



TECHNOSERVE BUSINESS SOLUTIONS TO POVERTY

# Progress Report

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2011 OUR VISION • COFFEE FARMERS BUILD BETTER LIVES • GLOBAL OVERVIEW • HOPE FOR HAITI

# Our Vision

We hear a lot of big numbers in development circles: the number of people living on less than \$1 a day, the number without access to clean water, the number who suffer from hunger or malnutrition. These discussions often start with millions, if not billions.

Now consider a different set of numbers. One. A single entrepreneur. Or ten. A 10-farm cooperative. Or fifty. A 50-person factory.

These numbers may seem small. But this is where change begins. One entrepreneur's vision transforms a community. The ten-farm cooperative opens a market to tens of thousands. That first factory sparks a whole new industry.

Since 1968, TechnoServe's work has been guided by this vision. We empower people with the skills and knowledge they need to build strong enterprises. These businesses create income and economic opportunities that help lift families

and communities out of poverty. And this work—unlike handouts—creates change that lasts long after TechnoServe's assistance is complete.

In 2010, we continued to expand our footprint. We now have 900 employees

working in more than 30 countries and we are targeting new industries and forging innovative partnerships. Our work is changing more lives than ever.

Like Bhawani Shankar, a soy farmer in India, who increased his productivity with TechnoServe's as-



▲ BRUCE McNAMER

sistance. He is using the extra income to send his children to better schools. Like Josefina Klinger, a Colombian entrepreneur, who worked with our advisors to improve her tourism business. Now, dozens of people in her community are enjoying new economic opportunities. And like Pascasie Mukagasana, a Rwandan farmer, who can afford nutritious food for her family after working with TechnoServe to improve the quality of her coffee.

These stories, and countless others like them, point to a brighter future for people in developing countries. TechnoServe's future also looks bright. In the coming year, we plan to grow even further and innovate in new areas, such as food security, gender and the environment.

This work will help transform millions of lives. But it all begins with one.



▲ PAUL E. TIERNEY, JR.

*Paul E. Tierney Jr.* *Bruce McNamer*

Paul E. Tierney, Jr.

Bruce McNamer

CHAIRMAN OF THE BOARD

PRESIDENT AND CEO

# Brewing Good

Pascalie Mukagasana has known great hardship. She was separated from her children and her husband, Athanase Nzigiyimana, for a year following the 1994 Rwanda genocide. They reunited, only to lose a son to illness. In 1998, Athanase was wrongfully imprisoned for 10 years. Alone with her children, Pascalie struggled to feed her family.

Soon after Athanase's release from prison, the couple began working with TechnoServe. Our advisors showed Pascalie and Athanase techniques for producing high-quality Arabica coffee, which commands a high price in the global marketplace.



## HIGH-QUALITY COFFEE

TechnoServe's advisors work with farmers to establish best practices for cultivating, harvesting and processing their coffee crop.

## 2010 PROGRESS BY THE NUMBERS

108,000

Coffee farmers assisted by TechnoServe

4,740

Tons of coffee produced

## COFFEE DRYING

At right, women work at coffee drying beds in Jawi Cooperative, western Ethiopia.

## Rebuilding Lives Through Coffee

Through coffee farming, Pascalie and Athanase are rebuilding their lives. Money from coffee has helped them feed their family, send their daughter to school and invest in their coffee fields for the long term.

"The higher income took us out of hunger," Pascalie says. "With the money we will get, we will pay off debts and pay school fees."

TechnoServe is helping to bring similar benefits to tens of thousands of other families. With the support of the Bill & Melinda Gates Foundation, our Coffee Initiative will empower 180,000 East African farmers over four years to improve the quality of their coffee and bring prosperity to their communities.



Our work is impacting farming families in Ethiopia, Kenya, Rwanda and Tanzania. We impart best practices in areas such as plant nutrition and pest management to promote high yields. Our advisors work with farmers to build and operate wet mills—processing stations that produce high-quality coffee beans. And we help farmers sell to the specialty buyers that supply the coffee shops and grocery stores in your neighborhood. With TechnoServe's assistance, our clients are receiving, on average, 37 percent more income on coffee sold.

## The Next Generation of Solutions

As we enter the fourth year of the program, TechnoServe is also providing innovations for the future. We are working with local banks to develop new financial mechanisms that give smallholder farmers access to loans. Across the program, we are introducing technologies that conserve scarce water resources and protect the environment for future generations. We are also developing a sophisticated set of social impact measures to ensure that we help people like Pascalie and Athanase lift themselves out of poverty for good.

TechnoServe hopes to expand this work to double coffee incomes for one million farmers by 2019. With the right knowledge, a coffee bean can change lives on a grand scale.

**1 NICARAGUA**  
Vegetable Farmer Boosts Quality and Income

Efrén Rizo, president of the Tomatoya-Chagüite Grande cooperative, was once stuck in the cycle of extreme poverty. He and the cooperative's other vegetable farmers used outdated production techniques and received a low price for their crops from middlemen. TechnoServe has helped these farmers improve the quality of their vegetables and connect to better markets. They are now selling their crops directly to Nicaragua's largest supermarket chain and earning more than ten times their previous income. Today, Efrén earns enough to provide his children with the education he never received.



**2 HONDURAS**  
Growing High-Value Crops and Promoting Renewable Energy

TechnoServe is helping small-scale farmers to cultivate jatropha, a hearty plant used in biofuel production, along with other high-value crops. Together with local and international partners, we are working to connect 750 farmers with competitive, fast-growing agricultural markets. This program is helping to create employment and income in poor communities while also promoting renewable energy in Honduras.

**3 VENEZUELA**  
Nurturing Promising Companies Through Business Plan Competitions

In partnership with Cargill, TechnoServe launched an entrepreneurship development program to help fledgling Venezuelan businesses succeed. The initiative is part of our regional Idea Tu Empresa series of business plan competitions. TechnoServe is identifying promising entrepreneurs and giving them the skills and knowledge to grow their businesses—and their communities.

**4 CHILE**  
Promoting Economic Development Near a Hydroelectric Project

TechnoServe launched a partnership with electric company Colbún S.A. to promote entrepreneurship in the area of a proposed hydroelectric dam in central Chile. The seven-year program aims to help families develop sustainable businesses that will contribute to the economic development of communities near the Angostura project.



**5 GHANA**  
Creating New Opportunities for Rural Women

In northern Ghana, TechnoServe is helping 4,000 poor rural women to earn sustainable income by collecting and processing shea nuts. With our assistance, these women have more than doubled their incomes, giving them money to send their children to school and keep their families fed year round.

**6 INDIA**

**6 INDIA**  
Soy Helping Farmers Create Better Lives

Thousands of farmers in Rajasthan, one of India's poorest states, are improving their lives through soy farming. TechnoServe is helping these farmers form sustainable business groups and training them in agricultural best practices. People like Bhawani Shankar have seen the benefit: He has increased his yields by a third and is using the extra income to send his children to better schools.

**7 EAST AFRICA**  
Supporting the Food Processing Industry

TechnoServe has joined General Mills to help transform the food processing sector in African countries by transferring technology and skills to local firms. The effort will help create jobs, increase the incomes of small-scale farmers and improve access to safe and nutritious foods. Supported by the U.S. Agency for International Development and General Mills' Partners in Food Solutions, the first stage of the program targets Tanzania, Kenya, Zambia, Ethiopia and Malawi.



**8 KENYA**  
Dairy Plant Breathes Life Into Kenyan Community

In 2002, TechnoServe helped open the Nyala Dairy cooling plant, a central station for farmers to sell their milk. With our assistance, the plant helped farmers reach new markets and grow their incomes. Today, Nyala Dairy employs nearly 50 people, buys milk from 6,000 small-scale producers and has average annual sales of \$2.5 million. The plant has helped revitalize the town of Ndaragwa. "There wasn't any life at all, just a handful of businesses," says local dairy farmer Joseph Wambugu. "But now people are really busy. Nyala is a blessing."

**9 TANZANIA**  
Helping Cotton Producers Through Contract Farming

Tens of thousands of Tanzanian farmers are increasing their yields and improving the quality of their cotton with TechnoServe's assistance. We are helping farmers access inputs such as seeds and fertilizer, while also connecting them to processing plants through a contract farming relationship. Our training program is showing these farmers improved practices for producing cotton. TechnoServe's goal is to reach all 400,000 cotton farmers in Tanzania.



**11 SOUTH AFRICA**  
Growing Business Provides Nutritious Foods

Sindi Mbambo started Owethu Products and Projects to provide vegetables and other nutritious foods to her fellow South Africans. In 2008, she entered TechnoServe's national business plan competition and was chosen as one of 20 winners. Our advisors helped Sindi refine her business plan, secure financing and sign supply contracts with a leading supermarket chain. "If my business grows," says Sindi, "I will be able to hire more people, to feed more families around the community."

**10 MOZAMBIQUE AND ZAMBIA**  
Boosting Incomes Through Soy Farming

TechnoServe launched an effort to grow the incomes of tens of thousands of small-scale farmers by promoting the development of a local soy industry. The Bill & Melinda Gates Foundation is supporting this program, which will train smallholder farmers in soy production and connect them to buyers for their crops.



# Hope For Haiti

TechnoServe is helping Haitians break the downward economic spiral that has plagued the country for decades. The average Haitian lives on less than \$2 a day, hunger and malnutrition are commonplace—and the January 2010 earthquake made matters worse.



## MANGO TANGO

Odwalla® is donating 10 cents from every Mango Tango purchase to Haiti Hope (up to \$500,000 annually for five years).



## FARM PROGRAM

TechnoServe's program shows farmers how to produce and harvest high-quality mangoes.



## MANGOES TO MARKET

Haiti Hope will help more mango farmers reach the lucrative export market.

But more than 200,000 Haitians have the key to a better future growing in their backyards: the mango tree. Just weeks after the quake, TechnoServe entered into a partnership to help Haitians realize the value of their high-quality mangoes.

## Haiti Hope Helps Mango Farmers

The Haiti Hope Project brings together public and private partners including The Coca-Cola Company, the Clinton Bush Haiti Fund, the Multilateral Investment Fund of the Inter-American Development Bank and the U.S. Agency for International Development (USAID). Haiti Hope will work with 25,000 mango farmers in the next five years to help them market their mangoes and secure the highest possible price for them. Haitian farmers produce about 500 million pounds of mangoes annually, but fewer than five percent reach the lucrative export market. With proper training and market connections, more of these farmers will use their mango trees to create sustainable incomes for their families.

To start, TechnoServe is working with eight existing farmer groups comprising thousands of smallholder farmers. Our detailed program shows farmers how to better care for their trees, produce and harvest higher-quality mangoes, and meet export requirements.

Local trainers—who know their communities best—will introduce these improved practices. The partners in Haiti Hope are forging connections with mango exporters and other industry and government stakeholders. And we plan to work with financial institutions to provide credit to farmers, utilizing loan guarantees provided by the Clinton Bush Haiti Fund.

## HIFIVE Promotes Entrepreneurship

TechnoServe is also a partner in HIFIVE (Haiti Integrated Finance for Value Chains and Enterprises), a USAID initiative to improve access to financial services. Through HIFIVE we are providing business training to hundreds of Haitian entrepreneurs to help them become creditworthy. We have also launched a business plan competition, building on a proven model that has helped us create economic opportunities for poor people in 18 countries during the last eight years. From an initial pool of almost 400 entrepreneurs, a panel of expert judges has chosen 20 finalists to receive seed funding and follow-on consulting from TechnoServe business advisors.

Through the combined efforts of both these programs, TechnoServe is empowering Haitian people to better their communities through the benefits of private enterprise.

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