Village Enterprise

Village Enterprise equips the extreme poor in Africa with resources to start sustainable businesses through a four-part program: entrepreneurship training, a cash grant, business mentoring, and a savings group. Village Enterprise also has a sustained focus on increasing gender equity. In 2021, 83% of first-time entrepreneurs in the program were women.

Their annual demonstrated impact includes:

- Launching operations in Ethiopia with the DREAMS for Refugees partnership with Mercy Corps, which aims to start 1,200 businesses within the year and 3,600 businesses long term.
- Integrating their poverty graduation model, which provide business mentorship, seed capital, and savings and investment training, into government social protection programs in Kenya and Rwanda.
- Building credibility and receiving an A$9.9 million award from USAID Development Innovation Ventures, their largest grant in the past decade, to partner with the Government of Rwanda to scale their poverty graduation program in the country.

Donations above A$2 **tax-deductible**. See our global tax-deductibility options here.

DONATE NOW

By Card or Paypal

OTHER WAYS TO DONATE

By Bank Transfer, Cheque, Crypto, etc.

Key Strengths

Depth of impact, Scale

Multidimensional Poverty Index Indicators

Housing, Assets, Empowerment

Other Key Outcomes

Income increase

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Recent Expense Budget

A$39,000,000

Year Founded

1987

The problem: poverty traps

Many of the world's very poorest people are caught in a cycle of poverty. They face multiple barriers to improving their standard of living, including a lack of access to capital for productive investments, poor information about managing assets, and the inability to make risky but potentially productive investments due absence of a safety net or savings buffer.

The solution: supported entrepreneurship

Village Enterprise addresses the fact that poverty is multifaceted by providing a multifaceted program to support new entrepreneurs. They employ a group-based approach that brings together diverse skill sets, spreads risk, builds social capital, and produces cost efficiencies. Because entrepreneurship can be risky and take time to pay off, the program offers grants, not loans, to allow vulnerable people to immediately improve their standard of living.



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How Village Enterprise works

Village Enterprise uses a one-year Graduation program to help people escape the poverty trap. The program provides business training and an A$270 grant to groups of three entrepreneurs to start a business. Village Enterprise targets individuals who have no prior business experience, live on less than A$2.88 a day, and are unable to provide for their family's basic needs. Each business is assigned a local mentor and is organised into a Business Savings Group of 30 entrepreneurs to provide access to savings.

Multiple studies show that cash grants combined with business training lead to significant increases in household income, and that these benefits persist over a number of years.



Multiple studies show that cash grants combined with business training lead to significant increases in household income, and that these benefits persist over a number of years. [1] Researchers, including Innovations for Poverty Action (IPA), have conducted a randomised controlled trial studying the efficacy of Village Enterprise's work. The study found that the microenterprise graduation program leads to increased consumption, assets and income, as well as improvements in nutrition and s

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In late 2017, Village Enterprise launched the first ever development impact bond (DIB) for poverty alleviation in Africa. The US $5.32M DIB will transform the lives of 12,000+ households in rural Kenya and Uganda by creating 4,000+ sustainable microenterprises in under four year. It will also demonstrate how to ensure impact at scale as similar Graduation models are being replicated in other countries. [4]

Trained
83,000
entrepreneurs since 2017
Entrepreneurs have started
29K
businesses
83%
of entrepreneurs are women

Other ways to donate

We recommend that gifts up to A$1,000 be made online by credit card. If you are giving more than A$1,000, please consider one of these alternatives.

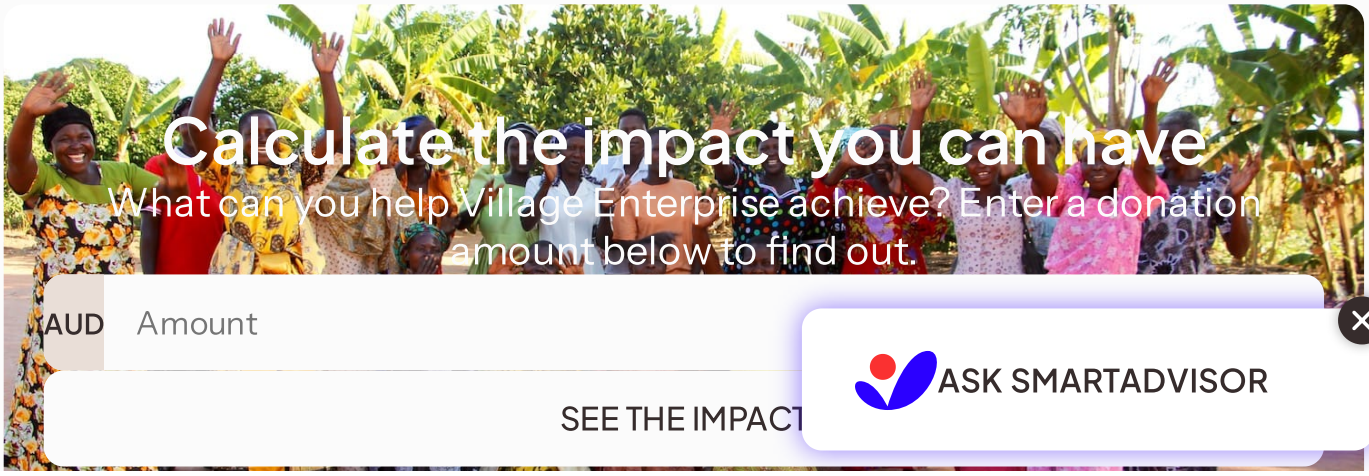
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What makes Village Enterprise so effective

Cost-effectiveness

Village Enterprise's cost per business is A$1,200 and improves the standard of living for approximately 20 individuals — meaning their program transforms lives for an impressive A$60 per person.

Rigorous monitoring

Strong, adaptive management systems track key metrics to help inform management decisions and what areas of the program to test.

A scalable model

In 2016, Village Enterprise launched Village Enterprise Extend to provide technical assistance to NGOs and government partners interested in replicating their model in other African countries. [5]

Evidence-backed impact

Nine randomised controlled trials on similar programs support the effectiveness of cash grants combined with business training. Imp
A$1.60 of lifetime household income for every A$1

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Continuous program improvement

Since 2017, Village Enterprise has iterated its program six times based on evidence from pilot testing, such as changes to its training procedures. Additionally, ideas submitted by staff are researched and tested annually, with the most successful integrated into the existing program.

Village Enterprise's accountability

Village Enterprise has been thoroughly assessed and evaluated by ImpactMatters, and was among the first non-profits to have an Impact Audit carried out on its programs. This audit concluded that there is strong evidence that Village Enterprise is reaching its target population, has outstanding monitoring systems, and has a strong record of iterating its program based on high-quality data. [7]

The randomised controlled trial that Village Enterprise designed, funded, and conducted in partnership with IPA also provided evidence of impact. Village Enterprise pre-registered this randomised trial and has published its previous research on its website. [8]

Recognition for Village Enterprise

Village Enterprise was named one of the 2019 Drucker Top 10 Finalists, which recognises not-for-profit organisations engaging in outstanding innovation. Founders Pledge, a charity through which company founders and investors commit to donating a percentage of their personal proceeds to charity, has also endorsed Village Enterprise as a top charity for women's empowerment.

Village Enterprise was chosen for the first-ever DIB for poverty alleviation in sub-Saharan Africa by a consortium of highly respected funders and international development experts, including USAID Development Innovation Ventures (DIV) and UKAID (DFID).

SOURCES

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