



TECHNO SERVE
Business Solutions to Rural Poverty

WORLD

A Newsletter For Friends Of TechnoServe • Fall 2008

This has been an eventful year. Challenges such as political unrest in Kenya, the global food crisis and the current economic crisis have affected people all over the world. During turbulent times, it's important to remember the people at the bottom of the economic ladder, for whom even the most basic necessities, such as clean food and water, may be out of reach. That is why we have remained committed to our goals. Despite the unsettling times, I am proud to say that TechnoServe programs are reaching more people in more areas. And we are currently exploring opportunities in several new countries in order to expand our impact even more in 2009.



Private-sector development has been at the forefront of public debate, and TechnoServe's model of development is garnering praise from the likes of Bill Gates. We are gratified by this recognition and how such accolades help us grow. One expanding program you will read about in this newsletter concerns our Mozambique team's work to develop a domestic poultry industry in that country.

Once again we are lucky to have Payson Bullard contribute to this newsletter with an inspiring tale of one entrepreneur's determination and drive. Payson has provided a unique perspective in each of our newsletters this year, and I am grateful for his and his family's continued involvement with TechnoServe.

We have been humbled by the outpouring of support from donors like you. Without every individual donor, TechnoServe would not be in the position we are in now – at the forefront of a movement that empowers people in the developing world to build businesses that break the cycle of poverty. I hope you'll remember us in your year-end giving plans.

Happy holidays!

Bruce McNamer, President and CEO

Poultry Promotes Prosperity in Mozambique

Mozambican farmer Celestino Manquante had long struggled to support his family. Growing crops such as peanuts and corn rarely yielded enough income to buy the most basic necessities. That all changed three years ago when Manquante got involved with TechnoServe's poultry program. "My involvement with TechnoServe has been a gift from God," he says.

In the past, Mozambicans mainly purchased imported poultry. Though TechnoServe research showed that consumers preferred fresher domestic chicken, the majority purchased imported chicken because, having exceeded its "sell-by date," it was being "dumped" into the market at rock-bottom prices.

TechnoServe concluded that with the right policies and technical support, including integrating best practices in biosecurity and food safety, a revitalized Mozambican poultry industry could thrive, creating jobs, increasing local farmer incomes and providing consumers a safer food supply.

With support from the U.S. Department of Agriculture and the U.S. Agency for International Development/Mozambique, TechnoServe launched a three-year industry development program to strengthen the sector, and in doing so, is helping 1,000 farmers like Manquante to increase their incomes by \$500 a year (average annual income in rural areas is approximately \$120). This program is also helping grow the feed grain industry from \$15 million a year in 2004 to a projected \$65 million

a year in 2009, creating expanded markets for tens of thousands of small-scale producers of feed grains.

"My involvement with TechnoServe has been a gift from God."

In 2005, TechnoServe partnered with Cargill, Inc. to address immediate concerns regarding avian influenza. With local stakeholders, they developed a culling plan and a small-scale farmer compensation plan to implement in the event of a disease outbreak. The plan was approved by the Mozambican government, which earmarked an initial

(continued on page 3)



An advertising campaign featuring a "sexy" chicken is helping drive up demand and purchases for Mozambican poultry products

TechnoServe's Original Entrepreneurial Spirit Lives On

Forty years ago, a young entrepreneur set out to help people by starting businesses that would have positive impacts on both his community and the world at large. Among his initiatives were a community-based skills development center in a poor area of Bridgeport, Connecticut, and the production of better roofing materials for developing countries. After the skills center shut down and the roofing tiles continued to leak, that man – my father and TechnoServe founder Ed Bullard – hit upon the idea of helping the rural poor in the developing world harness the power of private enterprise to lift themselves out of poverty.

This summer, I traveled to Nicaragua, retracing a portion of my father's final TechnoServe field visit. Visiting various TechnoServe programs, I was fortunate to meet many inspiring young entrepreneurs who, like my father, want to develop businesses to help their struggling communities. Among them was Marvin Antonio Amador Álvarez.

Marvin's business, Confecciones Junior Amador, produces low-cost clothing to sell to local discount stores. In early 2007, he was having a difficult time staying afloat. He lacked working capital and his buyers wanted more than just the 200 pieces a day that he, his mother and grandmother were able to deliver. He was also behind on payments

for his university loans.

So Marvin decided to enter TechnoServe's national business plan competition (BPC). Since launching in El Salvador in 2002, TechnoServe's BPCs have helped thousands of entrepreneurs like Marvin to start or expand successful businesses in nine countries across Africa and Latin America.

Marvin completed the application process with support from some of his buyers, who wrote letters in support of him and guaranteed purchases of excess production. During the competition he attended workshops and received technical and strategic advice in developing, refining and presenting his business plan to a panel of judges. At the November awards ceremony, Marvin won first place in the manufacturing category, and was awarded \$10,000 (provided by Cargill) in seed capital. He also received ongoing support and guidance from local business leaders.

Marvin didn't just reach his goal of tripling production; instead, with new knowledge and access to working capital, he continued to expand the clothing line and is now producing 1,000 pieces per day – five times as many as he was producing before entering the competition. No longer just a small family business, Confecciones Junior Amador now employs four people. As soon as upgraded electrical lines are installed, Marvin plans to expand his workshop, hiring more people and increasing production to 2,500 pieces per day.

Having access to capital is allowing Marvin to seek out lower-cost materials from local sellers. He is solvent and repaying his business loans, and he has even been asked to return to his university and speak to the next generation of Nicaraguan entrepreneurs.

Marvin's healthy bottom line is translating into increased benefits for a growing number of employees, such as Candida Torres.



Candida Torres and Payson Bullard in Marvin's workshop

"I used to earn 500 córdobas (about US \$25) for two weeks of work. Now I am earning 800 to 1,000 córdobas in a single week," she says.

Candida used to travel many miles to work in a free-trade zone; now she works just a few minutes from her home. As a single mother, the shorter commute allows her to spend more time with her children, walking them to school and sharing lunches together at home. With her increased salary, she can afford more food for the family, and she recently purchased a new refrigerator.

"I set out to sell an affordable product to low-income people while making a positive impact on my community," Marvin explained to me as I stood in his new workspace and watched the skilled fingers of his workers fly across their new machines.

Marvin is just one example of a dedicated entrepreneur who, with a little help from TechnoServe, is making a lasting impact on his community. I know my father would be proud of Marvin, and of all the other men and women touched by TechnoServe's work. I believe their kindred entrepreneurial spirits will continue to return immeasurable dividends throughout the developing world.



Marvin Antonio Amador Álvarez is presented a \$10,000 check from a Cargill representative at TechnoServe/Nicaragua's business plan competition awards ceremony

Ed Bullard Legacy Society: Member Profile

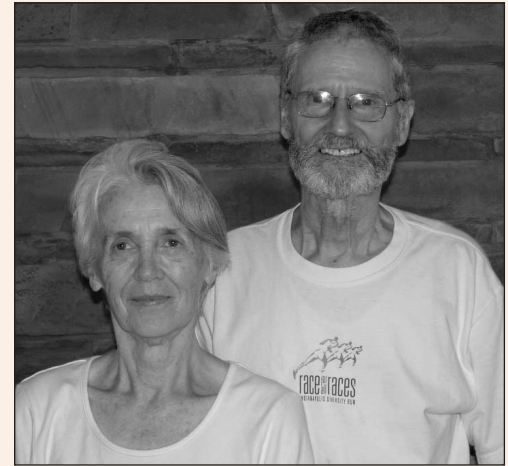
Lyndon and Betty Babcock spent much of their lives living and traveling around the world – including a year in Turkey and two years in Mexico, where Lyndon served as a Fulbright lecturer – before settling down in the Chicago area. Lyndon, who holds a doctorate in environmental engineering, is a Professor Emeritus at the University of Illinois at Chicago. Betty, a retired social worker, supports community projects in India.

The Babcocks have established a charitable remainder trust identifying a group of nonprofits – including TechnoServe – that will receive part of their estate. The Babcocks established this trust in 1999 because they were attracted to TechnoServe’s model of promoting sustainable,

competitive businesses in developing countries, and by high ratings from prominent charity rating services.

A charitable remainder trust is a planned giving instrument that benefits both the donor and the designated charitable organization by providing a tax benefit to the donor and guaranteeing future contributions to the charity. All estate-planning revenues are used to build TechnoServe’s reserves. It was very important to TechnoServe founder Ed Bullard that TechnoServe have a healthy reserve fund to maintain its operating activity and momentum. Because TechnoServe relies heavily on private-sector funding and government support, the

reserve fund provides a cushion during economic downturns or curbing of government support.



Ed Bullard Legacy Society members Betty and Lyndon Babcock

Poultry in Mozambique *(continued from page 1)*

\$10 million to implement the plan in the event of an outbreak.

Domestic production now accounts for 50 percent of overall consumption, up from 30 percent in 2005.

With additional support from Cargill, the University of Minnesota, and the Safe Supply of Affordable Food Everywhere (SSAFE), a public-private partnership to build a safe global food supply, TechnoServe went on to assess the national veterinary public health services. The findings led to the development of a community animal health program model, which incorporates vaccination programs, education and surveillance – improving

animal health while contributing to a safer food supply.

TechnoServe also supported the National Poultry Association’s efforts to work with the government to introduce regulations requiring all poultry products be imported within 90 days of slaughter. This has largely eliminated the “dumping” of imported poultry, creating a more level playing field for domestic producers. Domestic production now accounts for 50 percent of overall consumption, up from 30 percent in 2005.

TechnoServe also assisted in developing and running a highly successful national marketing campaign championing domestic chicken. It featured a series of print, television and radio ads (including a cartoon ad featuring a “sexy” Mozambican hen strutting through a roost of admiring male chickens) that ran in eight cities. As a result, brand recognition is high.

To strengthen opportunities for small-scale farmers to benefit from the

sector’s revitalization, TechnoServe developed a program linking poultry farmers such as Manquante with large feed mills and hatcheries. The program offers farmers access to a credit system, allowing them to receive chicks, feed and vaccinations up front. The costs are deducted from their income when they sell full-grown chickens.

One company that is participating in this program is Novos Horizontes (“New Horizons”). In 2007, Novos Horizontes provided more than 200 local farmers with technical advice and training on how to raise chickens profitably.

Novos Horizontes also trained for the families in ways to manage their newly increased incomes. Manquante and his wife decided to use their additional income to register all their school-age children for school for the first time. They’ve also made home improvements and invested in a bicycle to avoid long treks on foot to the nearest city for supplies.

Remember TechnoServe in Your Year-End Giving

As many of you know, 2008 marks our 40th anniversary. Our founder Ed Bullard would be very proud of TechnoServe's progress over the last four decades. In 2007, TechnoServe assisted 706 businesses in more than a dozen industries. These businesses earned \$149 million in revenues and \$6 million in profits. They bought \$84 million worth of products from 255,700 small-scale producers and paid \$8 million in wages to 17,200 employees. Nearly 1.4 million men, women and children benefited from

these income sources.

We are confident that our work in 2008 has been just as impactful. We remain true to our mission: to help entrepreneurial men and women in the developing world to build businesses that create income, opportunity and economic growth for their families, their communities and their countries. With increasing recognition from corporations, foundations and individual donors, we are on track to continue reaching more people every year.

Thank you for the important

part you, as donors, play in TechnoServe's continued success. We are all partners in our shared commitment to help people in the developing world to work their way out of poverty. As 2008 draws to a close and you consider your charitable contributions, please consider a year-end gift that continues to support our mission. Each contribution has a direct impact on a family or individual. You can learn more about ways to contribute on our website (www.technoserve.org).

There's still time to turn your IRA distributions into tax-free donations to TechnoServe

If you are at least 70 1/2, you may want to consider making gifts to TechnoServe directly from your traditional or Roth Individual Retirement Account (IRA). As part of the Emergency Economic Stabilization Act

of 2008, Congress has made it possible to make tax-free charitable gifts of up to \$100,000 from your IRA. Giving in this way assures that these funds will never be subject to income or estate tax. This may make it possible to give

more at the same or lower cost than in the past. If you would like additional information, please contact Darlene Brown at dbrown@tns.org or 1-800-99-WORKS.

WAYS YOU CAN SUPPORT TECHNOSEERVE

Direct Contributions

Gifts of cash, real estate or personal property will support our work in developing countries.

Appreciated Stock Contributions

Gifts of stock or other investments which have recently grown in value can be more advantageous than cash as they can leverage your tax benefits.

Memorial and Honorary Gifts

Contributions can be made in memory or honor of a relative, friend or colleague. Your gift will be acknowledged to the honored person or family.

Bequest Contributions

By including a gift to TechnoServe in your will, you can provide a meaningful contribution to either current operations or TechnoServe's endowment.

Pooled Income Fund Contributions

Contributing to TechnoServe's Pooled Income Fund results in income for you proportionate to your contribution and a tax deduction based on the estimated principal that will be left to TechnoServe.

Charitable Gift Annuities

A charitable gift annuity contract with TechnoServe provides a guaranteed lifetime income for you and a tax deduction based on the estimated principal that will be left to TechnoServe.

Charitable Remainder Trusts

A charitable remainder trust naming TechnoServe as a beneficiary can provide income for you and a tax deduction based on the amount that will be left to charity.

For more information please write (address below) or call Darlene Brown at 1-800-99-WORKS.



TECHNOSEERVE
Business Solutions to Rural Poverty

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TechnoServe is a private, nonsectarian, nonprofit organization, as defined by IRS code section 501(c)(3). TechnoServe is a member of Global Impact. Contributions to TechnoServe are tax deductible to the extent permitted by law.

Since its inception in 1968, TechnoServe has helped to create or expand thousands of businesses, benefiting millions of people in more than 30 countries.