



## Report to Dining For Women August 2014

Dear Dining For Women's Grant Committee and Members,

Thank you for your generous grant of \$45,000 over three years awarded in Spring 2013 for further expanding our integrated conservation and microenterprise development program and transforming the lives of ultra poor women and their families in the Budongo Area of Western Uganda.

Your investment allowed Village Enterprise to equip women living in poverty with the resources to create sustainable businesses. Specially, your gift has been used to provide women in rural areas close to the Budongo Forest of Western Uganda with start-up grants, business training, leadership training, peer-to-peer networking, ongoing mentoring, and business savings programs, thereby enabling them to break out of the cycle of poverty. Thank you for joining us in our effort to eliminate extreme poverty!

### Outcomes and Impacts

Since August 2013, we have started and funded 337 small businesses and trained over 1,000 men and women in the Budongo Forest region.

These statistics only begin to convey the impact of your gift on the lives of these business owners. Each has their own moving story of how profits from their new livelihood have benefited their lives, from improving their family's nutrition and being able to send their children to school, to upgrading their housing quality, and gaining hope and confidence in their family's future. Please see the attached story.



## The Village Enterprise Model

To achieve these remarkable results, Village Enterprise staff and business mentors follow these key steps:

Select entrepreneurs through an in-depth qualification process that uses our rigorous assessment tools to verify that each participant's income was below the poverty line.

Assist each business—consisting of three individuals—with selecting a viable enterprise and creating a sustainable business plan

Provide 14 modules of training over the course of a year that include business and financial literacy, profit and loss, marketing, bookkeeping, and basic savings concepts

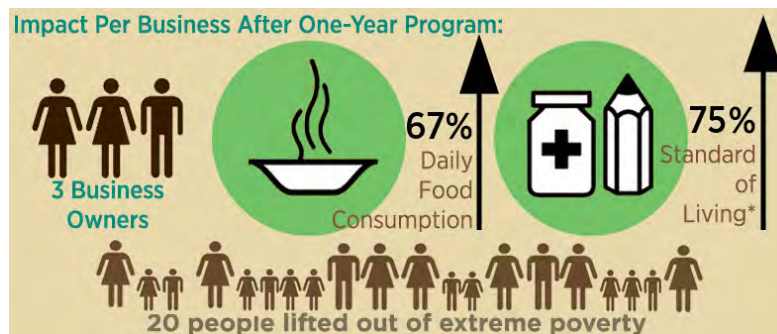
Disburse an initial \$100 seed capital grant to start each business and provide a \$50 follow-on grant if operational milestones are met

Supplement training with an additional year of mentoring

Execute a successful exit strategy by organizing business owners into Business Savings Groups of 10 businesses each

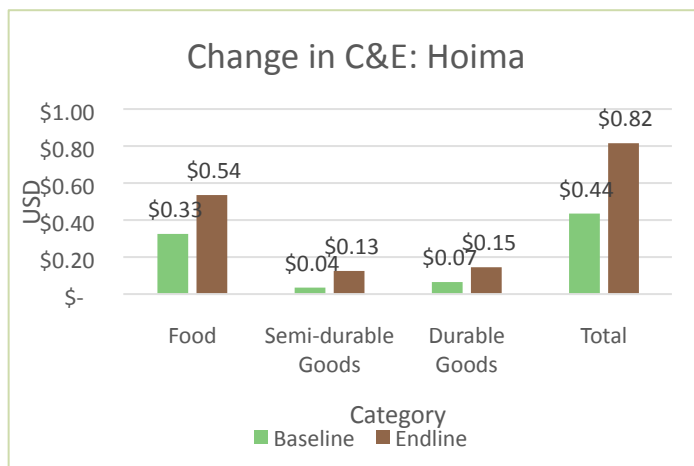
### Most Recent Program Performance Measurement Results:

Using the Grameen Foundation's Progress-out-of-Poverty Index (PPI), in-house surveys & forms, and Consumption Expenditure recall, Village Enterprise collects baseline and endline data on sustainability metrics, housing conditions, education, clothing, nutrition, and savings on all of our businesses.



Our 2013 evaluation yielded impressive results. **At the end of the 12-month program, our business owners had increased their average income by 75%.** Over the course of the year, food consumption increased by 67%, consumption of semi-durable goods (e.g., soap, medicine, and clothes) increased by 127%, and consumption of durable goods (e.g., furniture, school fees, and household items) increased by 73%.

In the Budongo region (Hoima Office), our latest internal performance report for businesses graduated in July 2013 shows an **increase of 86% in total daily consumption**, which is a significant improvement.



Though consumption and expenditure cannot tell the whole story of being lifted out of extreme poverty, it does provide a key indicator in demonstrating the effectiveness of the Village Enterprise program. Business owners, on average, are seeing income gains that lead leaving the extreme poverty line.

### Changes to Goals, Timeline, Implementation and funding

#### Staffing:

Finding the proper business mentors with the passion, dedication and skills set to maintain the high quality of implementation the organization requires has been difficult. Turn-over of the management team has been a challenge but also in other instances a source of pride for the organization: Nicholas Businge, our highly esteemed Field Coordinator for the Budongo Program, was granted a prestigious scholarship to pursue a masters degree in the UK (was one of 20 selected out of a very competitive applicant pool of 3,000) and left the organization in September 2013. He notified that his work on the Budongo Program has been the inspiration to continue studies in Environmental law & policy.



#### Crop-raiding:

Because of high incidence of crop-raiding by baboons, agricultural businesses very close to the Forest have suffered . Therefore we have seen an increasing amount of livestock businesses flourishing in the Budongo area.

#### Tree-planting:

The on-farm tree planting pilot project designed by the team has been postponed due to lack of funding for that initiative.

#### Integration of “Resource Sustainability” across all our operations:

In serving those living in extreme poverty, we recognize that natural resources are an important asset and/or safety net to business owners livelihoods in all geographic areas, not next protected areas, corridors or hotspots. Thus, we are transitioning from the term “Conservation” to a broader definition of “Resource Sustainability”. Activities in the upcoming year will focus on introducing an integrated concept of sustainable livelihood assets, increasing support for business owners with more relevant and participatory learning, exchanging research and project findings with industry partners to continue to pursue best practices, and to create multi-year plans by region for strategic and development purposes.

#### Funding Partners in the Budongo Forest Area:

The **Arcus Foundation**, the world’s largest private funder of great ape conservation and welfare and Village Enterprise’s first major institutional funder (\$100,000 two-year grant in 2009), visited our Budongo program in early September; They were very impressed by the high-quality and impact of our program and are very seriously considering funding the expansion of our program in Southwestern of Uganda around the Bwindi Impenetrable National Park, one of the richest ecosystems in Africa notable for its 340 Bwindi gorillas, half the world’s population of the critically endangered mountain gorillas.

They also facilitated a partnership with the **Budongo Conservation Field Station** to implement our microenterprise development program as alternative livelihood for hunters living next to the Budongo Forest. Finally, we were awarded our **first USAID grant (as a sub-contractor of FHI360)** which will be partly implemented in the Budongo area.

## Progress and Innovations at Village Enterprise in 2013-2014

### A coveted 4-Star Rating from Charity Navigator

Village Enterprise's sound fiscal management practices and commitment to accountability and transparency have earned us a 4-star rating from Charity Navigator, America's largest independent charity evaluator. This is the first time that Village Enterprise has earned this top distinction.



With roughly 1.6 million charitable organizations in the US, Charity Navigator's 4-star rating puts us in the top 0.1% of all these organizations. "This exceptional designation from Charity Navigator differentiates Village Enterprise from its peers and demonstrates to the public it is worthy of their trust." - Ken Berger, Charity Navigator President & CEO

### Our New East African Leader



**Astrid Hass** will join Village Enterprise as **East Africa Regional Director** (formerly known as the Sr. Dir. of Programs and Operations or SDPO) in August 2014. She spent the last two years working for Evidence Action/Innovations for Poverty Action (IPA) in Kampala, Uganda as the Program Manager for the Dispensers for Safe Water (DSW) project. During her time at IPA, she scaled up the DSW project from a pilot to a program serving over 656,000 Ugandans and was responsible for recruiting, developing and managing a team of over 40 long and short term staff. Before working for IPA, Astrid worked in Southern Sudan on the USAID funded Food, Agribusiness and Rural Markets (FARM) Project. She received her Master of Arts in International Development and International Economics from Johns Hopkins University, School of Advanced International Studies. Astrid is an Austrian citizen, but also has roots in Uganda.

### Communication efforts

We are significantly accelerating our public relations, marketing and social media efforts to increase the visibility of Village Enterprise and engage new donors. We hired Susan Skog as a PR Consultant in Spring 2014 (Thank you for sending her our way!) and her efforts are bearing fruit as we have recently been featured in some influential blogs, including "A Path Appears" website promoting New York Times journalist Nicholas Kristof's new book, and on NextBillion.net, one of the largest blogs in the poverty alleviation sector.

### Kitale Expansion

Village Enterprise is pleased to announce that after 20 years of successfully implementing our innovative, grassroots poverty alleviation program around Kakamega, Kenya, **we relocated our Kenyan headquarters to Kitale in January 2014.**

The Kitale office will target communities in and around Trans-Nzoia County that experience high rates of extreme poverty due to small plot sizes, lack of rural markets, and high illiteracy rates. Our training program will emphasize the need for conservation best practices to ensure the protection of local biodiversity hot spots such as Mt. Elgon National Park and Saiwa National Park, as well as fostering businesses that serve as role models for how people from different tribes or clans can work cooperatively in a mutual interest.

## USAID Grant Recognizing Our Local Leadership and Livelihood Impact



In December 2013, **Village Enterprise** was awarded a **\$237,000** grant as a **subcontractor on the USAID Uganda Community Connector (CC) Project** led by **FHI 360**, a global international development non-profit serving more than 60 countries. Village Enterprise was chosen for its strong local leadership and

for its innovative and impact-oriented model targeting the ultra-poor. Within the framework of the CC Project, Village Enterprise has joined a group of highly respected international NGOs including the Grameen Foundation, BRAC Uganda, Self Help Africa, and the Communication for Development Foundation Uganda. The CC Project, a 5-year, multi-million dollar project of the larger *Feed the Future Initiative* in Uganda, focuses on reducing poverty, food insecurity, and malnutrition through a comprehensive and multi-sectoral approach in communities that experience disproportionate levels of each.

During the CC Project, Village Enterprise will be implementing its results-oriented microenterprise development program by targeting the ultra-poor in five districts in Northeastern and Western Uganda from January 1 - December 31, 2014. The project is expected to develop 360 new businesses, select 1,080 new entrepreneurs, impact 7,200 individuals and form 36 Business Saving Group (BSG). Each BSG consists of 30 members – 3 members from 10 businesses.

### Randomized Control Trial (RCT)

In October 2013, we launched a **3-year Randomized Control Trial (RCT)** to evaluate our program. This RCT was made possible due to an anonymous \$1 million, multi-year grant from a philanthropic advisory firm.

The study is being conducted by the NGO BRAC—a leader in creating opportunity for the world's poor—with the assistance of academics from the University of Chicago, Princeton and Yale. The goal of the RCT is to evaluate the transforming impact of the Village Enterprise model and its unique components on the lives of our business owners and their families.

We anticipate that the eagerly awaited RCT results, which will be released in the spring of 2015, will contribute to the ongoing policy debate in the field of international development on the optimal mechanisms for poverty alleviation.

### Five Acres or Less Workshop

In February 2014, Village Enterprise hosted a workshop in Kampala entitled **Five Acres or Less: Agricultural Planning for Small-Scale Farmers in East Africa**. This event brought together over 60 agricultural professionals from organizations such as USAID, Makerere University, Kenyatta University, the University of Nairobi, Simlow Seed Company, and the Kenya Agricultural Research Institute along with our own “best practices” farmers to discuss the various factors limiting the productivity of rural agriculturalists. **Five Acres or Less** was the first high-profile event we've hosted in the field and it served as our formal debut to the wider development community in East Africa.

Perhaps the most unique quality of **Five Acres or Less** was the central focus of the rural farmer. Many conferences and workshops have been held on agricultural development in international cities such as Washington, London, Paris, but very few have actually seen those rural farmers directly represented—let alone spotlighted—for their practical expertise and knowledge of the problems being tackled.



**Five Acres or Less** blended formal presentations of burgeoning research and theory on the current status of micro-farming with focused work groups. These groups were formed around a specific group of crops and contained a mix of “experts” and our farmer-practitioners, who were tasked with finding consensus on the appropriate combination of agricultural inputs, land management techniques, and risk mitigation strategies to ideally suit the Kenyan and Uganda micro-climates.

### Use of Funds

Expense	Amount
Seed Capital Grants	9,000
Business, Financial Education and Conservation Training	2,100
Business Mentoring	900
Monitoring & Evaluation	1,500
Administration	1,500
<b>Total</b>	<b>15,000</b>

Again, **thank you very much** for Dining for Women's generosity to Village Enterprise this year. We want you to know that your contribution is significant us, and that we apply a great deal of diligence to ensure that your philanthropic investment makes the greatest impact possible. Your support has empowered women in the Budongo region of Western Uganda to break the cycle of extreme poverty by creating sustainable income-generating businesses.

We look forward to continuing our partnership with you in 2014-2015.

With gratitude,



Dianne Calvi  
President & CEO



Caroline Bernadi  
Sr. Director of Institutional Giving

