Unlocking rural entrepreneurship in Western Uganda

Village Enterprise works with ultra-poor women in remote Western Uganda to help them start and sustain three-person businesses that generate stable income and savings. The Graduation programme that we support is a community-driven process that will provide 2,700 extremely poor women access to a seed capital grant, business and financial literacy training, business savings programme, and ongoing mentoring to start-up 900 sustainable businesses. Income generated from the new microenterprises is expected to indirectly impact the lives of 18,000 individuals, addressing critical family needs.

**DURATION:** 2016-2019  
**CHALLENGE:** Sustainable Livelihoods and Ecosystems  
**COUNTRY:** Uganda  
**PARTNER:** Village Enterprise

**CONTEXT**

In Uganda agriculture employs 70% of the workforce; nine out of 10 women are thought to depend on it. In the Western region, the majority of households spend about 50% of their income on food and have limited access basic social services such as education and health, sanitation and hygiene.

Rural extreme poverty is strongly linked to environmental concerns - especially erratic rainfall and recurrent droughts, poor water management, soil erosion and land degradation constantly undermine the resources base and contribute to declining agricultural yields.
**ACTION**

This 3-year programme aims to empower 2,700 women living in extreme poverty to create small and environmentally sustainable businesses. 

**Village Enterprises** multifaceted graduation programme to microenterprise development will provide them with:

- A 4-month training in business, financial literacy and resource management and conservation (including eco-agribusiness and livestock management). The training is geared to help rural entrepreneurs understand and apply basic savings and business concepts ranging from marketing, to leadership principles and loans. Integrated conservation training ensures that new businesses are environmentally responsible.
- A start-up grant ($150) that provides the capital to invest in the productive assets to start a new business.
- 8-month mentoring to support the microbusinesses, building confidence and capacity to manage problems and challenges.

The new business owners are encouraged to form self-managed savings groups called “Business Savings Groups” that pool savings and provide members and the local community with a source of credit and ongoing protection against financial shocks, while building trust and respect through the members.

**EXPECTED RESULTS**

- 2,700 ultra-poor women (900 per year) have increased their business, financial and environmental knowledge. They are more confident in managing their household incomes, think critically about the future, and take true leadership within the business saving groups they created.
- 900 new small businesses are created, using best eco-friendly business practices.
- 90 formal Business Savings Groups are formed, each composed of 10 business groups.
- The lives of 18,000 rural poor people are indirectly improved as new sustainable incomes from microenterprises enable business owners to invest in education, health and nutrition, housing and savings, while protecting their surrounding environment.

**LONG-TERM STRATEGY**

Working to end extreme poverty in rural Africa, Village Enterprise has been recognized by industry leaders as having an evidence-based and cost effective graduation program. Village Enterprise has conducted a large scale randomized controlled trial with Innovations for Poverty Action. The purpose of the evaluation is to prove the impact of the program on extremely poor households, as well as to guide future refinements of the model. Several variations of the Graduation model’s efficacy are being tested and the results, when available in 2017, will shine light into the nature of their complementarities and will inform on which interventions have the higher social return and should be replicated in a scale-up phase.