

Looking to the Future

Message from the CEO



As we approach the one-year mark since the onset of the global pandemic, the Village Enterprise team reflected on the events that took place over these past months and entered the new year with a revitalized sense of passion for the work we do. With the promise of Covid-19 vaccines lingering on the horizon, our team looks beyond the pandemic, implementing adaptations that will strengthen our responses to challenges posed by future uncertainties.

Thanks to our staff's dedication and digitization of program components, we have been operating at pre-Covid levels since November of 2020. We continue to prioritize digital innovation as we enter the next phase of the technology-focused design challenge. The following steps will include piloting and expanding digital training videos, remote phone mentoring, and recordkeeping through digital savings groups. A phased roll-out will continue over the next several months.

As a quick 2020 recap, last November, we hosted our first Voices of Tumaini virtual event. Field managers and staff shared our three-year strategic plan with all attendees and our vision for the future. We ended the year on a high note, gaining membership to the Million Lives Club in recognition of our transformative impact on the lives of over one million individuals previously living in extreme poverty. Another exciting announcement from the last quarter was learning that we were selected as one of five finalists for the \$12 million Larsen Lam ICONIQ Impact Award. We were also able to renegotiate the contracts for the Development Impact Bond (DIB) and keep the project on track for a final, in-person evaluation this Spring.

We made significant progress on all of our major projects, starting 1,832 businesses in Kenya and Uganda with Village Enterprise staff and 800 businesses in Mozambique with World Vision staff for a total of 2,632 businesses in cycle two (the second of three cycles in our fiscal year). We finalized our outcome data from the 2019 fiscal year, demonstrating growth in impact and increases in nutrition, education, healthcare, and resilience despite the challenges of the pandemic.

After years of focusing our direct implementation in two countries, we are excited to launch our program with our

very own team on the ground in a third country, Rwanda! We recently finalized our Rwanda Country Manager's hiring to begin programmatic implementation in April launching 280 businesses by the end of June.

We also continued to work on several essential partnerships and expansion. In collaboration with Wasafiri Consulting, Village Enterprise has been carrying out a project funded by the Open Society Foundations (OSF) under their Economic Justice Program to support the county government of West Pokot to develop a coherent approach to scale-up graduation from extreme poverty. We exceeded our expectations when after only nine months of project commencement, the governor of West Pokot signed the first county poverty graduation policy in all of Kenya. Our goal of scaling up poverty graduation programs at the government level is gaining further traction. We recently signed a contract with the Kenya Social Economic Inclusion Project (KSEIP), an initiative by the government of Kenya with the World Bank's support. Working in partnership with GDI and the BOMA Project, KSEIP will support individuals with cash transfers to sustainable livelihoods with the possibility to scale our poverty graduation approach throughout Kenya if the initial 7,500 household pilot is successful.

Beyond Kenya, we are currently supporting World Vision to start 800 new businesses in central Mozambique where Cyclone Idai devastated the community almost two years ago. The World Vision business mentors formed savings groups and trained the new entrepreneurs in November, and the disbursement of 800 grants is due to happen this month. In the Democratic Republic of Congo (DRC), our scaling team works closely with the Wildlife Conservation Society to develop an adapted poverty graduation program to address illegal hunting and fishing by starting businesses that offer alternative income sources.

This past quarter has been busy, but we are thrilled with the incredible developments that have taken place in such a short time, especially given the natural difficulties presented by the pandemic. We are more passionate and excited than ever about our work to end extreme poverty, and we hope you are too!

All the best,



Dianne Calvi, President and CEO



Performance Dashboard

Village Enterprise equips Africans living on less than \$1.90 per day with the resources to create successful, sustainable businesses, 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 following eight months. Seed capital is disbursed twice during this period, and businesses 'graduate' at the one-year mark.

Our Monitoring and Evaluating systems track our program's five components, 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 of the organization through dashboards customized to the role's information needs. Access to timely and relevant data empowers staff to respond to needs quickly, iterate more rapidly, and manage adaptively. This process ultimately leads to a higher impact among the households that we serve.

Our 2019 fiscal year cycles two and three were the first to be evaluated following the onset of the Covid-19 pandemic. As the data shows, FY19 Cycle three businesses that just had received their 2nd grant when Covid-19 hit, were more affected by the economic repercussions of the crisis than FY19 Cycle two businesses. Despite the negative effects of the pandemic on markets in Uganda and Kenya, our participants were largely able to keep their businesses and savings groups functioning. Our outcome data shows increases in households' savings and annual consumption and expenditure, a testament to our participants' resilience.

FY19 Cycle Two and Three Metrics

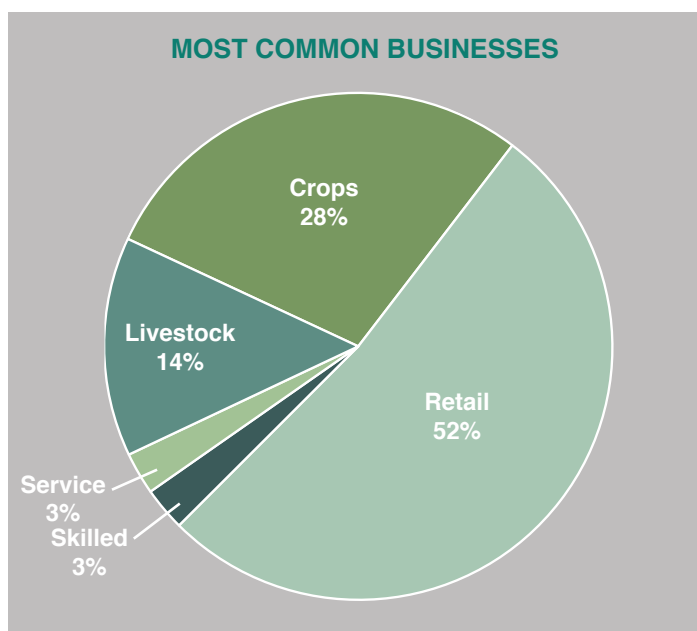


Uganda + Kenya

November 2018 - November 2019
March 2019 - March 2020

Key Outputs	FY19C2	FY19C3
Newly reached villages	95	93
Program participants trained	5178	4794
Lives impacted	34560	31920
Training sessions provided	2324	2296
Businesses started	1781	1642
Business savings groups (BSG) established	110	161
% of women participants	76%	81%

Key Outcomes	FY19C2	FY19C3
Average BSG savings at ending	\$1095	\$1098
Average increase in household savings	\$23.82 (\$9.69 to \$33.51)	\$19.84 (\$6.25 to \$26.09)
Average % increase in household savings	246%	317%
% increase in consumption and expenditure (C&E)	63%	31%
Average increase in annual per household consumption and expenditure (C&E)	\$870	\$420
Average increase in weekly animal protein consumption	102%	89%



** Data collection for those cycles was conducted in Summer 2020 once our enumerators were able to go back in the field while following strict health and safety measures.

FY19 C2 participants entered our program in Jan 2019, started their businesses in March 2019, and graduated in Dec 2019.

FY19 C3 participants entered our program in April 2019, started their businesses in June 2019, and graduated in March 2020.

FY19 C2 data doesn't include DIB businesses.

Strategic Plan

A Bold, New Strategic Plan to Transform 20 Million Lives in Rural Africa by 2030

The complexities of eliminating extreme poverty require us to approach our mission with a continuous cycle of human-centered transformation.

We engaged everyone in the planning process—from business mentors to our board of directors—to ensure that every corner of the organization was represented. With this goal at the forefront, we collectively formulated

five interrelated priorities — all building upon the core focus of ‘entrepreneurship to end extreme poverty.’

Additionally, in Nov. 2020, we hosted our first Voices of Tumaini virtual event devoted to outlining our strategic priorities with actionable steps toward achieving these goals. You can watch a recording of the event featuring our wonderful field team [here](#) and read more about our strategic plan [here](#).



Covid-19 Updates

As the world faces the global pandemic, the Village Enterprise entrepreneurs and staff continue to be heavily impacted. The most notable shift has been away from being able to engage in face-to-face work at the level our program is typically accustomed to. But since March 2020, our team has focused on developing innovative solutions to support participants and staff despite the limitations imposed by pandemic protocols. During this time, one of our biggest efforts has been a push to digitize our staff operations and program components. Advances in technology allowed us to stay on track with most of our work, enabling us to operate at pre-covid levels (with all standard operating procedures applied) since November 2020.

Most importantly, our staff and participants have remained healthy. Our East African areas of operation have seen lower caseloads and deaths than many countries. As the

virus continues to grow we will adapt to the context to ensure safety first and on schedule program delivery as allowed.



Innovations in the Field

Technology has been central to our operations at Village Enterprise, especially given the spread of staff among multiple locations. With the added challenge of physical distancing measures in-place due to the pandemic, it is essential that we maximize strategic technology use to ensure that field activities can continue.

A team of 10 staff members embarked on a three-stage human-centered design process to answer the question, "How might we significantly scale our reach through digital programming while maintaining impact?" Through research and discussion with key individuals in the digital technologies and development disciplines, our team synthesized ideas and brainstormed possible solutions to test. The piloting solutions include using videos to conduct training, mentoring entrepreneurs using mobile phones, and having business savings groups keep records digitally.

In October 2020, Village Enterprise secured a grant from the "[Covid-19 Adaptation](#)" Fund, allowing us to procure testing hardware (projectors and phones) and source consultants in video scripting and phone mentoring. Funding runs from October 2020 to March 2021, with a deliverable to pilot and launch for scale technological adaptations that will support continuity and scale of activities.

The first critical test solution coming out of our workshops was creating a series of short training videos that could be viewed by participants in the field. These videos are essential because Covid-19 protocol bans large gatherings which means more training sessions are required with smaller groups. And going forward, videos provide a means to deliver our training curriculum in the face of new shutdowns of social and economic activity.

The other solutions coming out of our workshops will advance our ability to offer comprehensive and high-quality virtual mentoring. During the Covid-19 lockdowns, we switched to using phone mentoring to continue our support to participants. We are coupling this approach with an update to our mentoring guidelines. Finally, we are testing the creation of a toll-free line to provide participants with another method of reaching us outside of their regularly scheduled mentoring visits. Testing is ongoing on the above solutions, and we plan to circulate learnings during the spring of 2021.



Entrepreneur Story

You are about to read the story of Lucy Musimbi, a 41-year-old mother of twins, who joined the Village Enterprise program in January 2019. Her story, told originally in Swahili, has been translated into English with minor grammatical edits.

Like many other single mothers in rural Kenya, Lucy faced the daunting task of fending for herself and her two young children while unemployed and living in extreme poverty. As a result, she struggled to find food, medicine, and other basic necessities critical for the health, well-being, and survival of her family.



The mortality rate for children under five in Kenya stands at 43.2 children per 1,000 live births. Additionally, one out of three children under the age of five is physically stunted, a sign of chronic malnutrition. Socio-economic status is a crucial determinant of survival; children in the lowest wealth quintile are 44% more likely to die before the age of five than those in the highest quintile.

More than four million women in Kenya live in extreme poverty—nearly 8% of the country's population. Lucy represents the one in three women aged 18 to 60 in Sub-Saharan Africa who are single mothers.

This is her story.

“Village Enterprise did not just save me, they also saved my children and gave them a chance for a better future.”

-Lucy Musimbi, Entrepreneur

My name is Lucy Musimbi.

Before Village Enterprise came to my village in Ndalu, I was pregnant and living a life without hope. Every day was a struggle. I had no means of income after my husband abandoned me during my pregnancy. When it was time for delivery, I sent word to him, hoping that he would be touched to change. But when he saw that I was having twins, he told me that all I know is how to give birth but not how to pay school fees. He left, and I never saw or heard him again.

Life became so hard. My neighbor was a big help as she let me leave the babies with her while I set out early in the day looking for work. I worked as a farmhand and sometimes washed people's clothes, but it was never enough. Food was the biggest challenge – even as I breastfed, sometimes all I had to eat for days was boiled water without sugar.

Village Enterprise picked me up from the garbage. When I joined the program, I felt like I witnessed a miracle. Not only were they teaching us how to use our talents for business, but they were also giving us the money to start, and it was not a loan we had to pay back. I did not believe that my simple skill of sewing and making beads would change my life and the lives of my children forever, but it did.

Through the training, I was able to teach other women how to do bead-making. I learned about saving with a purpose. It is from those savings that I bought chairs and cooking utensils for my house, items I never previously owned. Through the program and my business, my babies are healthy and eating. I no longer stay up at night wondering how I will pay for their school fees.

Village Enterprise did not just save me, they also saved my children and gave them a chance for a better future. I am forever grateful to them.

Awards and Recognition

Larsen Lam ICONIQ Impact Award Finalist



In partnership with Mercy Corps and IDinsight, Village Enterprise is among five finalists advancing to the final stage of the \$12 million [Larsen Lam ICONIQ Impact Award](#)! With the mission of securing a brighter, more durable future for refugees worldwide, the award is sponsored by philanthropists Chris Larsen and Lyna Lam and the Sea Grape Foundation. If successful in our bid, Village Enterprise and our partners will support the most impoverished refugees in Uganda and Ethiopia to run thriving businesses and link them to strong local markets to sustainably increase incomes and deepen local connections for 30,000+ households. The award winner will be announced in March 2021.

Million Lives Club



Village Enterprise was selected in 2020 as a new member of the [Million Lives Club](#), an initiative inspired by the [International Development Innovation Alliance](#) members and hosted on the [Global Innovation Exchange](#)! We attained Vanguard member status that recognizes our transformative impact on the lives of over one million individuals previously living on \$1.90 or less per day. Becoming a member of the Million Lives Club will bring greater visibility and support to our innovative model while also allowing us to connect with and learn from other like-minded practitioners.

New Hires and Promotions

NEW HIRES

Kenya

Elvi Kaptoyo
Field Associate

Isaac Nyongesa
Business Mentor

Rose Longor
Office Assistant

Dinah Nyorsok
Regional Manager

Emmanuel Mungah
Information and Technology
Coordinator

Niva Kireta
Business Mentor

Mildred Maluti
Business Mentor

Naswa Waswa
Business Mentor

Christine Odeph
Senior Communications Manager

Billy Odhiambo
Monitoring and Evaluation
Manager

Uganda

Adrine Mpairwe
Business Mentor

Rwanda

Sylvere Mwizerwa
Rwanda Country Manager

PROMOTIONS



Duncan Ageke
Field Coordinator in Kenya

Partnership Highlights

Open Society Foundations West Pokot County, Kenya

In partnership with Wasafiri Consulting, Village Enterprise is carrying out a 15-month project, funded by the Open Society Foundations (OSF), called the Economic Justice Program. The project aims to support the county government of West Pokot in developing a coherent approach to scale-up graduation from extreme poverty and integrate the program into interventions that will seek to realize social and economic inclusion for the extreme poor.

We were excited to learn that, just nine months after the inception of this project, Professor John Lonyangapuo, Governor of West Pokot County, signed Kenya's first county graduation policy. As a next step, we are currently supporting the West Pokot County Assembly in developing a sessional paper to ensure that the poverty graduation policy can achieve a legal underpinning, paving the way to government resourcing and leveraging funding by development partners.

Kenya Social and Economic Inclusion Project

In collaboration with the World Bank, the Ministry of Labour and Social Protection in Kenya is implementing the Kenya Social and Economic Inclusion Project (KSEIP). The Global Development Incubator (GDI) Consortium will provide technical assistance to the Ministry. This consortium is made up of three organizations: Village Enterprise, The BOMA Project, and The Global Development Incubator. The pilot has three broad deliverables, which include supporting the implementation of the program's Economic Inclusion intervention in the five focus counties; developing tools and systems as well as processes and capacity building materials for implementation and scale-up by the government; and building the implementation capacity of government staff.

The consortium signed the contract with the Government of Kenya in December 2020. We recently held an inception workshop to familiarize key stakeholders on the consortium's approach and methodology to the Economic Inclusion intervention component under KSEIP.



Covid-19 Adaptation Fund

In October 2020, Village Enterprise was awarded funding via the Covid-19 Adaptation Fund, which is managed by Instiglio and Global Development Incubator and funded by an anonymous foundation. The funds' purpose is to facilitate technological adaptations to Village Enterprise's programming in order to support our program in returning to pre-Covid levels of efficiency. These technological adaptations will also help us address challenges posed by future uncertainties and drive results at scale without compromising program quality.

The first critical test solution coming out of our workshops was creating a series of short training videos that could be viewed by participants in the field. The videos will help alleviate the need for business mentors to repeatedly present the same curriculum to different groups of entrepreneurs, which often resulted in fatigue, quality inconsistencies, and limitations in the number of training sessions a mentor could provide within a given period. These videos are essential given the Covid context since the need to train in smaller groups for safety reasons means more training sessions are required. And going forward, videos provide a means to deliver our training curriculum in the face of new shutdowns of social and economic activity.

The other solutions coming out of our workshops will advance our ability to offer comprehensive and high-quality virtual mentoring. During the Covid-19 lockdowns, we switched to using phone mentoring to continue our support to participants. We decided to test this by distributing a phone per business group (i.e., group of three entrepreneurs) to see if this could be an approach to phone mentoring accessibility. We are coupling this approach with an update to our mentoring guidelines. Finally, we are testing the creation of a toll-free line to provide participants with another method of reaching us outside of their regularly scheduled mentoring visits. Testing is ongoing on the above solutions, and we plan to circulate learnings during the spring of 2021.



Village Enterprise Extend

World Vision Mozambique

This past quarter, we provided technical support to World Vision Mozambique in order to adapt and implement our poverty graduation model, supporting families impacted by Cyclone Idai. We worked with World Vision staff to act as “in-person facilitators” during Zoom virtual sessions, helping them successfully recruit and train 20 business mentors to implement this project. We supported World Vision as they identified the first-cycle project participants (1200 people—60% Internally Displaced Persons, and 40% from host communities) from the Nhamatanda and Buzi regions. The World Vision team is currently training the entrepreneurs on the different Village Enterprise poverty graduation modules and establishing 80 business saving groups (BSGs). Unfortunately, our action plans have been affected by the Covid-19 pandemic and government restrictions. We are hopeful that we will be able to provide in-person support in the third quarter.

Expansion to Rwanda

In August 2020, we registered Village Enterprise as a non-government organization in Rwanda. For the past few months, we have been recruiting staff to fill out our Rwanda team, including our Rwanda Country Manager, and we will hire field staff by March 2021. Once we have a team in place, we will commence program implementation to start 280 businesses there by the end of June 2021.

Wildlife Conservation Society

We completed the feasibility study for partnership with the Wildlife Conservation Society (WCS) in the Democratic Republic of Congo and the Republic of Congo. The study's objectives are to implement an adapted version of the Village Enterprise graduation program under the Environmentally Preferable Purchasing and Sustainable Wildlife Management projects and produce a design that will enable the Wildlife Conservation Society and Village Enterprise to raise additional funds to implement graduation in the Democratic Republic of Congo. Due to pandemic-related travel restrictions, we could not carry out an in-person visit to the study's site. However, we were able to remotely train the Wildlife Conservation Society's staff on collecting data for household-level analysis with a poverty graduation perspective. WCS was then able to carry out key informant interviews as well as participant household interviews. Preliminary results of the research show that an adapted graduation program can provide alternative sources of income for those directly involved in illegal hunting and fishing.



Development Impact Bond



Despite the Covid-19 pandemic, we completed the Development Impact Bond (DIB) implementation: we trained over 14,200 new entrepreneurs and launched 4,766 small businesses across seven cohorts in rural Kenya and Uganda from November 2017 to December 2020. Comparison of DIB business outcomes data pre and post-pandemic indicate that our entrepreneurs built resilience and adapted amid the pandemic. This inspiring

data can be attributed to Village Enterprise's rapid collection of information, enacting protocols to provide business owners, and their families, with the resources to build resilience during and after the pandemic.

Nonetheless, as expected, the pandemic's economic effects have had a detrimental impact on the poorest and most vulnerable households in our communities. The ongoing restrictions led to an increase in operating costs for our business owners while at the same time depressing demand from clients due to the unfavorable economic climate. The last four months of DIB implementation focused on in-person mentoring to support our entrepreneurs through those unprecedented challenges.

Village Enterprise and the DIB stakeholders have finalized an agreement that compensates the investors for the delayed evaluation that was initially scheduled in Spring 2020 for the first four cohorts, and ensures that plans are in place to conduct a rigorous evaluation in Spring 2021.

In the Press

[The State of Economic Inclusion Report 2021](#)

World Bank – January 26, 2021

[Innovation for Adaptation: How a New Fund Is Helping Service Providers Navigate the Challenges of COVID-19](#)

Next Billion – January 15, 2021

[Disrupting White Supremacy in International Development: 5 Lessons from our Partners](#)

Imago Dei Fund – December 14, 2020

[Mobile Money Ensures Continued Success Amidst the Covid-19 Crisis in Uganda](#)

Big Spring Herald – December 9, 2020

*This originally was published on Whole Planet's Blog

[Of International Development and White Supremacy](#)

The Standard – November 17, 2020

[Village Enterprise Empowers Female Leaders](#)

The Life You Can Save – September 29, 2020



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