

Empowering the Most Vulnerable

MESSAGE FROM THE CEO

This month, Village Enterprise is celebrating one million lives transformed in East Africa. By equipping over 178,000 first time entrepreneurs with the resources to start sustainable businesses, we have made it possible for women and men to lift themselves and their families out of extreme poverty. According to our independent randomized controlled trial results, our group-based poverty Graduation model is particularly impactful for our women business owners who make up over 75% of our program participants. In addition to benefiting from significant increases in income, nutrition and savings, women who graduated from our program reported increased status in their communities and subjective well-being including improved mental health and overall sense of happiness.

We continue to invest in program innovation and technology that increase our impact as we implement the first Development Impact Bond (DIB) in poverty alleviation in Africa. We are encouraged by the results of our first DIB cohort that graduated in November 2018. According to our internal M&E data, monthly per capita consumption increased by 40%, and asset stocks doubled among households who completed the program.

But economic empowerment is just one aspect of our impact. Village Enterprise is also committed to gender equity that ensures women in our program assume leadership roles, develop greater agency in their households and communities, and benefit from shared control of the household resources. Along with leaders from the BOMA Project,

Fundacion Capital, the World Bank Partnership for Economic Inclusion, BRAC, Trickle Up, and Concern Worldwide, Winnie Auma, Village Enterprise Uganda Country Director, participated in a Skoll Forum Ecosystem event that was well attended and received by those who attended.

In addition to gender equity, Village Enterprise has made safeguarding a top organizational priority. As we expand into new regions, countries, and contexts like refugee settlements and youth, we are committed to ensuring that the most vulnerable members of our community are safe from any harm. We are committed to protect both the Village Enterprise staff and the people we serve from sexual abuse, exploitation, and harassment as well as any form of abuse or harm.

At Village Enterprise, three of our core values are Integrity, Openness, and Ubuntu (treating the people we serve with respect, empathy, and dignity). Our 170+ team of stunning colleagues live out those values as they work to end extreme poverty in rural Africa.

Thank you for your support of our poverty alleviation work!

All the best,



Dianne Calvi, President and CEO



Women's Empowerment

[Founders Pledge](#) recently endorsed Village Enterprise as a top charity for women's empowerment. Founders Pledge is an organization through which company founders and investors commit to donate a percentage of their personal proceeds to a charity following a successful exit. Village Enterprise was selected as one of the final four from a list of 163 women's empowerment charities. In order to make their selections, Founders Pledge conducted a deep dive investigation that included analyzing our RCT results and comparing them to similar evaluations. According to the Founders Pledge's report, "*Village Enterprise excels at improving the lives of women, and has strong 3rd party evidence that its model is an effective way of addressing extreme poverty... In addition, Village Enterprise is primed to scale and could productively use up to \$28M in additional funding over the next three years.*"



Winnie Auma, second to the left, with other presenters at Skoll. Photo credit to BRAC.

SKOLL WORLD FORUM

Uganda Country Director Winnie Auma accompanied CEO Dianne Calvi to the Skoll World Forum this month. Winnie represented Village Enterprise at a [Skoll Ecosystem Session](#) on **Poverty Graduation Programs and Women's Economic Empowerment** cosponsored by the BOMA Project, Fundacion Capital, the World Bank Partnership for Economic Inclusion, BRAC, Trickle Up, Concern Worldwide, and Village Enterprise.

"I was blown away by the energy and shared interest from every organization and individual at the event. Although there were varied definitions of what poverty Graduation and women's economic empowerment means to our individual organizations, there was a common goal and understanding of the need to share our collective impact in poverty Graduation and women's economic empowerment, with a recognition that we work in different contexts and with different populations. We are excited to work with our colleagues on continuing to refine our programming so that is truly transformative for women!"

-Winnie Auma about the Skoll Forum

In addition, Winnie was selected to participate in the Emerging Leaders program at the Harvard Kennedy School in May, a program designed for rising U.S. and international leaders. Congratulations, Winnie!

BY THE NUMBERS

RCT Findings (Based on Internal Sub Analysis)

Village Enterprise program participants experienced statistically significant increases in all poverty alleviation indicators including consumption, nutrition, assets and income. Sub analysis indicates that households with female program participants benefitted more than households with male participants with regards to increases in total asset ownership and consumption.

Female-headed households benefited most from access to savings groups (compared to men). Savings groups increased total consumption, recurring consumption, net financial position, and income from self-employment for women.

In addition to increases in income and savings, women participating in the Village Enterprise program reported increased standing in the community and subjective well-being including improved mental health and overall sense of well-being.

*While results were not statistically significant for men, this may be due to the limited size of the male population.

Internal Monitoring & Evaluation Data

73% of our business owners are women (November 2018-April 2019)

Households with female program participants appear to benefit more from the program and experience a greater change in average daily meal consumption, animal protein consumption, and savings.

Safeguarding

Three of Village Enterprise's core values are Integrity, Openness, and Ubuntu (treating the people we serve with respect, empathy, and dignity). In order to further those values, one of our strategic priorities this year is Safeguarding.

Safeguarding is the practice of protecting both the Village Enterprise staff and the people we serve from sexual abuse, exploitation, and harassment. We are building a culture of protecting the people we serve by updating policies, procedures, and training around our "four pillars" of safeguarding:

- Employee code of conduct
- Sexual harassment policy
- Child protection policy
- Whistleblowing policy

With funding grants from DFID and the Imago Dei Fund, we held a Safeguarding "train-the-trainers" workshop in February, which was followed by Kenya and Uganda country-wide safeguarding seminars for all field staff in March. Our key messages are "Safeguarding begins with me," "Safeguarding is everyone's responsibility", "Do no harm", and "If you see something, say something!"

Village Enterprise's Safeguarding efforts are not stopping here. Staff will take ongoing quarterly refresher trainings, an incident report log will be submitted quarterly to the Board, and we are creating new resources such as hotline phone numbers, an anonymous online reporting system, and creating and distributing stickers with contact information.



Development Impact Bond

Results for first cohort

The first DIB cohort graduated in November 2018, and our internal end-of-cycle data looks encouraging. Monthly per capita consumption increased by 40%, and asset stocks doubled among households who completed the program. (Note: no businesses received the larger grant size in this cohort). In addition, our BSGs continue to show impressive gains. Internal data shows an increase in the amounts BSGs are saving with each progressive cohort: C1 savings average 86 USD per BSG per month; C2 savings average 98 USD per BSG per month; and C3 savings average 107 USD per BSG per month.

Adaptive Management System

Village Enterprise continues to improve our adaptive management systems and find new and improved ways to measure BSG and business progress.

Having met our original goal of building dashboards and reports of key output indicators for managers, we have started building out the scope and reach of the system.

We recently completed a Digital Training Attendance Pilot, a Business Savings Group (BSG) Savings Pilot,

and a Business Success Pilot and have made various adjustments to our program based on the pilots' findings. For example, all DIB business mentors are now capturing training attendance digitally. However, enumerators will now collect monitoring data so that our business mentors can focus their full attention on mentoring rather than data collection. Data will be collected from each BSG and business twice between the first and second disbursement and once following the second disbursement.

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.

To measure the quality of our program's effectiveness, we have significantly improved our adaptive management system over the past months for ongoing and timely progress and performance tracking of our businesses and savings groups and for faster program iterations and feedback loops.

Our FY17C3 outcome data shows significant increase in households savings and in annual consumption and expenditure.

FY17 C3 Metrics April 2017 - March 2018



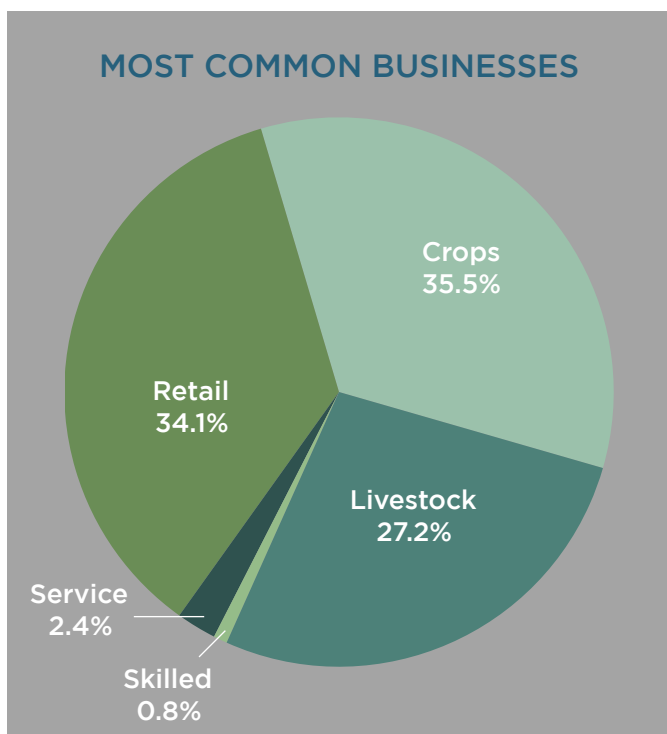
Uganda + Kenya

KEY OUTPUTS	FY17C3	FY17
Newly reached villages	59	144
Program participants trained	4424	10485
Number of lives impacted	26544	62910
Training sessions provided	2224	4995
Businesses started	1446	3458
Business savings groups (BSG) established	159	363
% of women participants	76%	72%

KEY OUTCOMES	FY17C3
Average BSG savings at endline*	\$981
% of businesses with increased value at exit (compared to at formation)	52.1%
Average increase in household savings*	\$13.44 (\$5.17 to \$18.61)
Average % increase in household savings	260%
Average increase in annual per capital consumption & expenditure	42%
Average increase in weekly animal protein consumption	101.4%
% of business owners who feel they are better off after program participation	93.8%
Average increase in daily meal consumption	29.9%

*US Values are based on xe.com KES to USD, and UGX to USD, exchange rates on 16th Jan 2018.

MOST COMMON BUSINESSES



Partnership Highlights



A Village Enterprise entrepreneur from the Bidi Bidi Refugee Settlement shows off her shop. Gasper (left) wears the orange vest uniform of the Village Enterprise business mentors at Bidi Bidi.

GREATER IMPACT FOUNDATION *Greater impact in Migori, Kenya*

We were thrilled to host leaders from partner [Greater Impact Foundation](#) (GIF) in the late fall. Board Chair John Trani, former CEO of Stanley Black and Decker and Executive Director Ken Lewis met with COO Zach Hoins in Kampala. Ken also visited our GIF-funded program in Migori County with Kenya Country Director Taddeo Muriuki and Assistant Country Director Nancy Chumo. GIF supports social enterprises that focus on enabling those at the bottom of the pyramid to achieve self-sufficiency in a cost-effective, sustainable, and environmentally viable manner.

With a three-year grant to train **4,200 new entrepreneurs** and start **1,400 new businesses**, Village Enterprise entered the Migori region in January 2017 to complement the healthcare and community programs offered by the Lwala Community Alliance. To date, **8 local business mentors** have trained **2,119 participants** over **5 cycles**, started **701 small businesses**, and launched **70 Business Savings Groups**. Lwala Community Alliance has been an exemplary partner and has made every effort possible to provide additional support to our program participants and our Village Enterprise team in Migori.

In addition, COO Zach Hoins participated in a best-practices conference convened by GIF in South Florida in February for their portfolio partners (12 social enterprises and 4 non-profits) that span the globe, with almost nearly a third in Central America, Africa, and Asia.

MERCY CORPS & DFID, UGANDA *New Partnership in Refugee Settlement*

Last year, we worked with Mercy Corps to pilot our poverty Graduation program in three refugee settlements in the Northwest corner of Uganda, close to the borders of South Sudan and the Democratic Republic of the Congo: Bidi Bidi (currently the largest refugee settlement in the world), Rhino Camp, and Palorinya.

Based on the success of that pilot, we recently entered into a new partnership in the refugee settlements as part of the ReHope BRIDGE (Resilient Market Systems Development) project run by Mercy Corps and funded by the UK Department of International Development (DFID). In the current project, Village Enterprise is targeting 420 households and starting 140 group-based businesses, each of which consist of two refugee participants and one member of the host community. We are also providing support to DFID Innovations Centers by facilitating the Human Centered Design (HCD) approach to improve project outcomes.

FIELDS FAMILY FOUNDATION *Ending Extreme Poverty in West Pokot*

The Fields Family Foundation recently made a significant commitment to ending extreme poverty. According to Tamara Fields of the Fields Foundation, “Village Enterprise empowers and enables people to take care of themselves and each other, and in turn, improves the standard of living for entire East African villages. This is exactly what we were seeking to support.”

This new funding is propelling our expansion into West Pokot, which reports a poverty rate of 69.7% and ranks as 1 of the 10 poorest counties in Kenya. Most of West Pokot is classified as food insecure due to chronic drought and low school enrollment rates, which is associated with high poverty and early marriages. With funding from the Foundation, we will start 360 new businesses (approximately 80% will be run by women), train 1,080 new business owners, and improve 7,200 lives. We look forward to hosting visitors from the Foundation in early 2020 to see for themselves the transformation they are making in the lives of our entrepreneurs and their families!

Village Enterprise Extend

We work with partners to adapt, adopt, and implement our cost-effective, evidence-based Graduation model throughout Africa.

Together, we can extend our reach to over 20 million lives by 2025.

Following a scoping trip last summer, Village Enterprise Extend team members Mike Kamiru and Anthony Omongin spent 10 weeks in late 2018 embedded with African Wildlife Foundation (AWF) in an extremely remote part of the DRC training the AWF team, recruiting AWF business mentors, targeting the first program participants, and overseeing and supporting the first cycle of businesses.

Our team launched the pilot despite extremely challenging circumstances that included motorbike mishaps, bureaucratic delays, living and working in trying conditions, and torrential rain. While the DRC elections delayed the start of the second cohort of businesses, targeting has now been completed and training is underway.

"African Wildlife Foundation works with vulnerable communities living near critical wildlife habitats to empower them to become stewards of their natural resources. In the DRC, we support these communities by developing sustainable businesses that would reduce their dependence on hunting and reliance on natural resources, and instead provide them with alternative, sustainable livelihood options. AWF engaged with Village Enterprise to support our efforts by replicating their proven Graduation model in this new context. We have been impressed with Village Enterprise's flexibility, positive attitude, and professionalism, and look forward to achieving great things together!"

— Charly Facheux
Vice President, Policy and Strategy



In other news, Chief Scaling Officer Liz Corbishley attended UNHCR Graduation and Refugees workshop at UNHCR global headquarters in Geneva.

This workshop brought together senior leaders from Graduation experts (BRAC, World Bank PEI, Trickle Up, HIAS, BOMA, Concern, and Village Enterprise) and large INGOs (World Vision, Mercy Corps, and GOAL). The partners agreed to design a joint appeal to work in loose partnership to scale refugee and Graduation work globally.

Extend staff also traveled to Ethiopia and to Malawi on scoping visits and to meet with possible partners who are potentially interested in scaling our graduation approach.

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

INNOVATIONS

MOBILE GRANT PILOT

In September 2018, Village Enterprise began piloting disbursing grants through mobile money in Migori, Kenya. Cashless transfers require fewer human resources, improve security for business mentors and owners, and increase trust within business savings groups. The first pilot was successful, though it had higher transaction costs than expected and operational issues related to the bank. A second pilot, using a different bank, is underway and proving more cost-effective, user-friendly, and efficient. We plan to expand cashless disbursements through the rest of our Kenya operations, and begin piloting mobile money cash disbursements in Uganda in May.

TRAINING MODULES ON TABLETS

We are in the process of piloting tablet-based trainings in Kitale, Kenya and Soroti, Uganda, both of which are DIB implementation areas. The tablets will be used to access operational functionality, track training attendance, and successfully share digitalized manuals. In August 2018, we conducted a mid-term assessment of our Tablet Pilot and findings were positive. Business mentors successfully used the digital training manuals, and there was an overall positive view of the new technology by our field team, most of whom are first-time tablet users. In addition, all tablets remained functional despite the inevitable wear and tear of rural Africa!

NEW HIRES



Gilbert Agama
Senior Manager of Monitoring and Evaluation
Kampala, Uganda



Juliet Aneno
Innovations Coordinator
Gulu, Uganda



Rachel Munyifwa
Innovations Coordinator
Kitale, Kenya



Terry Shiundu
Director of Talent Management
Nairobi, Kenya

PROMOTIONS



Caroline Bernadi (formerly Sr. Director for Institutional Giving) has been promoted to Chief Development Officer to lead the development and implementation of strategies to increase our revenue and thought leadership to support the organization's ambitious growth. Caroline is based in our US office.



Liz Corbishley (formerly Director of Expansion) has been promoted to Chief Scaling Officer to oversee the organization's scale strategy, both through partnerships and through direct implementation. Liz is based in Nairobi.

AWARDS

Miriam Aguti won a Whole Planet Foundation Field Officer Award for her passion and ingenuity.

SWAP

Saving with a Purpose



Field Associate, Carolyn Wafula, hands Prisca Nasike the thermos Prisca saved for. Prisca Nasike has a poultry and grocery business and is a member of the Nangeni business savings group in Kenya.

Households living in extreme poverty rarely save money. However, saving is not solely correlated with an increase in income—saving money is a behavior or habit that must be adopted and reinforced through opportunities to learn by doing. According to a [2017 study](#) by Elisabeth Rhyne of the Center for Financial Inclusion, “Practice enables customers to overcome the initial barriers, such as unfamiliarity and lack of confidence.”

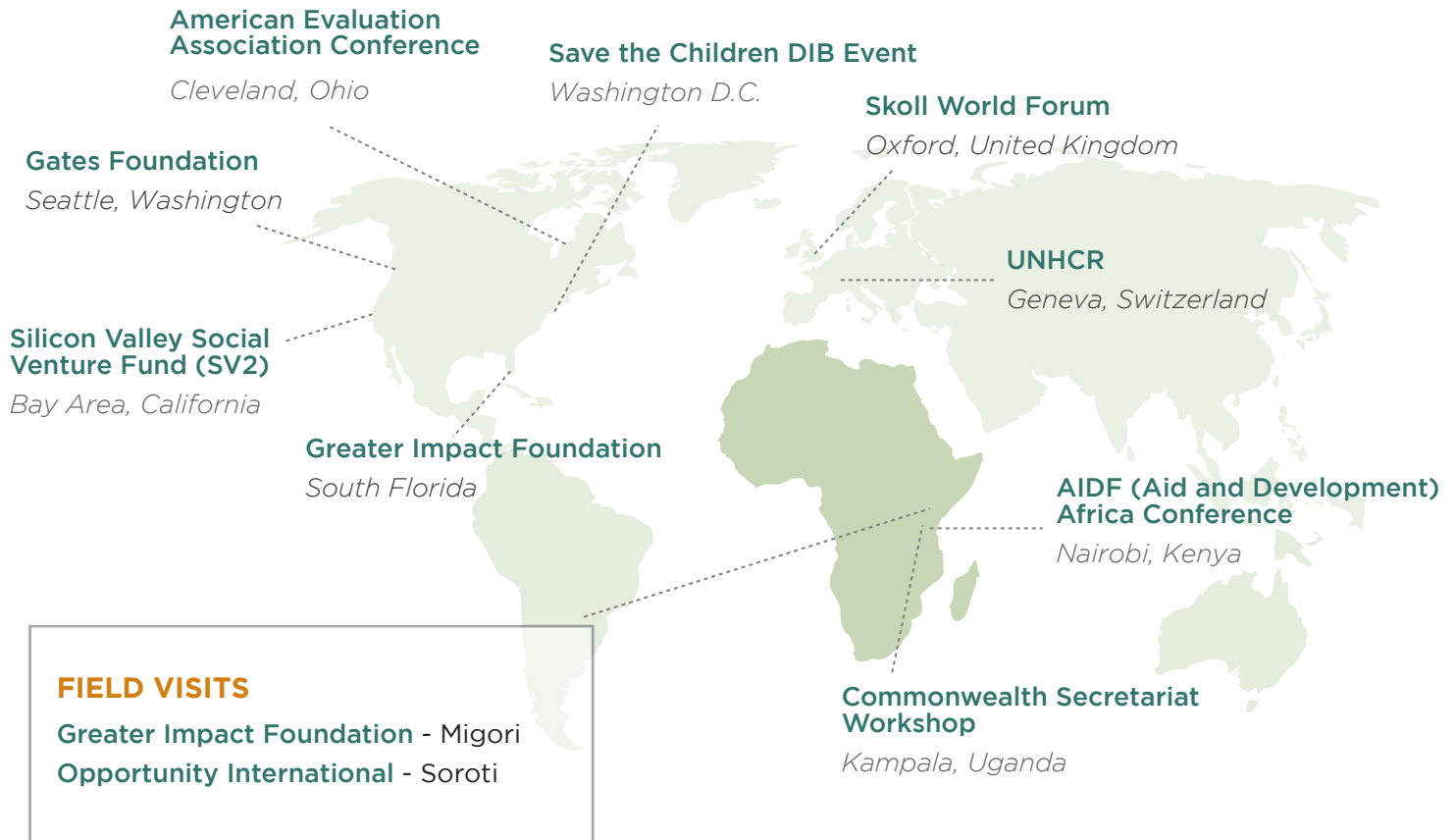
Our BSGs share out participants’ savings and interest accrued once per year. It can be difficult to convince participants of the value of saving when the payoff is so far away. The Village Enterprise Savings with a Purpose (SWAP) intervention was born out of this need. SWAP provides a platform for participants to learn the benefits of saving from the start. Upon the inception of a Business Savings Group, participants identify one item that they would like to SWAP for, in addition to their regular weekly savings.

The day the business owner receives the item they have saved up for is a big moment. It’s the day they receive an item they’ve saved up for over a period of time. Saving for this item, be it someone’s first bed or an orange thermos, is possible through “Saving with a Purpose (SWAP),” a program designed to allow business owners to reap the benefits of saving early in the Village Enterprise program. And as time goes by, saving becomes a habit.

The day the business owner receives the



Village Enterprise Footprint



In the Press

The Great DIB-ate: Measurement for Development Impact Bonds
SSIR - November 21, 2018

On Giving Tuesday: The Gift of Entrepreneurship
The Shrewd Samaritan Blog - November 28, 2018

Critics: Give Development Impact Bonds a Chance to Learn to Walk Before They Run
Next Billion - February 19, 2019

