

# Thank You for Your Support!

All of us know how difficult this year has been – the economic turmoil has affected us all. Yet amid the confusion and anger, we see hope for a better future in the faces of people we work with on a daily basis.

During these uncertain times, we are very grateful to you, our donors, for your continued faith and commitment to our work. Your annual support will allow us to weather yet another storm, and position us for the coming year to perform the same high level of work we have been undertaking for the last four decades.

We remain steadfast in our shared vision to help people in the developing world work their way out of poverty. As 2009 comes to a close and you plan your charitable contributions, please consider a year-end gift that continues to support our mission with the knowledge that each gift has a direct impact on a family, such as those you read about in this newsletter and those before.

We appreciate your previous support and look forward to your continued generosity.



TechnoServe's work enabled Cecilia and Filoteus Kapinga, pictured here with two of their children, to increase their income from coffee farming in Tanzania. Each gift has a direct impact on a family like this.

## Turn your IRA distributions into tax-free donations to TechnoServe through December 31, 2009

In order to help charities further their good work, Congress has made it possible to make tax-free charitable gifts directly from your traditional or Roth individual retirement accounts (IRAs). If you

are at least age 70 1/2, the Federal government now permits you to roll over amounts from your IRA to TechnoServe without claiming any increased income or paying any additional tax. These tax-free gifts

could be \$100, \$1,000, \$10,000 or any amount up to \$100,000 in one year. If you would like additional information, please contact Darlene Brown at [dbrown@tns.org](mailto: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.

Paul E. Tierney, Jr., Chairman  
Bruce McNamer, President and CEO

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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.



Happy Holidays! I'd like to share with you some TechnoServe news that gives us cause for optimism as 2009 comes to a close.



I am excited this month by the launch of the TechnoServe blog ([TechnoServe.org/blog](http://TechnoServe.org/blog)) and the upcoming launch of the Ankur Campaign: Poverty to Prosperity, a new Internet initiative to highlight five of TechnoServe's most impactful programs in need of funding. In this newsletter, you will read about two Ankur programs. With their commitment and TechnoServe's assistance, dairy farmers in Kenya continue to persevere through the worst drought in decades. In the Andean Region of South America, meanwhile, a series of business plan competitions is awakening entrepreneurship at the base of the economic pyramid.

This month we begin our official expansion into Haiti, a country close to our shores and also the poorest in our hemisphere. We have also begun work with the Goldman Sachs 10,000 Women initiative to apply our expertise in building the capacity of female entrepreneurs worldwide. Furthermore, I am proud to tell you TechnoServe will be part of three projects that received awards from the Aspen Network of Development Entrepreneurs (ANDE) to fuel inter-organizational collaboration and capacity building. TechnoServe is one of the leading members of ANDE.

I will end here on what is a sad note. Since I last wrote, the world has lost a pioneer in the drive to end global hunger. Dr. Norman Borlaug, father of the "Green Revolution," passed away in September. Dr. Borlaug was personal hero and an inspiration to many in the development community, and a long-term member of TechnoServe's Board of Advisors. Let me therefore make an early resolution on behalf of TechnoServe to honor his legacy in 2010 and continue carrying out his fight against starvation and malnourishment worldwide.

Once again, thank you for reading, and have a wonderful holiday season!

Bruce McNamer  
President and CEO

## Despite Drought, Dairy Fuels Development in Kenya

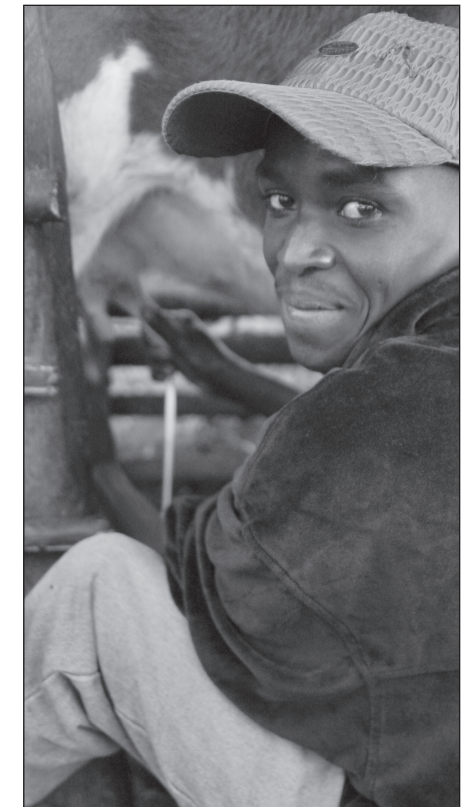
An extreme drought that started in 2007 has taken a hefty toll on Kenyan agriculture, and milk production particularly. Still, dairy farmers who have persevered through conditions that a decade earlier surely would have ruined them, labor to preserve the gains made since TechnoServe assistance began.

### Perseverance in the Face of Disaster

The TechnoServe-assisted Nyala Dairy has been hit hard by Kenya's worst drought since 1996. Back in 2004, this newsletter reported how the business hub created at Nyala had raised farmers' standards of living and transformed surrounding villages into vibrant economic centers. Higher milk sales had helped bring electrical lines, roads, school dormitories, an orphanage and a health clinic to a once-ramshackle community. Farmers, moreover, were able to reinvest in their businesses and provide secondary school – and, in some cases, college – education for their children.

Now, as the daily volume of milk for chilling at the cooperative's plant has dropped to 10 percent of maximum capacity, incomes and employment too are disappearing. "Rivers have dried up, and dams no longer have this life-giving liquid; the earth is scorched and in mourning," says the manager of Nyala.

An outbreak of foot-in-mouth disease, which killed some cows in the area and left owners devastated, has compounded the problem of limited



Milk farmers at TechnoServe-assisted dairies in Kenya have persevered through extreme drought conditions.

water resources and worsening forage conditions. In the past, a dairy like Nyala would have surely collapsed; however, the dairy has forged through the troubled times. While TechnoServe had already ceased supporting Nyala as a core client, the skills and lessons learned through TechnoServe's training, such as improved breeding, feed-preservation and water-harnessing

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## Bolstering Entrepreneurial “Opportunities for the Majority” in the Andes

The founders of Forrajes Oro Verde recognized small-scale producers of the crops used for feed and the small cattle farmers they supplied were both suffering from the ups and downs of the local fodder market in the Jequetepeque Valley of Peru. Falling prices from fodder surpluses prompted farmers to discard their excess. Scarcities, on the other hand, had cattle farmers foraging fodder from inferior crops or assuming higher costs to bring it in from afar.

Jacob Tejada, Juan Guzmán and José Mendoza had a solution. They formulated an idea to package *chala* (fodder made from maize) and *superchala* (with added nutrients) in long-lasting bags, which preserve the value of farmers’ crops and provide cattle farmers with affordable fodder. Seeking improved structure for their business and financing for a plant, they entered a Peruvian business plan competition run in 2008. Through participation in the competition and advice from a business consultant, the idea materialized into a business plan of the highest quality and Forrajes Oro Verde won \$15,000 in seed capital. The company has also secured more than \$40,000 in loans.

This year, the first pilot plant opens with the capacity to supply 26 tons of bagged fodder per day to the local market. Forrajes Oro Verde projects installing similar plants in nearby locations throughout 2010 and 2011, before expanding throughout Peru’s north coast through 2013.

Business plan competitions (BPCs) provide an integral vehicle for TechnoServe to identify and empower entrepreneurial men and women in the developing world. The business owners emerge from the competitions enabled to build and sustain enterprises that generate income, opportunity and economic growth for their families, their communities and their countries. In a recent statistical review, businesses that participated in the training phase of the competitions proved to grow the revenues at much higher rates than non-participants. (This is an emerging result from recently conducted field work that

still has to be written up and published).

Independent parties also testify to the validity of this work. The New York Times recently reported that a study from Innovations for Poverty Action has linked the type of business training that TechnoServe provides to better success rates for entrepreneurs in the developing world.

To bring these results to the Andean Region’s “base of the pyramid,” or people earning in the lowest 70th percentile (less than \$3,200 per year), TechnoServe has engaged the Inter-American Development Bank’s (IDB) Multilateral Investment Fund, JP Morgan, SABMiller and many local entities to launch a program of business plan competitions called *Idea Tu Empresa* in Bolivia, Chile, Colombia, Ecuador, Peru and Venezuela.

After submitting their business ideas, the best 80 to 150 applicants (depending on the country and leveraged resources) benefit from entrepreneurship training and networking opportunities. Judges then evaluate the competitors’ increasingly more refined business plans, eventually selecting finalists. Ultimately, the winners receive seed capital and business development services to help launch or strengthen their enterprises, with specific focus on finding financing opportunities and stakeholders to expand their markets.

Then the true challenge begins. Having run more than 30 BPCs in Latin America, India and Africa, TechnoServe has learned that following up with participants is critical to ensuring their development, as the markets in many of the target countries are not yet functioning well enough to sustain such entrepreneurs without additional support. Business advisors therefore work to ensure entrepreneurs have access to finance and support services, which may also require support for the local providers of business development services.

The numbers corroborate TechnoServe’s conclusions. Having already completed the initial cycles (2008-2009), the competitions in Chile,

Colombia and Peru have produced 148 finalists, from a pool of 1,700 submissions, with the potential to create more than \$30 million in incremental sales by 2012. A recent assessment isolating for TechnoServe’s impact on the participants found a return on investment of \$3.70 incremental revenue generated for every \$1 spent. Now, TechnoServe is working to link these burgeoning businesses to financing from investment funds, multilaterals, micro credit institutions, government organizations and targeted private equity funds.

One Fruit, another winner from a Peruvian BPC, has already secured \$50,000 in private equity investment (part loan, part grant) from the Grassroots Business Fund to boost its revenue 150 percent over the next 24 months. One Fruit sells specialty fruit bars at the most elite supermarkets in Lima and other economic hubs.

In total, TechnoServe envisions the Andean BPC program training 720 entrepreneurs and creating 6,000 new jobs across the health, agri-business, energy, IT, housing, education and water sectors. To continue impacting entrepreneurs in 2010 and beyond, the TechnoServe Andean BPC program still seeks \$250,000 in matching funds to fully implement its 2010 plan. As such, it is one of the signature programs featured in the soon-to-launch Ankur Campaign: Poverty to Prosperity. You can learn more at [TechnoServe.org](http://TechnoServe.org).



Forrajes Oro Verde in Peru produces fodder that helps solve a supply problem for cattle farmers and creates opportunities for small-scale producers at the base of the economic pyramid.

## Kenya Dairies *(continued from page 1)*

techniques, had prepared the farmers to overcome obstacles independently. Increased access to financial services, which TechnoServe has continued to facilitate, has also helped the farmers run resilient businesses.

Benson Mwangi, a 38-year-old father of three, has attended training programs and participated in exposure tours facilitated by TechnoServe in feed growing, preservation and silage making. Having lived in Nyala for his entire adult life and watched his parents lose one dairy cow after another due to lack of resources and disease outbreak, Benson swore to approach his own dairy farming differently. “Farming in a semi-arid area is a tough call, but I ensure I stay ahead of the needs of my dairy animals all the time,” he says.

Now, rather than purchase feed at high prices, Benson buys the required raw materials and mills and mixes the materials himself, thus reducing his cost of production. After harvesting the fodder, Benson stores it in silage pits for later use. Although Benson had to reduce from seven cows down to three, his shrewd management during the drought has enabled him to generate enough profits to build a new house for his family.

**While TechnoServe had already ceased supporting Nyala as a core client, the skills and lessons learned through TechnoServe’s training ... had prepared the farmers to overcome obstacles independently.**

Better banking practices, supported by TechnoServe, have also contributed to the dairy’s survival. The Nyala Village Bank’s revenues, a result of increased membership (up to approximately 7,000 account holders) and borrowing, have helped to retain the

dairy’s consolidated profit margins despite a reduction in milk sales.

This year, the bank launched its first branch in Shamata, with a target market of 2,500 dairy and horticultural crop producers who previously had been traveling approximately 64 kilometers to access financial services.

The bank is also working with MPESA Agency, a local mobile money transfer technology that allows participants to transfer money using a mobile phone, after TechnoServe’s 2006 and 2009 household surveys indicated that 10 percent of Nyala’s household incomes come from local and international remittances. Following the introduction of this technology, the volume of business has increased as more and more people are receiving remittances to support declining revenues resulting from the drought.

### A Decade of Development

Since 1996, TechnoServe has driven the development of sustainable, rural milk cooling plants using a business hub model. This innovative approach transforms them into robust, efficient rural enterprises that serve otherwise underserved farmers and trigger broader economic activity. More than 13,000 producers (60 percent women) earned nearly \$7.5 million in 2008 for milk deliveries to these hubs, which employ dozens of people in a country where steady income sources are scarce. Overall, nearly 65,000 Kenyans benefitted from the program.

With similar leadership from TechnoServe in Rwanda and Uganda



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as well as elsewhere in Kenya, small-holder dairy farmers across Africa are meeting their families’ basic needs, raising productive cows, and investing in their farms to achieve a better future. However, the current Kenya program is slated to end next year. To continue impacting dairy farmers and expand efforts in 2010 and beyond, the TechnoServe Dairy Kenya Program has secured \$125,000 but still seeks \$75,000 in matching funds to fully implement its 2010 plan. As such, it is one of the signature programs featured in the soon-to-launch Ankur Campaign: Poverty to Prosperity. You can learn more at [TechnoServe.org](http://TechnoServe.org).

*By supporting this program in 2010, 14,000 farmers (60 percent women) will have access to reliable and profitable markets taking home an estimated \$3.2 million in sales proceeds from cooling plants; ensure access to basic needs like food, health and education for an estimated 70,000 direct beneficiaries; improve access to key services, and ensure employment for 96 qualified individuals.*