

# 2016 Impact Report



# Lasting Solutions



**TECHNOSERVE**  
BUSINESS SOLUTIONS TO POVERTY

# We Build Lasting Solutions

TechnoServe links people to the information, capital and markets they need to lift themselves out of poverty and create long-term prosperity for their families and communities. In designing our interventions for greatest impact, we strive to ensure that the farmers and businesses we work with continue to reap financial benefits long after a TechnoServe project ends.

## OUR MISSION

We work with enterprising people in the developing world to build competitive farms, businesses and industries.

## OUR VISION

We will be the most effective catalyst and partner for transformative, on-the-ground, market-based solutions to poverty.

We provide hands-on training in good agricultural practices that farmers apply season after season to maintain higher quality and grow their yields. We deliver business advice and skills training to entrepreneurs that help them sustainably grow their enterprises for years to come. We connect farms and businesses with financing they can continue to access in the future. And we help broker relationships between farmers and buyers that remain commercially viable and deliver long-term value for all market players.

Our 2016 Impact Report focuses on the sustainability of TechnoServe's approach and the methods we use to capture ongoing impact. We invite you to explore the results of this transformative work and learn more about our lasting solutions.

# 2016 Impact Results

## FINANCIAL BENEFITS



# \$196 million

in increased revenue and wages generated as a result of TechnoServe's work

## BENEFICIARIES



# 594,000

people and businesses who saw increased financial benefits as a result of our work, positively impacting the lives of **3 million people**; 34% of beneficiaries were women

## FINANCE MOBILIZED

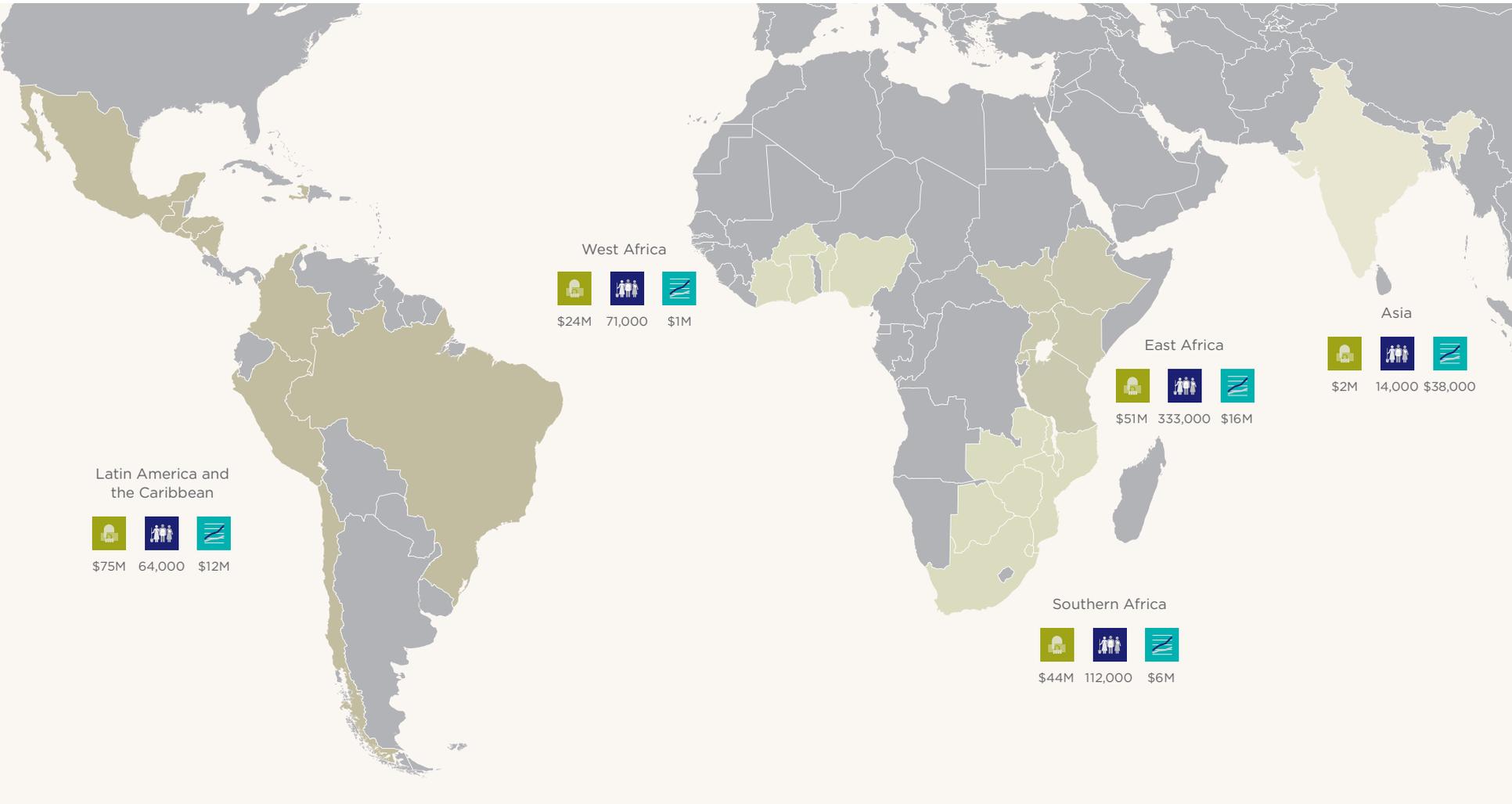


# \$35 million

in loans and equity provided to farmers and businesses by the private sector with TechnoServe's facilitation

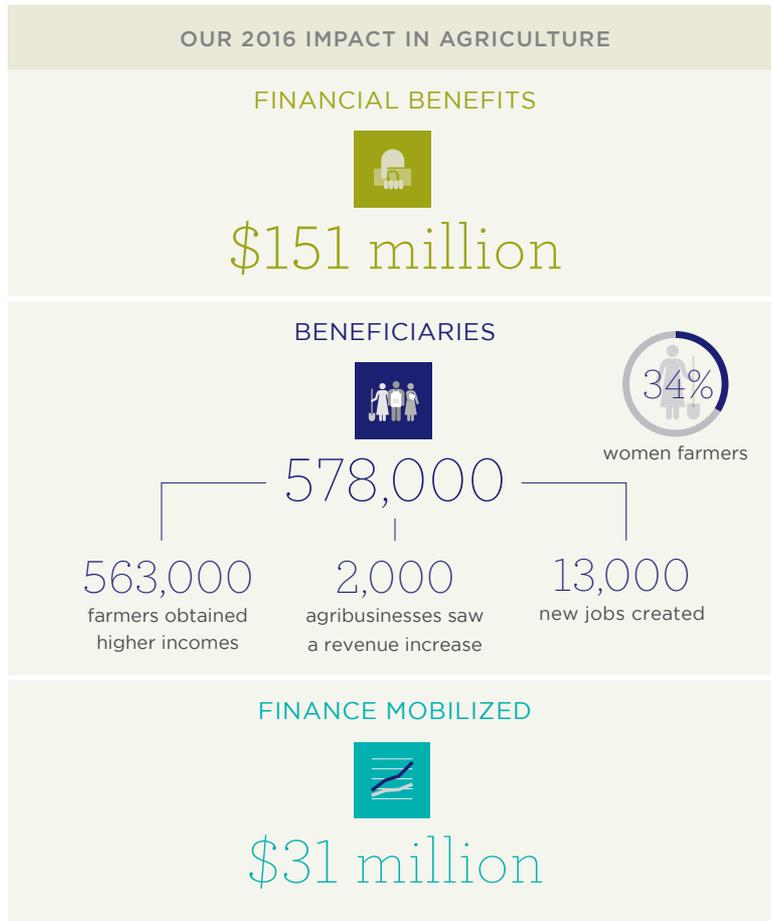
# Our Regional Impact

We work in 29 countries in five regions around the world, designing and implementing projects that are tailored to local markets and aim to foster more inclusive economies. This map shows our impact across the regions for our three key indicators.



# Our Agricultural Work in Focus

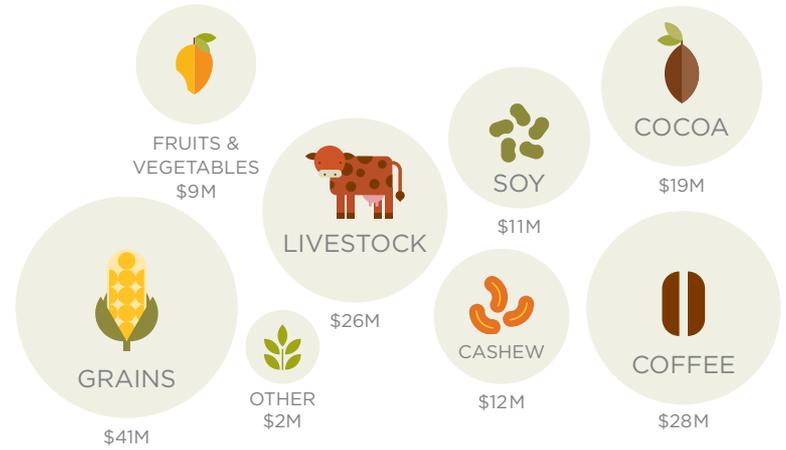
We work in more than 20 agricultural sectors to strengthen the entire market system, ensuring lasting impact for farming families and businesses. Our approach provides farmers with training to increase their yields, while also facilitating linkages among farmers, producer organizations, processors, input suppliers, buyers and financial institutions. As these new relationships strengthen and grow, farmers see benefits long into the future.



## OUR WORK IMPROVES FARMERS' LIVELIHOODS

TechnoServe's projects target crops for home and local consumption as well as crops intended for export markets, depending on our assessment of the local economy and needs. When farmers increase their yields for crops such as maize, they have more to eat and more to sell. For export crops like coffee, the extra income we help farmers generate allows families to purchase more food and make other investments in their well-being.

### Financial benefits in 2016, sized by amount and disaggregated by sector



### A FARMER SUSTAINABLY INCREASES HIS INCOME

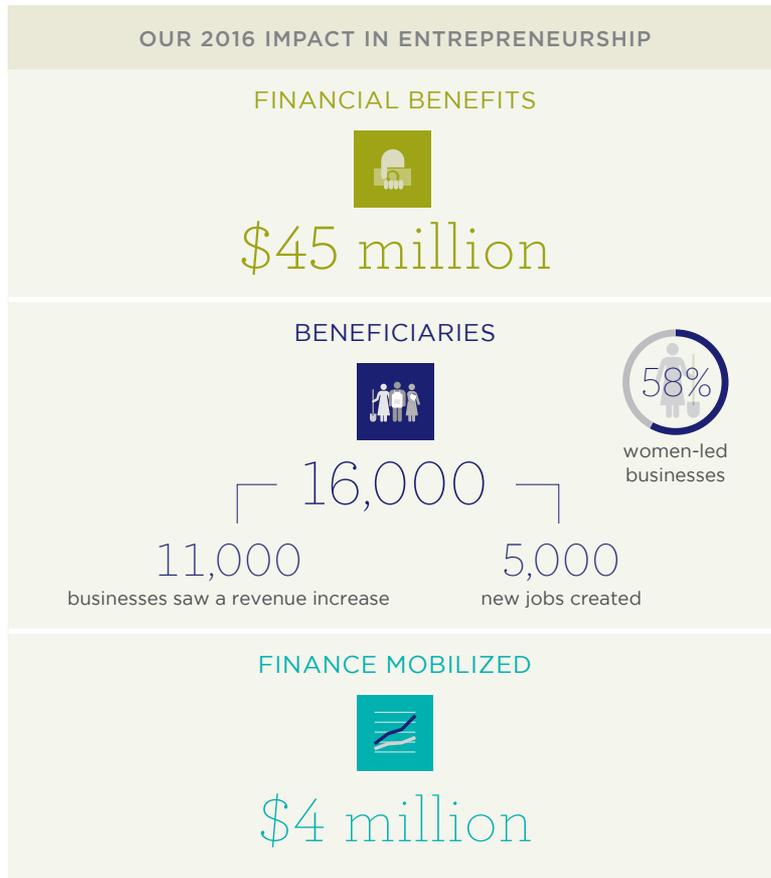


In northern Mozambique, cashew farmer Carlos Lassimo joined TechnoServe's MozaCajú program and learned good agronomy practices, such as pruning and cleaning, that have increased his trees' productivity. We connected him with agricultural inputs so he could grow and provide seedlings to expand cashew farms in the community. The project also provided business training and helped Carlos organize with other farmers to aggregate his harvests and sell at higher prices.

After the project ends, Carlos will continue to sell as part of his farmer group. The improved farming practices he has adopted will help his cashew trees thrive, and in three years his seedlings will have matured into productive trees leading to a sustained increase in yields and income for years to come.

# Our Entrepreneurship Work in Focus

We work with entrepreneurs around the world to start and grow their businesses. Through our business advisory services, these women and men are able to increase their sales, introduce new product lines and reduce production inefficiencies. As a result, they are better positioned to identify and take advantage of market opportunities that help them continue a growth trajectory well after our work with them concludes.



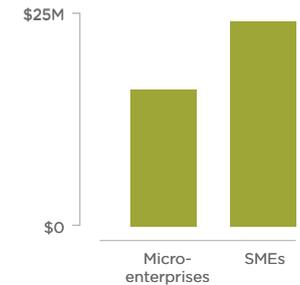
## WE FOSTER GROWTH AMONG MICROENTERPRISES AND SMES

Businesses of all sizes are vital to emerging economies. TechnoServe tailors our programs to the needs of each business. We help grow microenterprises, which men and women often establish when there are few other income opportunities. We also support the development of small and medium enterprises (SMEs), businesses that serve as engines of growth by generating jobs and driving demand for products and services.

### Our 2016 impact among businesses

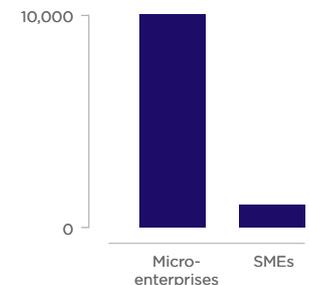
#### FINANCIAL BENEFITS\*

SMEs have higher starting revenue, which they leverage when applying the skills we teach to generate more financial benefit per business as compared to microenterprises.



#### BUSINESS BENEFICIARIES

Our trainings are effective at bringing benefits to microenterprises at scale, while our SME work often requires tailored interventions with each business.



\*Not included in graph: an additional \$5M generated by beneficiaries in workforce development projects

### A BUSINESS OWNER PLANS FOR LONG-TERM GROWTH



Carolina Ramírez started a fresh fruit smoothie business in Managua, Nicaragua, and joined TechnoServe's Impulsa Tu Empresa program to develop a growth plan. She worked with a business advisor to restructure product pricing, deepen supplier relationships and improve her accounting. TechnoServe helped Carolina access a loan, which allowed her to open several new locations at local gyms, and set her business on a course for future growth.

# We Create Lasting Impact in People's Lives

We help people learn new skills, connect to markets for improved goods and services, and develop commercial relationships with financing and business partners. As a result, the individuals and businesses we work with earn more money. After our intervention ends, project beneficiaries continue to apply their learnings and maintain market connections, enabling them to sustain and grow their revenue and wages over time. For that reason, our impact indicators for financial benefits and beneficiaries for 2016 include results from active projects in 2016 as well as the ongoing impact of work that we completed up to three years ago.

## EVALUATING THE LASTING IMPACT OF A PROJECT



In 2016, TechnoServe commissioned a post-project evaluation of work we completed in 2011 to improve the livelihoods of coffee farmers in Ethiopia and Rwanda. We asked an independent external research firm to assess whether the well-documented benefits from this project endured after the end of our intervention.

The results from the evaluation were strongly positive: key improvements in smallholder farmers' yields and the price they obtained were sustained five years after we finished working with them. While pleased, we were not surprised by the results: all of our projects are designed to encourage sustained behavior and market changes that result in lasting impact.

The mounting evidence of our sustained impact underpins our calculations of financial benefits and beneficiaries. We know our work has lasting impact, and we account for a conservative estimate of sustained benefits in the results we report.

*Learn more about the post-project evaluation at [technoserve.org/coffee-impact](http://technoserve.org/coffee-impact).*

## OUR IMPACT IS SUSTAINED YEAR AFTER YEAR

### Financial benefits attributable to TechnoServe in 2016



The amount of financial benefits we helped our beneficiaries generate in 2016 includes the results from interventions active in 2016 and the sustained impact of our work from prior years.



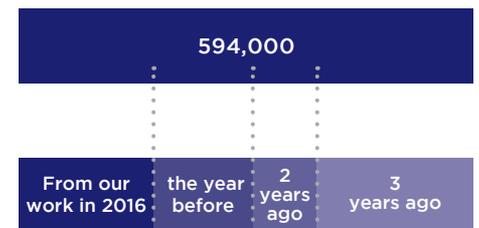
The effect of our work endures for many years, but we only count benefits from projects which ended up to three years ago.

## BENEFICIARIES SEE LASTING EFFECTS

### Farmer, business and employee beneficiaries in 2016



Women and men who benefited from our work in 2016 saw increased financial benefits from interventions undertaken this year and the sustained impact of our work from prior years.



# We Strive to Maximize the Value of Every Investment

We want to ensure that the value of our work is greater than the money we spend on implementation. We calculate a “return on TechnoServe investment” (ROTI) score for completed projects as a measure of their cost-effectiveness.

ROTI is calculated by totaling the financial benefits accrued during the life of the project, plus projected financial benefits over three years, and dividing it by the cost of implementation. ROTI scores of greater than 1 indicate that we have delivered more value to beneficiaries than was invested in the project.

## RETURN ON TECHNOERVE INVESTMENT (ROTI) CALCULATION

$$\text{ROTI} = \frac{\text{Total financial benefits}}{\text{Project cost}}$$

### ROTI IN CONTEXT

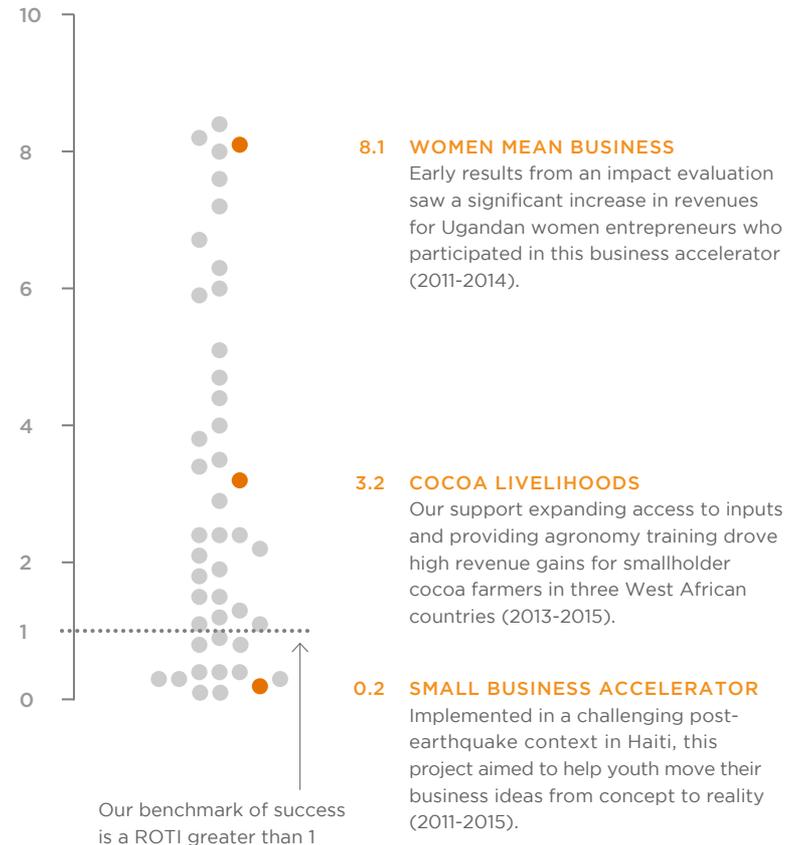
Policymakers and donors increasingly use return on investment calculations to compare the effectiveness of international development programs. We believe this is a healthy move toward greater transparency and comparability in the use of development money. We are optimistic that considerations of cost-effectiveness, combined with rigorous measurement, will ensure that development efforts are more impactful in the future.

While there is no industry standard for calculating cost-effectiveness, ROTI is designed to be a conservative estimate of our value for money. We include just three years of projected benefits, even though an estimation of our cost-effectiveness might justifiably include benefits projected 10 or more years into the future. In doing so, we aim to balance our understanding of our impact with a cautious assessment of future trends.

## MOST TECHNOERVE PROJECTS CATALYZE AT LEAST TWICE THEIR VALUE FOR OUR BENEFICIARIES

We consolidate lessons learned for projects earning a high ROTI score, and are careful to analyze the purpose, context and decisions that led to projects obtaining a ROTI lower than 1.

### ROTI for projects completed 2013-2016



# We Track Results Over Time

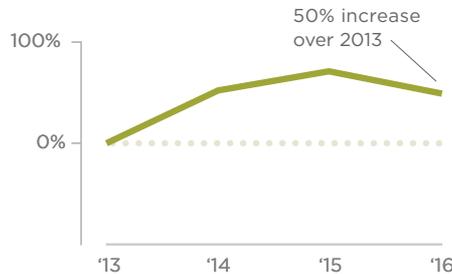
## TECHOSERVE CONSISTENTLY GENERATES IMPACT

### Impact indicators (2013-2016), as a % change from 2013

The trendlines below represent results only for projects active in each year

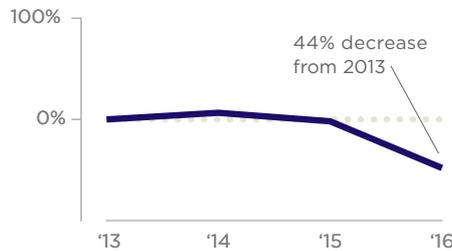
#### FINANCIAL BENEFITS

We've increased financial benefits by 50 percent over our impact in 2013, following the record high in 2015.



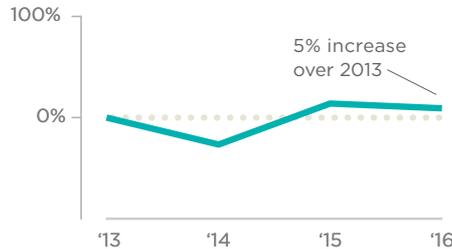
#### BENEFICIARIES

We see a temporary dip in the number of beneficiaries in 2016. This is a reflection of trends in project life cycles: several large projects closed last year and new ones started up.



#### FINANCE MOBILIZED

Finance mobilized is strongly consistent over time, indicating the private sector's confidence in the market players we support.



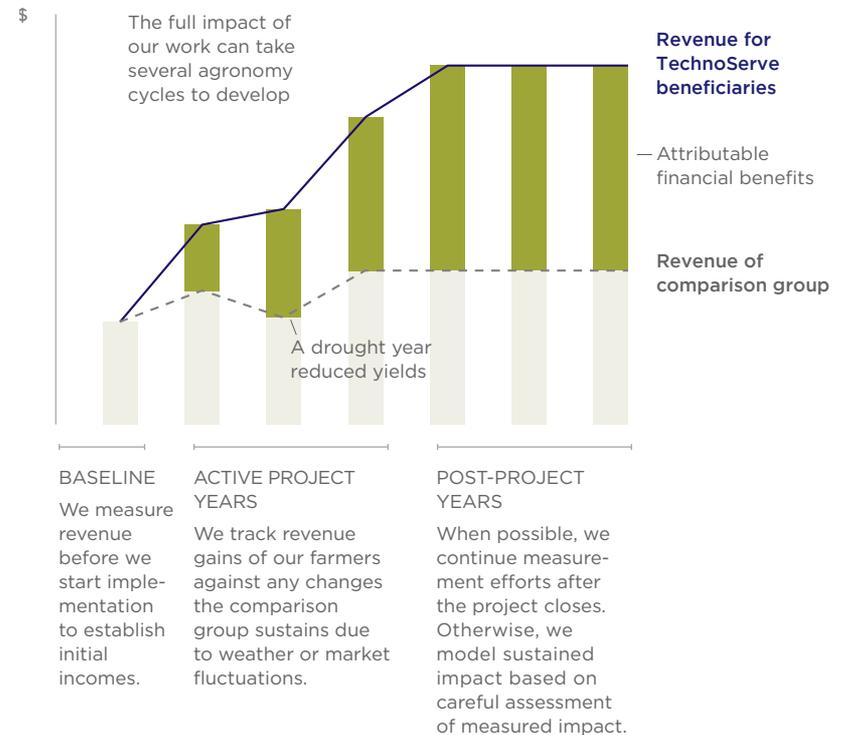
# We Are Rigorous in Our Measurement

TechnoServe recognizes the initiative and enterprising nature of the men and women we support, and that we supplement their own efforts to increase incomes. Our measurement approach ensures that we report only what we contributed.

## TECHOSERVE REPORTS RESULTS CATALYZED BY OUR WORK

We report impact that is attributable to our work. We measure baseline revenue, or the beneficiary's earnings before she started working with us. We use a counterfactual, such as a comparison group, to avoid taking credit for weather, market variations and other variables we cannot control.

### Measuring financial benefits against a comparison group: an example from our work in agriculture





TechnoServe is a leader in harnessing the power of the private sector to help people lift themselves out of poverty.

A nonprofit organization operating in 29 countries, we work with enterprising men and women in the developing world to build competitive farms, businesses and industries. By linking people to information, capital and markets, we have helped millions to create lasting prosperity for their families and communities.

With nearly 50 years of proven results, TechnoServe believes in the power of private enterprise to transform lives.

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