



TECHNOSERVE BUSINESS SOLUTIONS TO POVERTY

Progress Report

2012 A BETTER FUTURE • QUALITY COCOA, HIGHER INCOMES • GLOBAL OVERVIEW • WOMEN'S WORK

Poverty deprives families of choices. Sending children to school, eating a nutritious diet, seeing a doctor—poverty can put these options out of reach.

This state of existence is hard. Seeing no exit is worse. In the developing world, millions of otherwise ambitious and enterprising people remain trapped in poverty because they lack access to information, skills or capital. But with the right support, these men and women can harness the power of private enterprise to increase their incomes and improve their lives.

This is where TechnoServe comes in. We help farms, businesses and industries to overcome challenges and become competitive. TechnoServe works with farmers to improve their productivity and the quality of their goods, and to

view their farms as businesses, not just a way to subsist. At farming cooperatives, processing plants and other enterprises, we help businesspeople acquire skills that allow them to access capital and create growing businesses. At the industry level, TechnoServe promotes smart policies and forges connections to new markets and sources of financing.

These efforts enable farmers and businesses to create more value from their products. Take, for example, the Flor del Pino cooperative, a group of 25 coffee farming families in the mountains of

western Honduras. For years, these farmers sold their crop to local buyers at low prices. TechnoServe advisors helped them grow more premium-quality coffee and connect with

European buyers who pay a higher price.

These companies don't buy from Flor del Pino out of charity. They choose Flor del Pino because the cooperative delivers quality coffee that appeals to their consumers. With their higher incomes, the farmers make choices of their own. They eat healthier diets. They send their children to school. They improve their community by helping to install drinking water and electricity. Other farmers

see these developments and choose to follow Flor del Pino's lead.

In this Progress Report, you can learn how this pattern of development is creating benefits across the countries where TechnoServe works. When people escape the cycle of poverty, they have the opportunity to create a better future.



PAUL E. TIERNEY, JR.



BRUCE McNAMER

Paul E. Tierney, Jr. *Bruce McNamer*

Paul E. Tierney, Jr.

Bruce McNamer

CHAIRMAN OF THE BOARD

PRESIDENT AND CEO

On the cover: Women dump cocoa pods onto a collection pile in Divo, Côte d'Ivoire. For more on TechnoServe's work with cocoa farmers across the world, see the story at right.

Sweet Success

Break open the skin of a cocoa pod and you'll find a sweet, sticky pulp. Embedded in the pulp are light-colored seeds that, when fermented and dried, become the key ingredient in chocolate. But these cocoa beans represent so much more to the men and women who cultivate them.

BY THE NUMBERS

40-50M

People who depend on cocoa for their livelihoods



Source: World Cocoa Foundation



IN HONDURAS, TechnoServe partnered with the Honduran Agricultural Research Foundation to build a cocoa quality control laboratory—the first of its kind in Central America.

AT RIGHT, Farmer Mary Okyrefo spreads cocoa beans to dry in the village of Akyem Takyiman in eastern Ghana.

These beans are housing, food, education, health care. They are the livelihood and key to the future for millions of farming families.

TechnoServe works across the developing world to help people realize the full potential of their cocoa trees. At each stage of cocoa production—from planting seedlings to marketing the processed beans—farmers and businesses gain the skills needed to improve the quantity and quality of their crop and sell it for a premium price. With these changes, cocoa can lift poor families and communities out of poverty.

Business Groups Benefit Farmers

Tanzania is one such place where cocoa can change lives. The cocoa grown there has a unique flavor prized by specialty chocolate makers. But many Tanzanian farmers lack the knowledge and tools to care for their trees or properly process the beans. TechnoServe is helping farmers in southern Tanzania to capitalize on the market opportunity for fine cocoa.

With support from Irish Aid and the U.S. Agency for International Development, TechnoServe has helped organize 7,000 cocoa farmers into business groups, which allow dozens of farmers to sell their beans collectively and improve their bargaining power. TechnoServe also has introduced the concept of the Central Cocoa Fermentary, where business groups can ferment and dry their beans in bulk, ensuring that quality standards are upheld.

The business groups provide a forum to train farmers on topics such as pruning trees, controlling pests and harvesting the pods. The hard

work has paid off: Thanks to these changes, the farmers assisted by TechnoServe have doubled their incomes.

“We now have better standards of living. We have better places to sleep in,” says farmer Eliezeli Ngailo, from the village of Ngeleka. “Basically, our life has changed.”

Impact for Families Worldwide

This transformation is happening in other countries where TechnoServe works. In Honduras, TechnoServe helped resurrect a cocoa industry that was nearly wiped out by disease, weather and low prices. In Nicaragua, smallholder farmers are transitioning to cocoa production with our assistance. In Ghana and Côte d'Ivoire, TechnoServe is part of a regional program, led by the World Cocoa Foundation, that aims to double the incomes of 200,000 cocoa farmers. These efforts are happening in different places, but they share a common thread: A better bean means a better future for farming families.



Program Highlights

1 HAITI Accelerating Small and Growing Businesses

TechnoServe is helping Haiti capitalize on an untapped resource: small business. Funded by the Clinton Bush Haiti Fund, the Haitian Business Accelerator aims to transform small and growing businesses into investment-ready companies that will create jobs and develop Haiti's formal economy. TechnoServe will provide training, mentoring and access to financing for a promising group of Haitian entrepreneurs.

2 GUATEMALA Reducing Waste and Creating Economic Opportunity

Guatemala City is home to one of the largest and most toxic landfills in Central America, and thousands of people live in neighborhoods bordering the dump site. TechnoServe is helping more than 200 women to form a company to produce organic fertilizer and sort waste for recycling. This effort will help reduce the proliferation of trash and create new sources of income for disadvantaged women who live near the landfill.



3 EL SALVADOR Milkling a Profit from Higher Productivity

TechnoServe, with support from the Millennium Challenge Corporation (MCC), is helping a group of farmers and processing plants to access higher-paying export markets by improving the milking process, modernizing plants and establishing links with buyers. The farmers have learned to improve the productivity of their cows by producing low-cost, high-quality feed; as a result, their incomes have risen 17 percent.



4 BOLIVIA Sisters Find New Value from Brazil Nuts

Bolivia produces about 20,000 tons of Brazil nuts each year. Most of the shells are discarded as waste. Sisters Liset and Ximena Contreras discovered that the shells could be used for fuel pellets, so they launched PelletBol to commercialize their idea. Through Idea Tu Empresa, a regional TechnoServe business plan competition, the company received one-on-one consulting and \$15,000 to invest in processing machinery. Today, PelletBol is creating employment for shell collectors, and the sisters are testing their initial product as they prepare to launch sales early this year.

5 CÔTE D'IVOIRE Business Plan Competition Promotes Reconciliation

Côte d'Ivoire has suffered from years of political instability, caused in part by economic disparities between the northern and southern regions. A TechnoServe business plan competition, supported by the World Bank, is an investment in reconciliation. We are helping entrepreneurs to launch businesses that will create new opportunities for young people in rural areas and bridge the divide between north and south.

WHERE WE WORK

ACTIVE

Benin
Bolivia
Brazil
Burkina Faso
Chile
Colombia
Côte d'Ivoire
Ecuador
El Salvador
Ethiopia

Ghana
Guatemala
Haiti
Honduras
India
Kenya
Malawi
Mexico
Mozambique
Nicaragua

Nigeria
Peru
Rwanda
South Africa
Swaziland
Tanzania
Uganda
Venezuela
Zambia
Zimbabwe

EMERGING

Guinea
Guinea Bissau
Morocco

PAST

Belize
China
Costa Rica
Dominica
Madagascar
Mali
Panama
Poland
Sudan

OFFICES

London
Norwalk, CT
Washington, DC
(Headquarters)



6 WEST AFRICA Cashews Creating New Economic Opportunities

TechnoServe is working to create jobs and market opportunities through the African Cashew Initiative, a four-year project in Ghana, Côte d'Ivoire, Benin, Burkina Faso and Mozambique funded by the Bill & Melinda Gates Foundation and the German Federal Ministry for Economic Cooperation and Development. We are supporting cashew factories that are creating thousands of jobs—more than 60 percent of which are held by women.



7 RWANDA Training Helps Coffee Farmers Increase Incomes

Husband and wife Byagatonda Emmanuel and Murehehe Speiose live in a prime coffee-producing area, but for years they produced low-quality coffee in small quantities. TechnoServe advisors trained them in practices such as applying fertilizer, managing pests, pruning trees and controlling erosion. In just one year, their yields and quality improved, and their coffee income grew more than five-fold. With the higher income, Byagatonda and Murehehe were able to buy health insurance for their seven children.



8 UGANDA Improving the Fabric of Local Communities

With support from fashion company Edun, TechnoServe is helping 8,000 cotton farmers in Northern Uganda—most of them women whose livelihoods have been devastated by a long civil war—to double their incomes by boosting cotton and staple food crop yields through environmentally sustainable practices. The Conservation Cotton Initiative Program is improving access to financial services for farmers and local business service providers, increasing market options for farmers and promoting literacy in an area where most adults lack schooling because of the war. The program is also helping farmers and their families access potable water.



9 KENYA & UGANDA Partnership Bears Fruit for Smallholder Farmers

More than 50,000 small-scale fruit farmers will have the opportunity to double their fruit incomes thanks to Project Nurture, a partnership with The Coca-Cola Company and the Bill & Melinda Gates Foundation. The program aims to improve the lives of mango and passion fruit farmers by increasing their productivity, developing and strengthening farmer business groups and creating new market opportunities for their products.



10 KENYA A Young Woman's Beautiful Future

Cecilia Natike, 25, owns a beauty salon in the Mathare slum of Nairobi. She opened her business in 2009 after participating in TechnoServe's Young Entrepreneurs program, which equips adolescent girls with the knowledge they need to build successful businesses. Cecilia learned basic skills such as marketing and record-keeping. More importantly, she gained the confidence she needed to expand her salon. Today, she's a role model for girls in the community, and she is able to pay school fees for her two children. "I don't depend on someone to give me money," Cecilia says. "I depend on myself."

11 MOZAMBIQUE Milling Maize for Health and Incomes

Maize (corn) is the staple crop for Mozambicans. TechnoServe is helping to grow a network of women-owned mills in villages that will fortify maize with nutrients, improving family health and nutrition. Because of its central role in food processing, changing the maize mill business model has the potential to transform the food system in rural Mozambique.

Women's Work

When Ivania Ruiz Balmaceda lost her husband in a car accident 12 years ago, she faced a desperate situation. Like most women in her town of Las Delicias, Nicaragua, Ivania had focused on keeping a good home and raising her children while her husband supported the family.

Now, alone, Ivania struggled to piece together a living, picking crops on her neighbors' farms and borrowing money in order to feed her children and keep them in school. In 2010, TechnoServe began working with a group of vegetable farmers in Las Delicias—all men—to improve the quality of their produce and connect them to better markets. TechnoServe advisor Elia Moreno noticed that many of the women worked on the farms just as hard as their husbands. She began training a group of women to grow their own crops.

New Skills Bring New Income

Ivania was one of these women. She learned how to produce vegetables that would meet the quality standards of a major supermarket chain. The women also learned business skills that helped them run their own cooperative.

In 2011, Ivania harvested her first tomatoes and earned \$2,000—money that she used to send her three daughters to school, buy a refrigerator and invest in her farm.

“Before we received TechnoServe’s help, many of us were at home doing

nothing, or doing housewife things like cleaning or cooking meals,” Ivania says. “Now we have work and incomes.”

Ivania's story demonstrates why women are the linchpin in the effort to end global poverty. When women are given the opportunity to earn income, they gain influence within their households and communities. Women spend the money they earn on nutritious food, education and medical care—exactly the type of investments that bring about long-term benefits and help families break the cycle of poverty.

Helping Women to Succeed

For these reasons, TechnoServe is promoting economic opportunities for women in developing countries. We are working to equip women entrepreneurs with the skills they need to run thriving businesses in places such as Uganda and Guatemala. In farming communities, we are helping women to increase their incomes and take leadership roles in industries such as coffee and fruit production.

Through this work, TechnoServe helps women improve their families' lives, regardless of the barriers they face. These efforts can help more women like Ivania to close the gender gap and control their own destiny.

“We can talk with the men in the community about agriculture because we know how to produce,” Ivania says. “We have learned how to earn a living.”



IN NICARAGUA, TechnoServe advisor Elia Moreno (at right) with Ivania (center) and Oneyda Matamoros.