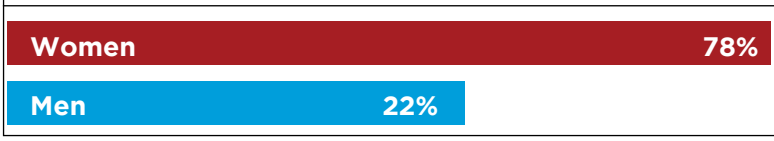
The programme aligns with global sustainability frameworks, including:

- **SDG 5:** Gender Equality (Targets 5.1, 5.4, 5.5, 5.c)
- **GRI 405:** Diversity and Equal Opportunity
- **GRI 406:** Non-Discrimination
- **GRI 404:** Training and Education
- **GRI 413:** Local Communities

In 2025, HIH EA reached 13,753 beneficiaries across its programme interventions, with a strong emphasis on women's inclusion(78%) in economic and social transformation processes.

All participants were organized into Self-Help Groups (SHGs), which served as the primary platform for enterprise development, savings mobilization, peer learning, and social accountability.

Gender Participation Distribution



This deliberate inclusion strategy reflects compliance with GRI 405-1 (Diversity in governance and programmes) and SDG 5.5 on women's participation and leadership in economic life.

The SHG model ensured 100% integration of beneficiaries into collective economic structures, strengthening financial inclusion, risk-sharing mechanisms, and enterprise incubation. The model continues to function as a foundational entry point for women's economic empowerment.

Despite high participation and strong enterprise uptake, differences persist in sustainability and income growth outcomes.

- Enterprise survival rate:
  - Women-led enterprises: **90%**
  - Men-led enterprises: **100%**
- Income growth experience:
  - Women: **40%**
  - Men: **68%**

These disparities highlight structural constraints rather than participation gaps.

Key Structural Barriers

The 2025 analysis identifies three interlinked barriers:

1. Unpaid Care and Time Poverty (SDG 5.4)

Women continue to carry a disproportionate share of unpaid domestic and care responsibilities. This limits time available for enterprise growth, market engagement, and business diversification.

2. Limited Control over Productive Assets

Women's constrained ownership and decision-making power over key household and productive assets restrict their ability to invest, scale, and formalize enterprises.

3. Enterprise Segmentation and Market Access Constraints

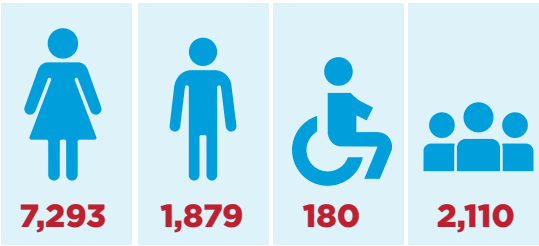
Women are largely concentrated in informal, low-margin enterprises, while men have greater access to diversified and higher-return economic activities.

3. Social Transformation and Norm Change

(SDG 5.4, 5.5 | GRI 413)

Gender Action Learning System (GALS)

In 2025, the Gender Action Learning System (GALS) reached **11,462** individuals, strengthening household-level gender negotiation, planning, and decision-making.



Household Transformation Pathways

GALS facilitated structured reflection on three interconnected domains:

- **Labor roles:** Redistribution of unpaid care and productive work
- **Household balance:** Strengthening shared decision-making structures
- **Income use:** Promoting joint financial planning and transparency

As a result, 63% of households reported improved joint decision-making, indicating a measurable shift in household power relations.

Male Engagement and Positive Masculinity

Through the GALS approach, HIH EA strengthened engagement with men and boys as active agents of change.

Key outcomes include:

- Training of 20 Male Gender Champions
- Engagement of 547 men through structured dialogue forums
- Increased acceptance of shared household responsibilities
- Reframing of masculinity away from sole-provider norms toward shared responsibility models

These interventions contributed to reducing resistance to gender transformation and strengthening household-level cooperation.

4. Strengthened Advocacy Networks and Duty Bearer Engagement



(SDG 5.2, 5.3, 5.5 | GRI 413 | SDG 16 linkages)

Community Advocacy Networks

In 2025, HIH EA established and strengthened advocacy networks in Narok and Kajiado counties, comprising:

- 20 male Gender Champions
- 20 female Gender Champions

These networks were trained under the Rights Way Forward (RWF) methodology, focusing on human rights awareness, gender equality, and community advocacy skills.

Collectively, the networks reached 2,342 community members, addressing key issues including:

- Female Genital Mutilation (FGM)
- Child marriage
- Gender-Based Violence (GBV)
- Girls' education barriers
- Health and rights awareness

Duty Bearer Capacity Strengthening

In parallel, the programme trained 102 duty bearers on:

- Women's rights and gender equality frameworks
- Community-level development challenges affecting women and girls
- Responsive and accountable governance practices

Multi-Stakeholder Dialogue and Service Delivery

Structured forums between advocacy networks and local leaders facilitated ongoing dialogue on community priorities, including:

- Access to clean water
- Availability and quality of maternal healthcare services
- Gender gaps in public service delivery

These engagements strengthened collaboration between communities and institutions and opened pathways for improved service delivery for women and girls.

Strategic Outcomes

This integrated approach resulted in:

- Strengthened accountability between communities and local institutions
- Improved responsiveness of local leadership to gender-related service gaps
- Enhanced integration of women's priorities in local development planning
- Stronger community participation in grassroots policy advocacy

5. Unpaid Care Work and Policy Advocacy

(SDG 5.4, 5.c | GRI 413)

HIH EA applied the 5Rs Framework to address unpaid care work:

- Recognize care work as economically valuable
- Reduce excessive care burdens
- Redistribute responsibilities within households
- Reward care work through systems recognition
- Represent women in decision-making spaces

Policy Engagements

- 23 county and national advocacy engagements
- Counties: Kajiado, Narok, Laikipia
- Integration of GBV, FGM, and child protection into community systems

These engagements contributed to positioning unpaid care work as a structural barrier to economic participation and development.

6. ESG Gender Performance Dashboard (2025)

Area	Outcome	SDG	GRI
Total beneficiaries	13,755	5.5	413-1
Women participation	78%	5.1	405-1
SHG integration	100%	5.5	413-1
Enterprise participation	95%	5.5	405-1
Enterprise survival gap	90% vs 100%	5.1	406-1
Income growth gap	40% vs 68%	5.1	405/406
Joint decision-making	63%	5.4	413-1
GALS reach	11,462	5.5	413-1
Advocacy reach	2,342	5.2	413-1
Duty bearers trained	102	5.5	413-1
Policy engagements	23	5.c	413-1
PWD inclusion	180	5.5	405-1

The 2025 gender results demonstrate significant progress in women's participation, community mobilization, and institutional engagement. However, persistent gaps in enterprise survival and income growth highlight the continued influence of structural inequalities, particularly unpaid care work, asset ownership disparities, and market access constraints.

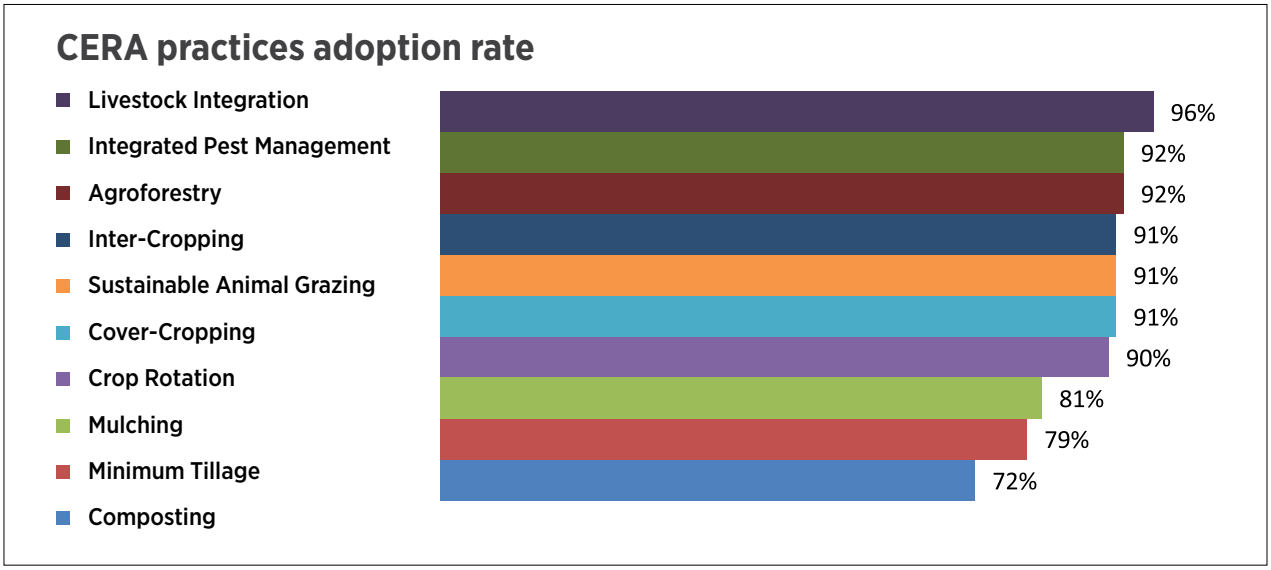
Future programming will require deeper investment in care economy reforms, women's enterprise scaling pathways, and sustained engagement with men and duty bearers to accelerate structural change.



Environmental Pillar

Resilient Sustainable Agriculture and Climate Resilience

The Sustainable Agriculture and Climate Resilience Projects (TAD Migori and CAIP-FAO) aimed to drive the transformation of sustainable food systems by supporting smallholder farmers to adopt regenerative agriculture and circular economy practices. These interventions enhanced climate resilience, reduced production costs, increased productivity, created new income-generating opportunities, and ultimately contributed to improved household incomes and economic well-being. The projects achieved an average adoption rate of 88% across the promoted practices, demonstrating significant progress toward building resilient farming systems and sustainable livelihoods.



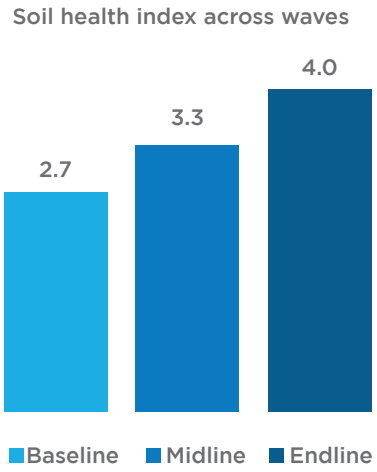
Sustainability Outcomes

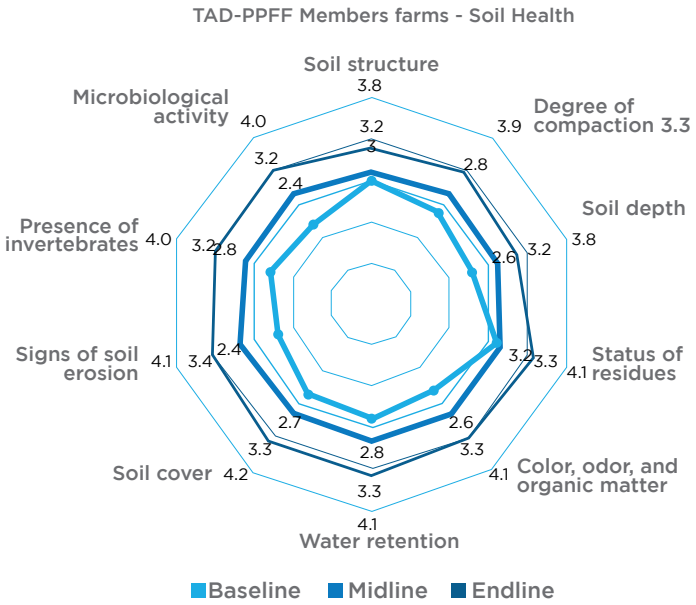
The widespread adoption of regenerative agriculture practices across various projects contributed to multiple sustainability outcomes, including:

- Improved soil health.

The CERA project contributed to measurable improvements in soil health among participating smallholder farmers, with the average Soil Health Index score increasing from 2.7 to 4.0 during the reporting period. This reflects a transition from acceptable to desirable soil conditions, demonstrating enhanced soil productivity, resilience, and sustainability resulting from the adoption of regenerative agriculture and sustainable land management practices.

SOIL HEALTH INDEX SCORE





- Increased resilience to climate variability and economic shocks.

Regenerative agriculture enhances farmers' ability to withstand droughts, floods, pest outbreaks, and market fluctuations through improved soil health, diversified production systems, and reduced dependence on external inputs .The adoption of sustainable Agricultural and circular economy practices contributed to the achievement of SDGs 2 (Zero Hunger), 12 (Responsible Consumption and Production), 13 (Climate Action), and 15 (Life on Land) by strengthening the resilience of smallholder farming systems, improving soil health, promoting and enhancing climate adaptation capacity, and supporting stable and sustainable livelihoods. It also contributes to regional priorities under the Malabo Declaration. It supports the Nationally Determined Contribution and the National Agroecology Strategy for Food System Transformation, of which HIH EA has been part and parcel of its development.

Drivers of Adoption

Several factors contributed to the successful uptake of sustainable agricultural practices under the CERA projects:

- Continuous farmer training exposure visits and one-on-one mentorship at the farm level.
- Establishment of and enhancement of demonstration farms, for example, the Cheboin and Syamakhanga demonstration farms
- Visible economic and environmental benefits.
- Strong community participation and ownership.
- Collaboration with local stakeholders and extension service providers

Embracing Digital Solutions

HIHEA's digitalization initiatives continued to advance during the 2025 reporting period. These efforts aimed to boost resilience, efficiency, and competitiveness for both beneficiary enterprises and the organization's operations, while directly contributing to increased enterprise profitability and income growth. This section tracks HIH EA's progress in leveraging technology to enhance operational efficiency, reduce environmental impact through resource conservation, and equip enterprises/members with digital skills for success in a connected economy -aligning with the organization's strategic plan commitment to innovativeness and embracing technology as a trendsetter as well as contributing to the following Sustainable Development Goals:

- **SDG 1 - No Poverty:** Digital tools and mobile financial services expand access to income-generating opportunities and economic participation for low-income enterprise owners, directly supporting poverty reduction.
- **SDG 4 - Quality Education:** HIH EA digital skills curriculum, covering digital literacy, internet safety, social media marketing, e-commerce, and mobile financial services, delivers practical, accessible learning that builds long-term adoptable capacity for enterprise members.
- **SDG 5 - Gender Equality:** Prioritizing women and youth in digital training and mobile financial services access strengthens women's economic growth, financial control, and independence.
- **SDG 8 - Decent Work & Economic Growth:** Digital marketing training and e-commerce adoption directly contribute to enterprise productivity, profitability, and job creation among the 3,551 members trained and 1,717 who adopted digital tools in the reporting period.
- **SDG 9 - Industry, Innovation & Infrastructure:** Automation of key organisational processes, internal system rollout, and adoption of digital platforms positions HIH EA and its member enterprises as drivers of inclusive technological innovation.
- **SDG 10 - Reduced Inequalities:** By equipping marginalised communities, women, and youth with digital skills and market access, HIH EA narrows economic and digital divides that contribute to inequality.
- **SDG 12 - Responsible Consumption & Production:** Transitioning to paperless operations through e-signatures, online approvals, and process automation- reduces the organisation's environmental footprint promoting a more sustainable resource use.

Headline Figures: For the 2025 period

- 3,551 enterprise/ members trained on digital marketing
- 1,717 members adopted digital marketing tools achieving a 48% adoption rate.

Cost Savings on Stationery and Postage

HIH EA achieved a reduction in stationery and postage costs by shifting to digital alternatives. Key enablers included

- Email and online document sharing instead of printing/posting.
- Electronic signatures replacing physical processes.
- Online approvals eliminating unnecessary printing.

Automation of processes

The organization has achieved an increased automation rate across key organizational processes. By standardizing repetitive workflows and integrating cross-departmental processes and systems, significantly reducing manual effort, turnaround time, and paper dependency. HIHEA trained 3,551 enterprise members on digital skills. Of these, 1,717 adopted the tools in their businesses, resulting higher incomes.

Content/Topics trained:

- Digital literacy, internet safety, social media marketing, e-commerce, mobile financial services, digital record keeping

Waste Management and Circular Economy



Advancing Circular Economy Solutions for Environmental Sustainability and Inclusive Growth

Hand in Hand Eastern Africa (HIH EA) continues to promote sustainable waste management and circular economy practices as a strategic approach to environmental conservation, climate resilience, and inclusive economic development. In line with the organization's Environmental, Social and Governance (ESG) commitments, waste management interventions implemented during 2025 focused on reducing environmental pollution, creating sustainable livelihoods, improving occupational health and safety, and strengthening community participation in environmental stewardship. These efforts contribute directly to the realization of the United Nations Sustainable Development Goals (SDGs), particularly SDG 1 (No Poverty), SDG 3 (Good Health and Well-being), SDG 8 (Decent Work and Economic Growth), SDG 11 (Sustainable Cities and Communities), SDG 12 (Responsible Consumption and Production), and SDG 13 (Climate Action).

Consistent with the principles of the Global Reporting Initiative (GRI), particularly GRI 306 (Waste), GRI 403 (Occupational Health and Safety), GRI 413 (Local Communities), and GRI 203 (Indirect Economic Impacts), HIH EA's waste management initiatives generated measurable environmental, social, and economic outcomes while strengthening community resilience and supporting the transition towards a circular economy.

Resource Recovery and Environmental Impact

Effective waste management remains central to reducing environmental degradation and promoting responsible consumption and production. During the reporting period, HIH EA-supported enterprises, community groups, and waste management initiatives collectively managed over 51 tonnes of waste in Mombasa and Kilifi Counties, with approximately 65 percent diverted from disposal through reuse, recycling, and upcycling processes.

The recovery and reintegration of waste materials into productive use reduced pressure on local waste disposal systems, minimized environmental pollution, and contributed to cleaner communities. By promoting resource efficiency and circular economy principles, the initiative supported the Environmental pillar of ESG while advancing SDG 12 on Responsible Consumption

and Production and SDG 13 on Climate Action. The reduction of waste entering illegal dumpsites also contributed to improved environmental quality and reduced risks associated with unmanaged waste accumulation. A study by the African Population and Health Research Center (APHRC) and partners found that residents in Nairobi and Mombasa significantly reduce the risk associated with poor waste management such as Diarrheal diseases, Respiratory illnesses, Malaria and Allergies through proper waste management.

Promoting Health, Safety and Inclusion for Waste Workers



Waste pickers and informal waste workers are key actors within the circular economy value chain, yet they often face occupational health and safety challenges. In recognition of their contribution, HIH EA conducted four advocacy and sensitization forums focused on waste picker rights, workplace safety, health awareness, and social inclusion.

As a result of these engagements, 67 waste pickers received vaccinations, improving their protection against health risks commonly associated with waste-handling activities. Improved access to preventive healthcare contributed to enhanced wellbeing, reduced vulnerability to illness, and increased productivity among waste workers.

Further strengthening occupational safety, the organization distributed 217 overalls and personal protective equipment (PPE) to waste handlers and cooperative members. These interventions align with the Social pillar of ESG and with GRI 403 on Occupational Health and Safety by promoting safer working environments, reducing workplace hazards, and safeguarding the dignity and well-being of workers in the waste sector.

Community Engagement and Environmental Stewardship

Behavioral change and community ownership remain critical to achieving sustainable environmental outcomes. During 2025, HIH EA facilitated 15 community dialogue forums on waste management, environmental sustainability, and circular economy opportunities.

The dialogues created platforms for local communities, waste enterprises, leaders, and other stakeholders to discuss environmental challenges and identify locally driven solutions. These engagements contributed to positive shifts in attitudes towards waste, encouraging communities to view waste as a resource capable of generating income and environmental benefits.

The forums also strengthened community participation in environmental conservation efforts and promoted responsible waste disposal practices. This approach reflects the principles of GRI 413 on Local Communities while supporting SDG 11 on Sustainable Cities and Communities through enhanced community engagement in maintaining cleaner and healthier living environments.

Strengthening Circular Enterprises and Cooperative Development

To improve waste recovery systems and strengthen market participation, HIH EA supported the operationalization of two waste management cooperatives through the provision of operational assets and enterprise development support. The cooperatives have enabled members to aggregate recyclable materials more efficiently, improve market access, and increase revenues from waste recovery activities.



During the reporting period, cooperative members from the Waste to Profit (WASP) Project recovered and sold 1,751 kilograms of PET plastics, generating KES 57,783 in revenue every month on average. Beyond the direct financial benefits, the cooperatives strengthened collective action, enhanced business management capacity, and demonstrated the economic potential of circular economy business models.

These interventions support the Governance pillar of ESG by promoting organized and accountable waste management structures while simultaneously contributing to SDG 8 on Decent Work and Economic Growth and SDG 12 on Responsible Consumption and Production.

Green Enterprise Development and Job Creation

HIH EA's waste management initiatives continue to demonstrate that environmental sustainability and economic empowerment can be mutually reinforcing. Through business development support, entrepreneurship training, and market linkages, the organization supported the establishment and growth of 1,140 Bottom-of-the-Pyramid (BoP) enterprises, contributing to the creation and sustenance of 1,269 jobs.

These enterprises provide income-generating opportunities for women, youth, and other vulnerable populations while promoting environmentally responsible business practices. The resulting economic benefits contribute directly to poverty reduction and livelihood improvement, advancing SDG 1 on No Poverty and SDG 8 on Decent Work and Economic Growth. In line with GRI 203 on Indirect Economic Impacts, the interventions have generated broader socio-economic benefits within the communities where HIH EA operates.

Community Clean-Up and Environmental Restoration

To complement waste recovery and awareness efforts, HIH EA facilitated 26 community clean-up exercises across project locations. These activities mobilized community members to remove waste from public spaces, markets, residential areas, and environmentally sensitive locations.

The clean-up campaigns improved environmental aesthetics, reduced public health risks, and strengthened collective responsibility for environmental conservation. By fostering community ownership and participation, the initiatives contributed to healthier living environments and reinforced the organization's commitment to sustainable urban and rural development.

Creating Shared ESG Value.

The waste management and circular economy interventions implemented during 2025 delivered significant Environmental, Social, and Governance outcomes. Environmentally, the initiatives reduced waste pollution, promoted recycling and resource recovery, and supported the efficient use of resources. Socially, they improved occupational health and safety, enhanced community awareness, and created livelihood opportunities for vulnerable populations. From a governance perspective, the strengthening of cooperatives, promotion of stakeholder engagement, and advocacy for waste picker rights contributed to more inclusive and accountable waste management systems.

Through these interventions, Hand in Hand Eastern Africa continues to demonstrate how circular economy approaches can generate shared value for communities, enterprises, and the environment while contributing to global sustainability priorities reflected in the SDGs and the Global Reporting Initiative reporting framework. On average, 88% of women feel economically included, up from 70% in 2024, according to an evaluation conducted by HIH EA.

2025 Performance Highlights

Indicator	Achievement
Waste collected and managed	51+ tonnes
Waste reused, recycled and upcycled	65%
Community dialogues conducted	15
Advocacy and sensitization forums held	4
Waste pickers vaccinated	67
PPE and overalls distributed	217
Waste management cooperatives operationalized	2
PET plastics recovered and sold	1,751 kg
Monthly revenue generated from PET sales	KES 57,783
BoP enterprises supported	1,140
Jobs created and sustained	1,269
Community clean-up exercises conducted	26



Governance & Ethical Business Practices Pillar

1. Workforce Profile

Our workforce is becoming more diverse, talented, and committed to our goal. As of the end of the reporting period:

Metric	Status (2025)
Total Staff Complement	266
Gender Breakdown	139 Female (52.3%), 127 Male (47.7%)
Number of Internal Promotions	10
Promotion Breakdown	2 Female (20%), 8 Male (80%)
Number of Internships	39
Gender Breakdown	13 Female (33.3%), 26 Male (66.6%)



Our dedication to gender-balanced hiring, talent retention, and internal career advancement is reflected in these statistics, which advances **SDGs 5 (Gender Equality)** through equal opportunities and **SDG 8 (Decent Work and Economic Growth)** through inclusive employment and professional development. Internships help young people develop their employability and skills, which advances our objective of establishing long-term routes to economic independence.

1. Ethical Conduct and Policy Compliance

HIH EA is dedicated to cultivating a culture of honesty, openness, and responsibility:

- **Code of Conduct**: All employees are required to review and sign the Code of Conduct during onboarding, with refresher sessions provided periodically as necessary. In 2025, all newly onboarded staff successfully completed this requirement.
- **Whistleblower and Grievance Mechanisms**: We maintain secure, confidential, and transparent channels for reporting concerns. Everyone is assured the right to be heard, with all issues addressed fairly, respectfully, and in line with due process—fostering a culture of trust, accountability, and integrity. The HR Manual was updated in 2024, and staff were sensitized on the changes during quarterly review meetings.

These mechanisms promote a culture of ethics within the organization while enhancing accountability, in alignment with **SDG 16:** Peace, Justice, and Strong Institutions.



Hand in Hand Eastern Africa is committed to maintaining a safe, respectful, and secure working environment for employees, beneficiaries, donors, and partners. During the reporting period, all employees had signed and acknowledged the organization's Safeguarding Policy and confidentiality obligations, reinforcing a culture of accountability, ethical conduct, and protection of vulnerable groups.

Data security and confidentiality requirements are embedded in employment contracts and employee induction processes to ensure the responsible handling of organizational and stakeholder information. The organization also maintains reporting mechanisms for safeguarding and ethical concerns, promoting transparency and compliance.

- 100% of employees have signed and acknowledged the Safeguarding Policy.
- Confidentiality and data protection provisions incorporated into all employment contracts.
- Safeguarding and data protection awareness integrated into employee induction.

SDG Linkage: This initiative contributes to **SDG 16** by promoting strong institutions, accountability, protection of vulnerable individuals, and ethical governance practices.

2. Staff Engagement and Team Building

In November 2025, HIH EA conducted inclusive team-building initiatives aimed at improving collaboration, boosting staff morale, and supporting mental well-being. These efforts helped foster a more united and positive workplace environment.



- **SDG 3: Good Health and Well-being** – Enhancing mental wellness and reducing workplace stress
- **SDG 5: Gender Equality** – Ensuring inclusive participation
- **SDG 8: Decent Work and Economic Growth** – Promoting a respectful and supportive work environment
- **SDG 10: Reduced Inequalities** – Encouraging equal participation and cohesion
- **SDG 16: Peace, Justice and Strong Institutions** – Strengthening staff unity and trust

4. Employee Training and Development

HIHEA staff engaged in specialized training programs conducted by reputable institutions during the 2025 reporting period, enhancing both their technical expertise and leadership capabilities.

Key trainings included:

- **ICPAK –** Financial reporting, compliance, and ethical accounting in 2025
- **IHRM –** Risk Leadership and Governance for HR Professionals in 2025
- **PMP –** International Leadership Training in 2025
- **Strathmore University –** Strategic Leadership in Inclusive Finance Programme in 2025
- **FKE –** Changes in Employment Laws in 2025
- **The Computer Society of Kenya –** Advanced Cybersecurity & Network Security Hands-On Seminar in 2025.

These programs enhanced staff capability and institutional performance.

SDG Alignment:

- **SDG 4: Quality Education** – Continuous professional development.
- **SDG 8: Decent Work and Economic Growth** – Improved productivity and career growth.
- **SDG 16: Peace, Justice and Strong Institutions** – Strengthened ethics and governance.

6. Healthy, Transparent & Fair HR Environment

Aspect	Contribution	SDG Alignment
Fair & Inclusive Recruitment	Transparent hiring and promotion processes	SDG 5, SDG 10
Policy Framework	HR Manual, grievance and whistleblowing systems	SDG 16
Diversity & Inclusion	Gender balance and inclusive workforce	SDG 5, SDG 10
Performance & Growth	Appraisals and career development	SDG 8
Employee Voice	Surveys and feedback mechanisms	SDG 8, SDG 16
Fair Pay & Welfare	Equitable remuneration and benefits	SDG 8, SDG 10

Overall governance practices.

Hand in Hand Eastern Africa (HIH EA) operates under a robust governance structure designed to uphold the highest standards of accountability and oversight. The Board meets three times every year and plays a strategic role in decision making, sanctioning of organizational policies, risk management, and performance evaluation.

Accountability and Responsibility

HIH EA maintains open channels of communication with key stakeholders, including donors, beneficiaries, government agencies, and partner organizations. Transparent reporting, community feedback mechanisms, and independent evaluations are used to foster trust and responsiveness.

Gender distribution and professional background of board members

HIH EA is committed to diversity and inclusion at the governance level. The Board constitutes 8 members and maintains gender balance (4 male, 4 female). It includes independent directors who are not involved in daily operations, ensuring objectivity in oversight functions with diverse expertise in finance, agriculture, economics and enterprise development.

Board committees

There are five board committees namely;

- Finance, ICT, Audit & risk Committee
- Governance & Programs Committee
- Human Resources & Nominations Committee.
- Social Enterprise Committee
- Strategic Planning and Monitoring Committee

Board Evaluation

The HR and Nominations Committee undertakes an annual evaluation of the performance of the board, its committees and the chair. The process aims to encourage open and constructive discussion in relations to performance. Directors and key executives have access to continuing education to update and enhance their skills and knowledge.

Audit, Risk and Internal Controls

The organization adopts a risk-based approach to governance, anchored by an independent internal audit function that reports directly to the Audit & Risk Committee of the Board. Regular internal audits, risk assessments, and compliance reviews are conducted to proactively identify and address potential threats to operational integrity and donor confidence. In addition, HIHEA engages external auditors through a statutory audit process (Ernst & Young for FY2025), with firms appointed on a rotational basis for a maximum term of five years; ensuring transparency, accountability, and adherence to best financial practices.

Organizational policies

HIH EA has put in place robust whistleblowing and safeguarding policies to promote a safe, transparent, and accountable working environment. These policies empower staff and stakeholders to report concerns confidentially and without fear of retaliation, and they provide clear procedures for preventing and responding to any form of harm, exploitation, or misconduct. Additionally, HIHEA has established comprehensive policies in other key areas, including Finance (policy revised and approved in FY2025), Procurement, Programs, Financial Inclusion and Human Resource. All policies are regularly communicated to staff and integrated into day-to-day operations to uphold ethical standards and ensure consistent, responsible decision-making throughout the organization.

Stakeholder Engagement



HIH EA recognizes that meaningful stakeholder engagement is essential to fulfilling its mission and enhancing impact. The organization is committed to inclusive and transparent engagement with all its stakeholders—including program beneficiaries, donors, government agencies, community-based organizations, private sector partners, and employees. HIH EA actively engages with key government agencies and regulators such as KIRDI, KALRO, KEBS and NITA among others. These collaborations are integral to ensuring that HIHEA's field activities align with national standards and regulatory frameworks. Through joint trainings, capacity building, product certification, and technical support, HIH EA leverages the expertise of these institutions to enhance the quality and sustainability of its enterprise development programs across Kenya.

Transparency and Reporting

HIHEA provides regular updates to stakeholders through annual reports, donor-specific reports and social media platform. These efforts aim to foster transparency and maintain stakeholder confidence in the organization's operations and stewardship.

Data security and protection.



HIH EA recognizes the importance of protecting personal and organizational data. Key measures implemented include multi-factor authentication, role-based access controls, data masking, staff awareness training and registration with the Office of the Data Protection Commissioner. These measures support the secure handling of information and strengthen organizational resilience against data security risks.

Photo Gallery



Vinterfors CEO Richard Pantzar, HIH EA staff members, and members of the community pose for a photo during the commissioning of two water boreholes and kiosks in Maluma Village, Kitui.



Amalia Johnson, HIH EA Board Chair, alongside Thomas Jimbo, on a panel discussion during the Unlocking Potential event in Nairobi.



HIH EA staff members receiving the 'Best NGO Project' award during the ASK Show in Nakuru County.



The Deputy Governor, County Government of Uasin Gishu presents the 'Best Strategic Partner in Offering Cooperative and Entrepreneurship Training' award to Dennis Kathenya, HIH EA Eldoret Branch Manager.



Charles Ongeso, Chief Programme Officer, and Shadrack Muriungi, during the laying of the foundation stone for the Kampi ya Samaki Fluoride Free Water Project, a joint partnership between ChildFund Kenya, the Central Rift Valley Water Works Development Agency, DuPont Water Solutions, Hand in Hand Eastern Africa (HIH EA), the County Government of Baringo, and Davis & Shirtliff, in Baringo County.



Amalia Johnson, HIH EA Board Chair, alongside David Wiking, Secretary General of Hand in Hand Sweden, celebrate HIH EA's wins for Best 'International Financial Reporting Standards (IFRS) for SMEs' and Best 'Not for Profit' category awards at the 25th edition of the Financial Reporting Awards Ceremony in Nairobi.



Nyambura Simiyu, an entrepreneur and beneficiary of the 'Unlocking Potential and Growth of Micro Enterprises' project, showcases packed vegetables.



HIH EA presented with the Best 'Not for Profit' category award at the 25th edition of the Financial Reporting Awards Ceremony in Nairobi.



HIH EA presented with the Best 'International Financial Reporting Standards (IFRS) for SMEs' award at the 25th edition of the Financial Reporting Awards Ceremony in Nairobi.



HIH EA member and entrepreneur loads a package onto a motorcycle in Machinery, Nyandarua.



Paul (left) poses with GALS Champions couple from Bomet County



Pamela Otieno, a thriving entrepreneur in the People and Planet Friendly Farming project, in Migori.

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