

First Development Impact Bond in Poverty Alleviation

Ending Extreme Poverty Through Results-Based Funding

Launched in 2017, the Village Enterprise Development Impact Bond (DIB) was the first impact bond for poverty alleviation in sub-Saharan Africa. This \$5.32M DIB directed \$4.28M of outcome funding from USAID, FCDO (UKAid), and an anonymous fund, toward measurable results: increases in consumption and assets of first-time entrepreneurs living in extreme poverty in rural Kenya and Uganda.

Results from the DIB's randomized controlled trial conducted by IDinsight from November 2017 to August 2021 demonstrated positive and sustained increases in household spending and net wealth, projecting an increase in lifetime household income of over \$21 million. The DIB sustainably improved the livelihoods of more than 91,000 women and children, shielding them from the worst of the pandemic's economic impacts.

As a demonstration project and collective effort, the DIB showed how results-based funding can drive outcomes and innovation, ensuring development organizations focus on impact.

Project Outputs



4,766

Businesses started in rural Kenya and Uganda



14,100

First-Time Entrepreneurs Trained (75% women)



481

Business Savings Groups Formed



95,000

Lives Transformed

Three-year Final Results



\$21m

projected increase in lifetime household income



118%

of household consumption target reached



140%

benefit-cost ratio
Highest cost-effectiveness among poverty graduation interventions* / 126% increase compared to previous RCT



6.3%

increased spending on food, health, education and other expenses



5.8%

increase in assets, such as livestock, housing, savings, and business supplies.

Statistically significant and sustained increases in household spending and net asset

Thank you to all our partners on this journey!



About Village Enterprise

Village Enterprise equips and empowers first-time entrepreneurs in Africa with resources and skills to start sustainable businesses, build savings, and lift themselves out of extreme poverty. Village Enterprise has started over 58,000 businesses, trained over 214,000 first-time entrepreneurs, and impacted the lives of over 1,240,000 people in Uganda, Kenya, Rwanda, the Democratic Republic of Congo, and Mozambique. Through partnerships with governments and other NGOs, we plan to continue to expand throughout sub-Saharan Africa with the goal of lifting 20 million inhabitants out of extreme poverty by 2030.



UBUNTU • PASSION • INTEGRITY • INNOVATION • SUSTAINABILITY