Dear friends and partners,

We write to you full of gratitude and thanks for your role in transforming lives in rural Africa. Through your financial support, time, and advocacy, Village Enterprise is making great strides towards our vision of ending extreme poverty through entrepreneurship and innovation. Working together with our partners, our donors, our staff, and our volunteers, we are playing a significant part in achieving the United Nations number one goal of ending extreme poverty by 2030.

Looking back over the past 29 years, we have helped improve the lives of over 750,000 women, children, and men. In 2016 alone, Village Enterprise started 3,235 businesses and positively impacted the lives of over 64,000 rural East Africans—our most successful year ever!

These numbers, however, do not communi-cate the full impact of our work. Beyond new incomes and savings, the people we serve tell us that the Village Enterprise program imparts to them new knowl-edge, confidence, and hope. Through the coaching and encouragement of our staff, they build new networks to help each other run their businesses and generate savings. This is the true outcome we aspire to: empowering people living in dire poverty to transform their lives through sustainable businesses.

This year we are completing an ambitious, three-year, independent Randomized Controlled Trial (RCT) with Innovations for Poverty Action (IPA) to evaluate our microenterprise Graduation program with data from over 6,600 households in Uganda. In 2017, we will release the final results of this ambitious study. We believe that this independent evaluation will demonstrate that our Graduation program is the most cost-effective, scalable solution to ending extreme poverty currently being implemented.

Village Enterprise is now at a critical nexus of rapid scaling. Last year, at the advice of Bain & Company, we adopted a two-pronged growth strategy. The first prong is to concentrate our impact in Kenya and Uganda (the countries where we currently work) through strategic partnerships. We partnered with larger organizations like Geneva Global and FHI360/USAID to significantly expand our reach, achieve greater impact, and secure long-term funding. In addition, through our partnership with Geneva Global this year, we opened a third office in the Nwoya District of Uganda.

The second prong of the strategy is to scale-up in additional African countries by training other nonprofits or governments to implement our program. To accomplish this, we recently launched the Village Enterprise Accelerator as a social enterprise to transform our know-how to partners and conduct research to further increase our impact and cost effectiveness. This will enable us to accelerate the pace of poverty alleviation while earning new revenue that will ensure greater sustainability for Village Enterprise.

We are grateful for your support of our efforts to create hope and opportunity for those who are most in need. We look forward to continuing our collaboration in 2017!

With appreciation,

Dianne Carri
Debbie Hall

Our Impact

In 2013, we launched an ambitious, three-year, independent Randomized Controlled Trial (RCT) to evaluate our microenterprise Graduation program with data from over 6,600 households in Uganda, which is funded through an anonymous $1.4 million dollar grant and being evaluated by Innovations for Poverty Action (IPA). In addition to guiding refinements to Village Enterprise’s model, results will create new awareness among funders, policy makers, NGOs and governments about how best to help people living in extreme poverty to increase their incomes and improve their standards of living.

The most promising, evidence-based solutions to date for alleviating extreme poverty are implementation and adaptations of BRAC’s Ultra Poor Graduation Approach and unconditional cash transfers. While both approaches have demonstrated positive impacts, we believe that neither will prove to be affordable, effective, and sustainable enough for massive scaling. We believe the Village Enterprise RCT will demonstrate that our Graduation model will be both less expensive and more effective over time. Results will be available in mid-2017.

MEET NIGHT, SHE IS 1 OF …

36,000 New Businesses
145,000 New Business Owners
700,000 Lives Impacted

Night Kinto expertly maneuvers her needle and colorful thread into beautiful patterns as she tells her story. She is soft spoken, but her shy smile speaks as she explains how Village Enterprise allowed her to realize a lifelong dream.

Night lives in Rwengabi Village, nestled in the rolling green hills of Western Uganda. Rwengabi borders the Budongo Forest where the community traditionally relies on the forest to live. Women collect firewood while their husbands hunt for chimpanzees, elephants, and antelopes. Before beginning Village Enterprise’s program, Night struggled to provide for her family. While her husband hunted, she engaged in casual labor, such as carrying lumber in the forest. But these activities could not sustain their seven children.

Night and her two partners used their training and grant to purchase chickens and goats to start a livestock business. But Night didn’t stop there. “As a child I learned to knit. But the problem was money to buy materials,” Night diligently saved her profits from the livestock business and bought materials in Hoima town to begin knitting decorative clothes to sell in her village.

“I CAN NOW SUCCEED IN THE BUSINESS I HAVE WANTED SINCE I WAS YOUNG.”

Night and her husband now can provide for their family without exploiting the forest. Her seven children are enrolled in school and her new conservation stove uses only a fraction of the firewood required by traditional cooking methods. “I feel so good because I can now succeed in the business I have wanted since I was young” Night says with a jubilant smile.

Our Mission

To end extreme poverty in rural Africa through entrepreneurship and innovation.
2016 Program Highlights

Youth-Focused Collaboration with USAID/FHI 360 in Uganda

Village Enterprise completed implementation of a multi-year partnership with fhi360 on their successful USAID Community Connector (CC) project in Uganda, as part of a consortium of highly respected NGOs, including the Grameen Foundation, BRAC, and Self Help Africa. CC is part of USAID’s flagship Feed-the-Future initiative to reduce poverty, food insecurity, and under-nutrition. In 2014, CC recognized that youth were a critical yet excluded demographic in their existing activities. Recognizing Village Enterprise’s program adaptability and eagerness to understand its communities, fhi360 funded a study to research the preferences and habits of rural youth and then provided funding for youth-only businesses and savings groups.

Through this partnership, we not only graduated 1,440 new entrepreneurs from the Village Enterprise program, launched 480 new small businesses and formed and graduated 48 business savings groups, but also improved our programming with lessons learned from fhi360’s expertise and our partnership.

Partnership with Geneva Global’s Speed Schools in Uganda

We expanded into the remote Nwoya district of Gulu with Geneva Global on their Speed School program. Covering three years of curriculum in just one year, this program has shown great success in Ethiopia and West Africa, and is now targeted at Gulu’s large refugee population and low primary school enrollment rate. To ensure that children will be able to remain in school upon completion of the curriculum, Village Enterprise is acting as an “economic engine” by empowering parents and caregivers to create sustainable businesses that generate an income and savings stream to pay future school fees.

This spring, we trained 750 new entrepreneurs who launched 240 new businesses, and formed 30 new “Self Help Groups” (the equivalent of Business Savings Groups).

“I have seen many economic empowerment programs over more than 25 years in International Development, but Village Enterprise’s work strikes me as one of the best thought out and diligently implemented I’ve seen. The stories from the women and men impacted demonstrate the comprehensive and smart design, and gets people on the next rung of the prosperity ladder. So impressed.”

Doug Balfour, CEO, Geneva Global

2016 Financials

During 2016, Village Enterprise increased its efficiency and maximized the impact of every dollar we received. Overall revenue rose by 5% over FY15, yet we achieved double-digit program growth by starting 3,235 businesses and training 9,705 business owners. Income growth was achieved through funding from government sources and earned income. Village Enterprise leveraged government funding received as USAID sub-contractor to FHI360 on the Community Connector project in Uganda as a means of increasing impact and cash flow. Contract and licensing revenue derived from a new partnership with the Wildlife Conservation Society demonstrates our capacity for future earned income by training other organizations on our model.

Expenses in FY16 grew 11% over the prior fiscal year, while the number of businesses we started increased by 17%. Start-up costs for the new Geneva Global Speed School partnership, including opening a new satellite office and adding additional staff, played a role in overall expense growth. Investments in new Monitoring & Evaluation staff and updated equipment, which were required to keep pace with programmatic expansion, resulted in higher costs in this expense area. Overall Village Enterprise’s careful balancing of operating costs with new investments resulted in close to a break-even bottom line for the fiscal year.

Village Enterprise Accelerator to Increase Scale

To achieve our mission of ending extreme poverty in rural Africa, we launched the Accelerator to provide advisory services to larger NGOs and governments. The Village Enterprise Accelerator will effectively replicate its cost-effective, evidence-based approach to poverty alleviation in rural Sub-Saharan Africa, as well as act as a research partner and innovation hub. Our goal is to expand to two or three additional Sub-Saharan countries by 2020, and 10 to 12 countries by 2025.

The long-term goal is to enable NGO and government partners to start 1.35 million new businesses, train over 4 million Sub-Saharan Africans, and potentially lift up to 27 million people out of poverty in 10 years. Though it will require philanthropic start-up capital to launch, the Village Enterprise Accelerator will become self-sustaining by 2021 through earned revenue.

We are now actively seeking partners. Please contact us to learn more.

UPCOMING HIGHLIGHTS FOR 2017

2017 will bring more exciting developments including the much-anticipated release of our RCT results, a feasibility study to explore potential expansion into the Democratic Republic of the Congo with funding from the Arcus Foundation, and explorations with other NGOs that want to partner to implement our model to alleviate extreme poverty.

Village Enterprise’s sound fiscal management and commitment to accountability and transparency have earned us 4-star ratings from Charity Navigator, America’s largest independent charity evaluator. We also received a new Platinum Rating from GuideStar, as well as a 3rd “Top Nonprofit” rating from Great Nonprofits based on reviews from our donors and volunteers.
Major Level $5,000 - $25,000

**Individuals**
- Afifi Ekerenduh and Emeka Ajoku
- Anonymous
- Barbara Bishop and Michael Leavell
- Beth and Jonathan Bishop
- Katie and Mark Bowles
- Terni Bullock
- Jane and Rob Burgess
- Chris and Jessi Colburn
- Rebecca and Cy Colburn
- MJ Elmore
- Lynn and Steve Freeman
- Joyce and Jay Friedrichs
- Jennifer and Dale Fuller
- Stacey and Rob Chess

**Foundations**
- Amazon Smile
- Arcus Foundation
- Dining For Women
- Global Impact
- Gravity Payments
- First Presbyterian Church of Burlingame
- Haver's Helping Hand Foundation
- Imago Dai Foundation
- Marlo Church
- Pamcott Family Foundation
- Piadmont Community Church
- St. Luke's Presbyterian Church
- St. Peter's By-the-Sea Presbyterian Church
- Trinity Presbyterian Church

In-Kind Corporate Support
- Bain and Company
- Delo Berg Global Development Advisors
- Google Inc
- Mayer Brown

**In-Kind Corporate Support**
- **Village Legacy Circle—Inaugural Members**

- This year we established a planned giving program to create an additional pillar of support for our financial future. The following donors have indicated that they have planned a legacy gift to Village Enterprise.

- Jamie Austin and Ray Schreiber
- Marion Gugliemo
- Angela and Nicholas Kalayjian
- Joanne Kagle
- Beth and Guy Kawasaki
- Gina and Rich Kelley
- Susan and Mark Lampert
- Peggy and Pedro Luzar
- Anjanette and Greg Lundell
- Gori and Scott Macomber
- Jane and Michael Marmor
- Simona and Bill Martin
- Mary and Andy Naegeli
- Pamela Cogan and Jed Riddle
- Mona Sabat and Joe Chernesky
- Grace and Andrew Schultz
- Kim and John Whitcombe
- Susan and David Young

**Institutions**
- 3rd Creek Foundation
- Aid For Africa
- African Wildlife Foundation
- Alianza
- Alliance for Justice
- American Red Cross
- Arbor Day Foundation
- Ashoka
- Audubon Society
- Bank of America
- Barl师范大学志
- Beauvoir Education Foundation
- Bergey Foundation
- BGF International
- Blackbaud
- Blue Cross Blue Shield
- BNP Paribas
- Craigslist
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