

Driving Impact

MESSAGE FROM THE CEO



We hope your 2020 is off to a great start!

To kick off the year, USAID Development Innovation Ventures invited me to share the same stage with Nobel Laureate, Dr. Michael Kremer: a great honor for Village Enterprise! In his keynote speech, Dr. Kremer highlighted the positive impact of Poverty Graduation programming and Village Enterprise's role in scaling this approach through the Village Enterprise Development Impact Bond (DIB), the first in poverty alleviation. After Dr. Kremer's remarks, Avnish Gungadurdoss, CEO of Instiglio, and I made the case that paying for outcomes rather than activities can increase results, attract new capital, and help fund the most cost-effective solutions.

This honor was a testimony to our dedicated team of 200+ colleagues who are committed to excellence and outstanding performance as highlighted in this Village Impact Report.

Impact: Our most important achievement of 2019 was our growth in impact. Increase in income of our business owners has more than doubled from 35% in 2018 to 71% in 2019; and the increase in their savings has risen from 200% to over 300%. These financial gains led to significant increases in nutrition, education, healthcare, and resilience. Our cost effective impact earned us a top rating from independent nonprofit rating agency, ImpactMatters. We were thrilled to be featured in the New York Times ([link](#)) as a result of this top rating.

Innovation and technology: Innovation continues to drive our organization forward with a focus on human-centered design and data-driven decision making. Digital cash transfers, mobile tools for business mentoring and training, and a new interactive training curriculum are just some of the

improvements that contributed to our increasing impact. Another driver has been the use of our award-winning adaptive management systems that allow field staff to better monitor and manage the progress of their businesses and savings groups.

Scale: By implementing the first development impact bond in poverty alleviation and partnering with large NGOs and governments, Village Enterprise is laying the foundation for scaling our program. Through a partnership with African Wildlife Foundation, we launched our program in the Democratic Republic of Congo. We also continued our conservation work by participating in a consortium led by the International Institute for Environment & Development. In the coming year, we will continue to scale through new partnerships with Catholic Relief Services (CRS), Wildlife Conservation Society (WCS), Wasafiri Consulting/Open Society Foundations and others (soon to be announced).

Recognition: We were honored to be a Drucker Innovation Award Finalist for our ability to iterate and innovate. And we were also featured in the 10th anniversary edition of Peter Singer's *The Life You Can Save* (TLYCS).

2020 will be another transformative year for Village Enterprise. We look forward to our continued collaboration as we:

1. Continue to scale our work in Kenya, Uganda, DRC, and to expand to Rwanda and another African country through groundbreaking new partnerships.
2. Complete the first round of the randomized controlled trial of the Development Impact Bond with IDInsight.
3. Develop with technology partners a digital toolset for our business owners.

We are extremely grateful to you, our partners and funders, for working together with us to end extreme poverty in rural Africa!

All the best,

Dianne Calvi, President and CEO

Doubling Income

This year, our program participants' income* soared! Their increase in income grew from 35% in 2018 (FY17 cycles) to 71% in 2019 (FY18 cycles), more than doubling. The change represents nearly \$10 million in increased annual household income across the communities in which we work. In addition, program participants' savings grew by 311%, leading to significant increases in nutrition, education, healthcare, and resilience. **In just one year, our program participants lifted themselves and their family members out of extreme poverty (per capita consumption increasing from \$1.30 per day at baseline to \$2.14 per day at program exit).**

Innovation is key to achieving high impact as we scale, and over the last year we've implemented a number of program improvements that help drive impact. We redesigned our training curriculum with the end user in mind, creating interactive modules with culturally relevant anecdotes, visual aids, electronic supplements, and group learning exercises. We developed goal-setting guides for mentoring sessions and continued to explore market linkage pathways for our business owners. On the operational front, we significantly improved our adaptive management ability, with an emphasis on ensuring that our monitoring and evaluation systems provide staff the information they need for case management and programming decisions. See page 8 to read about the award and recognition for excellence that our new dashboards received.

**Consumption and expenditure used as proxy for measuring income*

Development Impact Bond

We are in the final year of implementation of the Village Enterprise Development Impact Bond (DIB) and are currently training the seventh and final cohort of program participants. Since the DIB's launch in November 2017, we started 3,939 small businesses and trained over 11,800 people living in extreme poverty. Cohorts 1 and 2 graduated, and the internal, end-of-cycle results from those two cohorts are encouraging. Village Enterprise's preliminary assessments indicate monthly per capita consumption increased by 113% and asset stocks more than doubled among households. We were thrilled to discover improvements in the quality of businesses started through the DIB.

Village Enterprise and independent evaluator IDInsight are now piloting the survey tools for the first round of data collection of the DIB Randomized Controlled Trial (RCT) to be conducted in April/May. We are optimistic that we are on track to perform well on the RCT!

Nobel Laureate Celebration

On February 3rd 2020, Village Enterprise's CEO, Dianne Calvi, was invited to deliver a DevTalk at a USAID event celebrating Dr. Michael Kremer, one of the three 2019 Nobel Laureates in Economics. In his keynote speech, Dr. Kremer highlighted the positive impact of Poverty Graduation programming and Village Enterprise's role in scaling this approach through the Development Impact Bond (DIB). In their talk following Dr. Kremer's speech, Avnish Gungadurdoss, CEO of Instiglio, project manager of the DIB, and Dianne made the case that paying for pre-agreed and measurable outcomes, rather than for a rigid set of pre-defined activities, can significantly increase results, attract new capital, and help fund the most cost-effective solutions for eradicating poverty.



Performance Dashboard

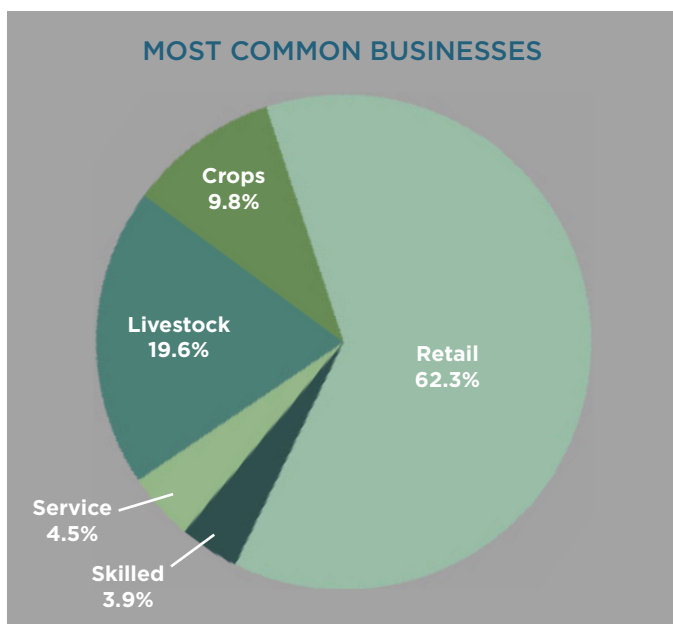
Village Enterprise equips Africans living on less than \$1.90 a day with the resources to create successful, sustainable businesses, permanently breaking the cycle of poverty for themselves and their families.

Starting businesses in three cycles per year, each cohort is trained for four months and receives mentoring for the next eight months. Seed capital is disbursed twice, and businesses 'graduate' at the one-year mark.

Our M&E systems track all five components of our program using mobile phones and TaroWorks for data collection, and Salesforce's relational cloud-based database for information management.

We share data in real-time with staff at all levels through dashboards customized to the information needs of the role. Access to timely and relevant data empowers staff to respond to needs more quickly, iterate more rapidly, and manage adaptively. This ultimately leads to higher impact among the households that we serve.

Our FY19 Cycle 1 outcome data shows significant increases in households' savings, and in annual consumption & expenditure. **However this data does not include the DIB businesses.** Our internal data shows that these DIB businesses outperformed other areas of operation in previous cycles and pulled up our overall average for FY18 cycles.



FY19 Cycle 1 Metrics July 2018-June 2019



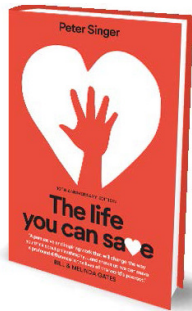
KEY OUTPUTS	FY19 C1
Newly reached villages	95
Program participants trained	5297
Lives impacted	35400
Training sessions provided	2436
Businesses started	1770
Business savings groups (BSG) established	337
% of women participants	72%

KEY OUTCOMES	FY19 C1
Average BSG savings at endline*	\$1223
Average increase in household savings*	\$20.45 (\$7.71 to \$28.16)
Average % increase in household savings	265%
Average increase in annual per capital consumption and expenditure (C&E) **	58%
Average increase in weekly animal protein consumption	139%
% of business owners who feel they are better off after program participation	96%
Average increase in daily meal consumption	21%

* US Values are based on KES and UGX to US dollars conversion rate on Nov 15, 2019.

** C&E is lower in Kenya this cycle because of our expansion in West Pokot, a very poor pastoralist region where we shifted further away from the towns to work with a more pastoralist community. Low C&E is more of a lifestyle among these communities, so even after a financial intervention, C&E remains lower than expected.

The Life You Can Save



In December, the 10th anniversary edition of landmark book on eradicating global poverty, *The Life You Can Save* by Peter Singer, was released. Peter Singer is a respected philosopher, philanthropist, author, and founder of the organization The Life You Can Save. He has been called one of the “world’s most influential living philosophers” by *The New Yorker* and one of the “100 most influential people in the world” by *Time* magazine. This new edition elaborates on Singer’s original 2009 argument that **each of us has a moral duty to improve the lives of those living in poverty.**

Village Enterprise is prominently featured in the chapter “Better than Aid”. Singer includes Village Enterprise as a recommended charity that is proven to significantly improve the lives of those living in extreme poverty. We are also proud that our Uganda Country Director, Winnie Auma, narrates a chapter of the free audiobook version, alongside celebrities such as Kristen Bell, Stephen Fry, Paul Simon, and others.

The *New York Times* published an interview with Peter Singer and Paul Simon in which they discuss the book, advocate for the need to help others who are less fortunate, and mention Village Enterprise as a worthy organization to donate to.

“There’s joy in giving back to the community that helped build you. That’s what shapes society and has helped communities reach great heights. There are people along our path who believe in us. If we could just recognize that and do one good thing per day, our world would be a better place.”

—Winnie Auma
Village Enterprise Uganda Country Director



Fund-a-Village

Village Enterprise’s Fund-a-Village program, as featured in *The Life You Can Save*, lifts an entire village out of extreme poverty for just one donation of \$33,000. That amount provides funding for 50 new businesses and training and mentoring for 150 first-time entrepreneurs, enough to transform an entire village in rural Africa. Each Fund-a-Village donor receives personalized communications on the impact that the donation is having on that specific village, such as impact data, updates on holistic impact, and inspiring stories from new business owners.

*If you would like to be a part of this unique opportunity to change lives, go to villageenterprise.org/take-action/fund-a-village or contact Chief Development Officer, **Caroline Bernadi** (carolineb@villageenterprise.org)*



Partnership Highlights

Starbucks Foundation and Days for Girls *Nandi County, Kenya*

Village Enterprise is thrilled to announce a new partnership with the Starbucks Foundation and Days for Girls International (DfG) aimed at complementing our Graduation Out of Extreme Poverty program with health education and access to menstrual products. Supported by the Starbucks Foundation's Tea and Coffee Origin Grants Program, the project will take place in Nandi County, Kenya. Over two years, January 2020 through December 2021, this exciting program will empower 2,160 people who live in extreme poverty through business training, mentoring, and the launch of 720 new businesses!



Village Enterprise will collaborate with Days for Girls International, an organization that combats stigma and limitations associated with menstruation and seeks overall improved female health, livelihood, and education in East Africa. In this unique partnership, Village Enterprise and Days for Girls will identify women living in extreme poverty in Nandi County and train and start businesses that will produce Days for Girls' unique, tailored menstrual kits. We will also collaborate to provide health education to our program participants and to ensure that women and girls know the facts about menstruation and health, which is critical in breaking down stigmas and barriers that they face.

USAID NAWARI project with Catholic Relief Services *Isiolo County, Kenya*

We are launching a new partnership with Catholic Relief Services in Kenya, entitled USAID NAWARI and funded through the USAID Office of Food for Peace (FFP) Development Food Security Activity (DFSA). "Nawiri" is a Kiswahili word that means "flourishing". Catholic Relief Services (CRS) is the prime grantee with 6 sub-awardees, including Village Enterprise. Nawiri is a five-year project that will investigate the drivers of malnutrition in the target counties. It will adopt a framework for improving livelihoods based on three domains: food security, social/care environment, and access to health services.

Village Enterprise will pilot a Graduation program in Isiolo County during Phase 1 (years 1 and 2) of the project. The pilot will aim at generating evidence on whether the Graduation model is an effective approach in reducing acute malnutrition among the extremely poor households in the county by providing these households with sustainable small businesses. During this phase, Village Enterprise will support 600 households in groups of three to start 200 microenterprises. The pilot will be conducted in at least two geographically diverse settings. During Phase 2 of the project (years 3 and 4), Village Enterprise will provide technical assistance to local implementing partners in both Isiolo and Marsabit counties.

Open Society Foundations *West Pokot County, Kenya*

Our collaboration with Open Society Foundations and Wasafiri Consulting has recently launched in West Pokot County, Kenya. The project aims to support the West Pokot County Government in the development of a coherent approach to scale up Graduation by integrating the model into the government's existing social protection programs targeting the extreme poor. The project is funded by the Open Society Foundations through its Economic Justice Program. Wasafiri, our project partner, is a consultancy and think tank that helps governments and development partners to establish responses through system-wide efforts.

We are especially excited about the project as we will engage the government of West Pokot and relevant stakeholders to integrate Graduation into their socio-economic programs while building a platform for future policy change as well as



potential resource contributions from government and development partners. Additionally, the project will start 100 businesses and will seek to better connect business owners with value chains and markets systems, which will be accomplished by bringing together several Business Savings Groups to form producer organizations, cooperations of small-holder farmers that deliver services to members, facilitate access to markets, and empower small farmers to engage in policy dialogues.

Village Enterprise Extend

At Village Enterprise, we have established the ambitious goal to expand our program and lift 20 million Africans out of extreme poverty in Sub-Saharan Africa by 2030. While we will continue to extend our reach in Kenya and Uganda, we will also scale in additional geographies. Our research has identified Rwanda, the Democratic Republic of Congo, and Ethiopia as our new top priority countries, with Congo-Brazzaville and Mozambique as secondary priorities.

Village Enterprise has been working in the **Democratic Republic of Congo** with our partner African Wildlife Foundation (AWF) since 2018. Over the past two years, we have provided technical assistance so that AWF can implement our Graduation approach in the rural area bordering the Lomako Reserve. This has included embedding management and field staff with the local team as well as providing distance support and shorter follow-up trips. Limbute Likolo is one business owner from the 240 households that have benefitted from training, mentoring, and seed capital grants to start a sustainable business. AWF reports that from an initial capital of 480,000 Congolese Francs (\$285), Limbute and his group have been able to grow their capital to 764,000 Congolese Francs (\$453), a 59% increase. Using the share out of profits, Limbute has now set up a small individual business, selling staples like sugar, salt, oil, and rice.



“Now I understand that conservation has good benefits if we respect it, because hunting is a risky job and also destroys nature while this business gives me income with less physical effort although one of the great challenges remains the transportation of goods.”

-Limbute Likolo, business owner.

AWF has been conducting monitoring support visits to the established businesses and has reported improvements in the operation of businesses over time. They encouraged business owners to work in business cycles of 3 months before sharing profits. From records shared with Village Enterprise, the businesses have been able to grow their initial capital from between 20-70%. This is after profits have been shared among the business owners.

Village Enterprise has also begun the process of expanding our own “boots-on-the-ground” implementation of our program in **Rwanda**. In January, Taddeo Muriuki, our Vice President of Africa Operations, conducted a scoping visit to Kigali to begin the registration process, recruitment of a local team, and assessment of priority geographic areas.

In our other priority countries, Village Enterprise has been pursuing funding and partnership opportunities in **Ethiopia, Mozambique, and Congo-Brazzaville** over the past few months. We look forward to giving more detailed updates in the next Village Impact Report.

*For more information, please contact our
Chief Scaling Officer, **Liz Corbishley**
(lizc@villageenterprise.org)*

Awards and Recognition

Drucker Prize



This year, Village Enterprise is honored to be one of the ten Drucker Prize finalists chosen from 403 applicants. The Drucker Institute's mission is to strengthen organizations to advance society. Since 2007, they have worked with leaders from major corporations, nonprofits, and government agencies to help them be more effective- that is, as Drucker defines it, "doing the right things well." According to Zach First, the Drucker Institute's Executive Director, "The 2019 finalists for The Drucker Prize demonstrate through their work the boundless innovative opportunities for organizations of all kinds."

Impact Matters



Village Enterprise has been named one of the top Poverty Nonprofits in 2020 by ImpactMatters in recognition of our high cost-effectiveness and positive, sustainable impact on the lives of our business owners and their families. The ImpactMatters rating system, highlighted in a New York Times article that featured Village Enterprise, focuses on impact metrics as opposed to overhead ratios or other financial indicators. The top rating from ImpactMatters validates that Village Enterprise's team delivers a high social return on charitable dollars and has a lasting transformational impact on the women and men participating in our Graduation program.

Charity Navigator



In addition, Village Enterprise received a 4-star rating from Charity Navigator for the sixth year in a row, recognizing our sound fiscal management and commitment to accountability and transparency. Our sixth 4-star rating means that Village Enterprise exceeds industry standards and outperforms most American charities in our area of work: only 20% of the charities on Charity Navigator have received 4 consecutive 4-star evaluations or more.

NEW HIRES

Carrie Vergel de Dios
Monitoring, Evaluation,
and Learning Analyst

Kathleen Christensen
Finance Support Associate

Oukot Paul
DIB Monitoring, Evaluation,
and Learning Coordinator

Polycap Odhiambo Ogwe
Senior Monitoring, Evaluation,
and Learning Associate

Gladys Jepkoge
Monitoring, Evaluation, and
Learning Coordinator

Leah Bwari Okero
NAWIRI Project Manager

Philemon Kosgei Kimosop
Market Linkage Coordinator

Rachel Berhane
Office Manager and
Executive Assistant

Mercy Cherop Tumkou
Project Manager in West Pokot

PROMOTIONS



Celeste Brubaker
Vice President
- Impact



Taddeo Muriuki
Vice President of
Africa Operations



Johnson Barasa
Senior Monitoring,
Evaluation, and
Learning Coordinator

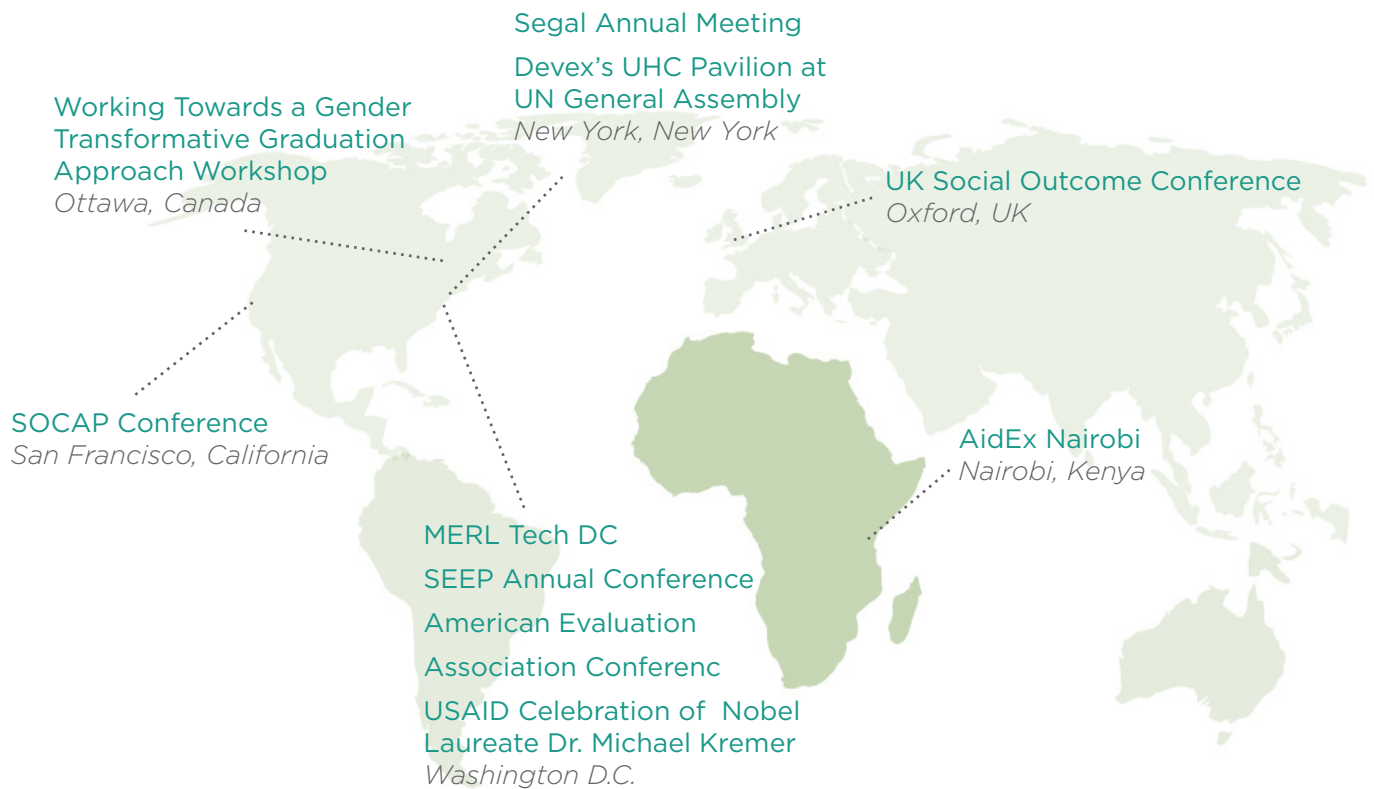
Winning Dashboards at Monitoring Evaluation Research Learning Tech DC Conference

During the Monitoring Evaluation Research Learning (MERL) Tech Conference in Washington DC in September, Village Enterprise was recognized for its adaptive management systems and dashboards.

Out of the 8 organizations presenting in a "dashboard contest", Village Enterprise was among the three winners selected based on 4 criteria: dashboard goal, organization of underlying data, why the design

was chosen, and impact it had on decision-making. Village Enterprise's new dashboards allow field team members at different levels of the organization to monitor business and business savings group health and progress, identify and fix problems early, and share best practices with teammates. The USAID marketlinks blog also recognized the excellence of our adaptive management dashboard system.

Village Enterprise Footprint



In the Press

Recommendations for Giving

Soul of Finance - December 3, 2019

Paul Simon and Peter Singer Discuss 'The Life You Can Save.'

The New York Times - December 3, 2019

This Organization Aims to Change How Impact is Measured — and Funded

Devex - November 27, 2019

New Rating System for Charities Aims to Measure Impact of Gifts

The New York Times - November 22, 2019

The Environmental Benefits of Effective Giving

The Life You Can Save - November 18, 2019

Increasing community engagement to tackle wildlife crime in Uganda

Darwin IWT - November 11, 2019

Poverty Graduation Model: Mobile Tech Can Enable Success

TaroWorks - September 27, 2019

