



TECHNO SERVE

Business Solutions to Rural Poverty



A Newsletter For Friends Of TechnoServe • Winter 2007

2007 has been an extraordinary year for TechnoServe. More than ever, people are recognizing the effectiveness of business-focused development, giving us the opportunity to build on our success and transform the lives of more people in more countries. Earlier this year, we began working in Brazil, India and Rwanda, and more recently we've laid the groundwork for inaugural business plan competitions in Chile and Ecuador.



In visits to numerous country programs, I've been reminded of the many things that make our organization so unique. For instance, as a true field-based organization, we can build and sustain programs in countries over time. And our business advisors understand the environment in which they work – economically, socially, culturally and business-wise. This translates into profound and sustainable results: reliable jobs and other income opportunities in areas where those were previously rare or nonexistent.

In this newsletter, we reflect on some of the ways in which our dedicated staff, volunteers and supporters are helping the poor to capitalize on sustainable opportunities to lift themselves and their families out of abject poverty. But this is just the tip of the iceberg. You will find more personal stories, as well as news about TechnoServe and how you can become involved, on our newly revamped web site, www.technoserve.org.

As we prepare for our 40th year, we more than ever depend on our partners, regardless of scale, to further our mission of helping men and women to create a brighter future.

*Bruce McNamer
President and CEO*

Sowing the Seeds of Prosperity in Swaziland

Themba Dlamini has spent his life working on farms in the mountains of Swaziland. After working his way up to a management position with a local vegetable farm, he saw an opportunity to have a bigger impact on his struggling community when the farm came up for sale in 2004.

Themba recognized that Swaziland's climate offered an untapped business potential: growing baby vegetables year-round for export. He also knew that due to the labor-intensive process involved in growing these vegetables, he could employ many people from his community and provide opportunities for other local farmers to augment his supply.

"I'm the first in my family to have a job," says Gugu Happiness Maphanga. "I work so I can buy food for my parents and siblings. Without this job, things would be so bad."

"I decided to buy the farm because of the impact farming could have on poor rural people; people like me," he says.

As a new entrepreneur unfamiliar



Gugu Happiness Maphanga displays baby vegetables ready for distribution

with the business aspects of farming, Themba was faced with many challenges when he finally took over the farm after a lengthy negotiation process. In 2006 he turned to TechnoServe for help.

TechnoServe helped Themba to secure financing needed to run Sdemane and linked him to more lucrative local markets, as well as to steady export markets in Europe, the Middle East and South Africa.

"Alone it would have been impossible," he says.

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Transforming the Dairy Sector in El Salvador

Thousands of Salvadoran families depend on incomes from small-scale dairy farms and processing plants. But by 2004, many of these processing plants were struggling due to poor sanitation standards and technological stagnation. Hernán Alberto Ruíz Doratt was one of the people having a difficult time keeping his processing plant, Lácteos del Campo, open. So TechnoServe stepped in to provide the technical assistance to modernize El Salvador's dairy sector so that it could reach its potential to create vital economic opportunities for the rural poor.

"Thanks to TechnoServe support, now we produce more milk, we have better-priced products and a secure purchaser."

The two-year program was launched in late 2004 with support from the U.S. Department of Agriculture. Since the inception of this initiative, TechnoServe has helped increase the incomes of several

hundred artisanal milk producers by up to 20 percent and enabled 10 processing plants to lower costs and thus become more competitive.

Today Lácteos del Campo is reaping the benefits of the program. Since beginning work with TechnoServe in 2005, Hernán has developed new product lines such as yogurt and cheese to market to bakeries and pizzerias; diversified his cheese products; learned branding strategies and seen an increase of 28 percent in sales.

"Without TechnoServe assistance, my business would no longer exist," Hernán says. "Development of new products has meant higher profits. Now my business is growing and I can better pay my suppliers, who have also benefited from the program."

TechnoServe linked Lácteos del Campo to local stores and restaurants, trained employees in management and accounting software, and provided guidance in sanitation and sterilization practices. These and other direct interventions with farmers have led to an increase in milk production.

Lácteos del Campo's success has directly benefited its small suppliers in the surrounding region.

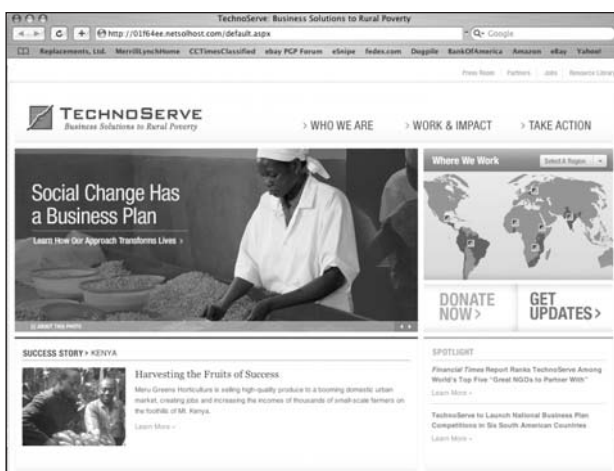
"Thanks to TechnoServe support, now we produce more milk, we have better-priced products and a secure purchaser," says dairy farmer Mario Sandaval.

Since his involvement with the TechnoServe program, Mario's yields per cow have increased by nearly 25 percent. With the extra income he has added some 30 cows to his herd, and now his monthly profits have nearly tripled, from \$614 to \$1,724.

On a larger scale, TechnoServe's work in the El Salvador dairy industry has already had an impact on 20 percent of the country's milk production. Nearly 500 producers have expanded their production, supporting more than 250 jobs. Six collection centers have also been established, ensuring high-quality products, timely delivery and an overall better relationship with stakeholders.



Check Out TechnoServe's New Web Site



We're excited to announce the debut of TechnoServe's new web site (www.technoserve.org)! The revamped site boasts an updated, cleaner design and easier navigation features. Learn about our team and our approach in the "Who We Are" section. Read how these efforts are transforming lives in the "Work & Impact" section. And find out how you can become involved in this important work in the "Take Action" section. There are also additional features that we will

build over time, such as a "Resource Library."

We invite you to explore the new site, in particular the personal stories and videos that get at the heart of how TechnoServe and our many partners are helping people to help themselves around the world. And be sure to bookmark the site to keep up-to-date on TechnoServe news and to see the new features that will be added as the site evolves and grows with the organization.

Prosperity in Swaziland *(continued from page 1)*

TechnoServe advisors are training Themba's staff in areas such as accounting and financial management, as well as providing technical advice and market linkages. TechnoServe is also working with Themba to achieve EurepGAP certification that will allow him to export directly to international markets, namely Europe. Additionally, he has learned better farming practices that have already boosted his yield by more than 50 percent.

His farm currently employs 35 people, with plans to expand to over 200 staff as his exports continue to grow. The business is creating job opportunities for locals with few other prospects, enabling them to provide for their families.

"I'm the first in my family to have a job," says Gugu Happiness Maphanga, one of his packing plant employees. "I work so I can buy food for my parents and siblings. Without this job, things would be so bad."

Sdemane also provides a much-

needed platform through which small-scale rural farmers can access stable markets.

With TechnoServe's assistance, Themba's becoming a model of success, inspiring other entrepreneurs across the region to pursue similar dreams.

Themba places utmost importance on being a good employer and role model. He says he wants to show his community that there are good people willing to help them. He makes a point to explain decisions to his employees, to give them a sense of ownership and involvement in the business. He's also set up a day-care facility for his employees' children. In 2006 Sdemane was recognized as the

Community-Based Business of the Year in the Swaziland Entrepreneur of the Year awards ceremony.

Despite numerous obstacles and mishaps such as severe weather and road accidents, Themba perseveres because he believes in the potential impact of his business. He is on his way to fulfilling his vision of a better future for his children and his community. With TechnoServe's assistance, he's becoming a model of success, inspiring other entrepreneurs across the region to pursue similar dreams.



Themba Dlamini (left) and TechnoServe business advisor Debbie Cutting consult with two of his small-scale suppliers



A Sdemane packing plant employee sorts baby vegetables



Themba Dlamini (center) meets with TechnoServe staffers Debbie Cutting and Lance Stewart to discuss ways to grow his business

Women Excel in the Kenyan Dairy Sector



Beth Calderone (left) with a Kenyan dairy farmer

As a TechnoServe intern in 2006, Beth Calderone helped transform the lives of many women living in poverty by helping to secure funding for entrepreneurial activities in

Africa and Latin America. Her work led to the creation of the *Women's Entrepreneurial and Empowerment Fund*, (an umbrella fund supporting female entrepreneurs participating in a variety of TechnoServe programs

around the globe), giving TechnoServe a unique opportunity to showcase the vital role women play in economic development.

Based in part on her work with TechnoServe, Beth went on to do an independent study program as a graduate student at Columbia University. This led her to Kenya to examine the roles of women in the country's evolving dairy industry, including looking at TechnoServe's Women's Dairy Enterprise Program, funded by supporters such as the Evangelical Lutheran Church of America, the Patrick and Anna M. Cudahy Fund and the Patton Foundation.

Beth discovered that

TechnoServe-assisted dairies are taking significant steps to empower women by providing them equal access to training, and that, as the dairy cooperatives' most active and responsible clients, they become the catalysts behind their success. She also noted that women are building on this knowledge and income to create additional opportunities by actively pursuing additional training.

The women expressed passion and pride when talking about the opportunities this work affords themselves, their families and their communities; many were especially proud of being able to send their children to school.

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

If you are at least 70½, you may want to consider making gifts to TechnoServe directly from your traditional or Roth Individual Retirement Account (IRA). As part of the Pension Protection Act of

2006, 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 Latin America and Africa.

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 or call Darlene Brown at 1-800-99-WORKS.



TECHNOSEERVE
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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 more than 2,000 businesses, benefiting millions of people in more than 30 countries.