Program: Village Enterprise Fund

Website: http://www.villageef.org/

Mission: Village Enterprise Fund (VEF)’s mission is to break the cycle of poverty by providing business training, seed capital, and ongoing mentoring to rural entrepreneurs.

History of the Organization: Since its start in 1987, VEF, a not-for-profit 501(c)3 organization, has helped improve the lives of hundreds of thousands of people in sub-Saharan Africa. VEF provides seed capital grants, training and mentoring for small businesses. The organization helps the rural poor who need more than money and who are not served by traditional micro-lenders.

VEF provides grants of $100 to $150 in two installments. VEF business mentors help identify potential recipients, and provide the training and mentoring needed for success. In fiscal 2010, VEF trained and funded close to 2,000 businesses. As of June 2010, they have launched 21,000 businesses. VEF also combines poverty alleviation and environmental conservation.

Where VEF Works: Village Enterprise Fund works in Kenya, Tanzania and Uganda. DFW’s funded project is in Uganda. VEF has small offices in Kakamega, Kenya and Soroti, Uganda. Each country is staffed by 3-4 people including a Country Director, Assistant Country Director, and a Grants Administrator. With their 2-person Training Department and Operation Director, VEF employs 11 full-time staff in East Africa.

About the Region:

In area, Uganda is slightly smaller than Oregon. The country is landlocked; it is a fertile, well-watered country with many lakes and rivers. However, the country’s environmental disasters not only harm wildlife, but threaten the Ugandan people’s ability to farm and to feed themselves. These land disasters include draining of wetlands for agricultural use; deforestation; overgrazing; soil erosion; water hyacinth infestation in Lake Victoria; widespread poaching.
The Budongo Forest is one of Uganda’s critical chimpanzee habitats. It is home to an estimated 600 chimpanzees — a still viable population. As in many other conservation areas, the Budongo Forest is under threat largely due to the poverty of the area which forces people to supplement their meager incomes with forest products. However, VEF states that the organization strongly believes their ability to empower the very poor, and to collaborate with other conservation organizations, has "expanded our model to create an integrated model of microenterprise that empowers individuals and local communities, promotes chimpanzee and forest conservation and lifts the income levels of local communities."

Village Enterprise Fund: "Our goal is to empower the people who live around endangered biodiversity hotspots with improved incomes, knowledge, and skills to live sustainably with the forest and to protect chimpanzee habitat and local resources against future threats."

History of Uganda: Uganda’s population is predominately rural, and its population density highest in the southern regions. The Baganda are the largest ethnic group in Uganda and comprise approximately 18% of the population. When Arab traders moved inland from their enclaves along the Indian Ocean coast of East Africa and reached the interior of Uganda in the 1830s, they found several African kingdoms with well-developed political institutions dating back several centuries. These traders were followed in the 1860s by British explorers searching for the source of the Nile River. Protestant missionaries entered the country in 1877, followed by Catholic missionaries in 1879.

Independence from Britain was achieved in 1962. The dictatorial regime of Idi Amin (1971-79) was responsible for the deaths of some 300,000 opponents. Idi Amin's 8-year rule produced economic decline, social disintegration, and massive human rights violations.
It is estimated that more than 100,000 Ugandans were murdered during Amin’s reign of terror; some authorities place the figure much higher. In 1979, Amin was forced out and fled the country. Guerrilla war and human rights abuses continued under Milton Obote (1980-85). The bloodshed and human rights abuses continued until July 2005, when a national referendum resulted in the adoption of a multiparty system of government. In February 2006, the country held its first multiparty general elections since President Museveni came to power in 1986. The election generally reflected the will of the people, although serious irregularities occurred. There are currently 102 women representatives in the 332-member parliament.

About Village Enterprise Fund: VEF’s comprehensive model of microenterprise training and financing includes the following elements:

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<thead>
<tr>
<th>Training</th>
<th>VEF empowers groups of 5 people to create, operate and sustain income-generating businesses. Business training includes: identifying business opportunities, leveraging existing resources, marketing, profit and loss concepts, basic accounting methods and conflict resolution skills to improve the management and operational capacity of peer-owned business</th>
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<tbody>
<tr>
<td>Seed Capital</td>
<td>VEF provides qualified groups with one-time seed capital grants (not loans) of $150 to start peer-owned microenterprises. Each group completes a short standard-of-living survey (qualifying them as below the poverty line), and creates a business plan.</td>
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<tr>
<td>Ongoing Mentoring</td>
<td>Through a strong network of Business Mentors–field staff who live in the villages VEF serves–VEF provides business mentoring to our microenterprises for up to a year and a half to help the new entrepreneurs gain confidence, overcome normal challenges faced during the initial stages of operation, expand, and, ultimately, become self-sufficient and sustainable.</td>
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About 65% of VEF microentrepreneurs are women. Findings of an impact evaluation conducted early 2008 in the Teso Region in Northeast Uganda on widows suggest that they have been empowered socially and economically since starting VEF program. There was a tangible increase in how connected to their community they become by starting and running a business. The impact evaluation found that as a result of the VEF program, an overwhelming majority of the widows had full or joint control of the household finances.
The Project: Empowering Women through Microenterprises in Uganda

Village Enterprise Fund will use Dining for Women’s donations for the “Empowering Women through Microenterprises in Uganda” program that aims to help rural Ugandan women in extreme poverty create and sustain small, income-generating businesses. This is a means to an improved standard of living for themselves and their families, including better nutrition, housing, access to healthcare, and education for their children.

A grant of $35,000 will enable VEF to provide business training, start-up capital, critical ongoing mentoring and evaluation for 145 new women-led businesses in rural Uganda. In addition to the impact these businesses will have on the standard of living of more than 3,600 people, these 145 businesses will stimulate local sustainable economic development and successful business women will serve as role models and peer mentors for other women living below the poverty line who want to start a business.

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<tr>
<th>DFW Project Components</th>
<th>Details</th>
<th>Cost</th>
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<tr>
<td>Seed Capital Grants</td>
<td>$150 grant disbursed in 2 installments: $100 when small business is trained; $50 six months later when milestones are reached</td>
<td>$21,750</td>
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<tr>
<td>Business Training</td>
<td>One-day training session provided in clusters of 10 businesses. Topics include marketing, profit &amp; loss concepts, basic accounting methods, group decision making, conflict resolution and savings. Cost per SB: $9</td>
<td>$1,305</td>
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<tr>
<td>Business Mentoring</td>
<td>Mentoring provided by VBM during one year. Cost per SB: $22.5</td>
<td>$3,263</td>
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<tr>
<td>Business Mentor Training</td>
<td>&quot;Train-the-trainer&quot; sessions for VBM once a year enabling VBM to learn new modules and practice their teaching skills. Cost per VBM: $200</td>
<td>$600</td>
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<tr>
<td>Monitoring &amp; Evaluation</td>
<td>Tracking and evaluation of the impact of new businesses on standard of living of entrepreneurs and their families</td>
<td>$1,450</td>
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<td>Administration</td>
<td>Portion of administration costs required in the US office and in the field to coordinate the project</td>
<td>$5,133</td>
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<td>DFW DVD</td>
<td>Production and mailing of DVD to 200 DFW chapters</td>
<td>$1,500</td>
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<tr>
<td><strong>Total Cost of DFW Project</strong></td>
<td></td>
<td><strong>$35,000</strong></td>
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Dining for Women has funded VWF twice previously. In 2006, we raised $4,305. And in 2007, DFW donated $6,313 to VEF. To read the 2007 follow-up report, visit the Dining for Women website: [http://diningforwomen.org/programs/followup](http://diningforwomen.org/programs/followup)
How They Measure Success:

VEF employs its proven monitoring and evaluation system using 3 key tools:

1. **Standard of Living Index (SOLI):** a multidimensional poverty assessment tool developed by VEF staff for measuring and assessing the relative poverty level of potential clients. It also serves as a baseline survey for impact assessment.

2. **Business Plan:** a mini-business plan helping determine the feasibility of the business idea and track progress toward its implementation.

3. **Progress Report:** completed six to nine months after the business started to monitor key operating goals.

As part of the ongoing monitoring process, each business group is mentored on a regular basis, thereby giving personal attention and guidance in building a successful business.

Since January 2009, VEF has developed a new customized and integrated online database enabling access to all SB (Small Business), SOLI (Standard of Living Index) and PR (Progress Report) data as soon as a new business is formed and funded.

In addition to these monitoring and evaluation tools, VEF has developed administrative tools to ensure accountability and that the funds are used for the intended purpose. These include receipts for each grant disbursement signed by two people from each group receiving money. Spot-check audits are done quarterly to ensure all of the paperwork is in place for grants and the database is up to date.

Objectives of the DFW-funded Project:

- Supply startup capital to **145 qualified women-led entrepreneur groups** (25 people supported per business equals over 3,600 lives improved) in Uganda
- Provide **formal business training necessary to launch successful enterprises**, increasing 725 microentrepreneurs’ business skills and knowledge, as well as their confidence
- Provide **long-term mentoring** for at least a year to ensure business success
- **Strengthen women’s ability to work together** by providing training in conflict resolution, leadership skills, and community building
- **Connect new business owners with each other** through the a “cohort” training model, which facilitates peer learning and networking between women entrepreneurs

The Problem the Project Addresses

- In Sub-Saharan Africa, the **$1.25 a day poverty rate has shown no sustained decline since 1981.**
- In absolute terms, the number of poor people has nearly doubled, from 200 million in 1981 to 380 million in 2005.
- **VEF directly addresses Goal #1 of the UN Millennium Development Goals** – “Eradicate extreme poverty and hunger” – and indirectly supports five other goals related to health and education.
- **VEF addresses the problem of extreme, rural poverty in East Africa, where more than 70% of the population is living below $2/day.**
- Women and girls are most affected by bias and neglect: 7 out of 10 of the world’s hungry are women and girls, according to the UN World Food Program.
- Until very recently, women had been historically underrepresented in business in Africa. But, when women are afforded the equality of opportunity that is their basic human right, the results in terms of economic advancement are striking.
VEF’s Proven Results

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<tr>
<td>Food &amp; Nutrition</td>
<td>32% increase in food consumption, with meals consumed per day increasing from 1.9 (before) to 2.5 (after). Average business provides 6,242 more meals to its families.</td>
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<td>Education</td>
<td>40% increase in number of children in school, with enrollment increasing from 68% of school-aged children in school to 95%. Average business sends over 5 more children to school.</td>
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<td>Women’s Empowerment</td>
<td>84% incidence of improvement in women’s sense of empowerment in at least one of the following qualitative factors: independence, spousal relationships, household equity, participation in activities, self-image.</td>
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<tr>
<td>Livestock Ownership</td>
<td>161%, 571%, and 627% increase in the value of livestock in Kenya, Tanzania and Uganda respectively, a primary form of savings. Average business generates an increase of $492 in livestock value.</td>
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Financial Profile:
Village Enterprise Fund’s 2010 Income/Expense Report indicates a total income of $960,000. Total Direct Program Expenses were $733,292. U.S. Administrative and Fundraising expenses totaled $221,300.

More than 75 percent of income supported VEF’s Programs.
Administration and Fund Development and Marketing comprised approximately 23 percent of expenses.

Sources:
Photos: except where noted, provided by Village Enterprise Fund
http://www.africanews.com

Changing the world one dinner at a time