

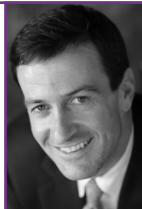


**TechnoServe**  
BUSINESS SOLUTIONS TO POVERTY

# WORLD

A Newsletter For Friends Of TechnoServe • Fall 2010

People in developing countries have plenty of talent and entrepreneurial drive. What they lack is opportunity.



That was the case with the Jorge Salazar Cooperative, a farmer group in Nicaragua made up of veterans from the country's civil war in the 1980s. The farmers initially produced traditional crops such as corn and coffee, but they suffered when coffee prices plummeted. TechnoServe helped the Jorge Salazar Cooperative tap into the burgeoning market for a root crop called *malanga*. Our efforts helped boost farmer incomes and create new jobs at a *malanga* processing plant. In this edition of the World newsletter, you can read about the newest opportunity that the cooperative is pursuing with TechnoServe's assistance: a native cocoa variety that is highly prized by gourmet chocolate makers.

On the other side of the globe, TechnoServe is also working to introduce farmers to a new market. Thanks to a generous grant from our valued partners at the Bill & Melinda Gates Foundation, we are helping small-scale farmers in Mozambique and Zambia to grow soy, a crop that holds great potential for reducing hunger and increasing incomes in sub-Saharan Africa. We hope to raise the annual income of 37,000 farming households by an average of \$200 a year – a significant amount in a region where many live on less than \$1 a day.

Your donations help ensure that TechnoServe can continue to identify new opportunities for people in developing countries – and as a result, make the biggest difference in the communities that need it most. As always, I thank you for your generous support.

*Bruce McNamer*  
President and CEO

## Cocoa Offers New Hope for Nicaraguan Farmers

It's a long way from the poverty and devastation of civil war to prosperity. In Nicaragua, TechnoServe has worked with a farming cooperative to make that journey by harnessing the potential of undervalued crops.

The Jorge Salazar Cooperative, located in the northern municipality of El Tuma-La Dalia, is a collective of 46 farmers – mostly veterans of Nicaragua's civil war in the 1980s, which devastated the country's economy. In an effort to incorporate ex-guerrillas back into civilian society, TechnoServe – with the support of the U.S. Agency for International Development – works to help farmer groups diversify their crops, develop markets, establish links to financing and improve organization, administration and marketing.

In the case of the Jorge Salazar Cooperative, TechnoServe helped farmers discover the potential of *malanga*, a root crop that grows in puddles and swamps. The cooperative's farmers faced a crisis when the price of coffee slumped in the early 2000s. At the same time, the value of *malanga* – which was typically used in animal feed or discarded altogether – rose as the tuber found a place in American kitchens.

TechnoServe's guidance, under the Alliance for the Creation of Rural Development Opportunities through Agroentrepreneurial Relations (ACORDAR) in partnership with USAID and Catholic Relief Services (CRS), helped



Mercedes Valle, a member of the Jorge Salazar Cooperative's board of directors, holds cocoa pods on his farm in El Tuma-La Dalia, Nicaragua.

the Jorge Salazar Cooperative to increase its yields and harness the burgeoning popularity of *malanga*. TechnoServe helped connect Jorge Salazar's farmers to new markets in New York, Los Angeles and Miami. The farmers also forged ties with a Guatemalan company that uses the cooperative's *malanga* to make snack chips for sale in Guatemala and El Salvador.

Aside from boosting the incomes of its members, Jorge Salazar also benefits 700 unaffiliated producers by buying their *malanga* at prices higher than those of competitors. A processing plant built in 2006 has created 80 jobs, primarily for women, where few employment opportunities existed before. Throughout its journey, the Jorge Salazar Cooperative has continued to reinvest in its community. The cooperative built a pharmacy that sells medicine at a 40-percent discount to area residents and helps support local schools and police. The cooperative's leadership garners respect nationally

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# Exchange Program Teaches Kenyan Entrepreneurs Key Business Skills



Young entrepreneurs from Kenya participated in a four-week exchange program in April at the University of Connecticut.

program, which included educational visits to Boston and New York City, job shadowing at local companies and intensive classroom training. Another 14 Kenyans went through the program in October.

The April participants included Vivien Wamalwa, the founder of Safari Hunters Kenya, an eco-tourism travel agency in Mombasa,

Kenya. For Vivien, the highlight of the program was the opportunity to shadow the president of a Connecticut travel agency. She was inspired by the agency's high level of customer satisfaction, its partnerships with various corporations and the professionalism of its staff. Vivien also learned crucial skills in marketing, finance and entrepreneurial thinking during the classroom sessions.

"From the knowledge I gathered during the program, I have been able to transform my business," Vivien says.

TechnoServe, the University of Connecticut and the U.S. State Department have teamed up to give young Kenyan entrepreneurs a once-in-a-lifetime opportunity.

The organizations are collaborating on the Young Entrepreneurs Program (YEP), a professional exchange program that offered 28 Kenyans an opportunity to develop their business skills during a four-week session based at the university's campus in Storrs, Connecticut.

In April, the first group of 14 entrepreneurs participated in the

"I have identified new opportunities in the market. My business is now a full-fledged travel service provider. We have started selling in new markets like Tanzania, Zanzibar, Uganda and Rwanda."

TechnoServe partnered with the University of Connecticut's Global Training and Development Institute to develop the Young Entrepreneurs Program, which was funded by a grant from the State Department's Bureau of Educational & Cultural Affairs.

TechnoServe and the U.S. Embassy in Kenya selected the 28 participants, age 22 to 35, from among 300 finalists in TechnoServe/Kenya's 2007 business plan competition. The competition, which attracted more than 5,000 applicants, was part of TechnoServe's extensive efforts to promote entrepreneurship in Kenya, where many micro and small enterprises are held back by poor knowledge of basic business practices.

As part of the Young Entrepreneurs Program, the Global Training and Development Institute sent seven U.S. business mentors to Kenya for two weeks in September to consult to the participants' businesses and to run workshops for an additional 20 young entrepreneurs. Another seven U.S. mentors will visit Kenya in February.

## Cocoa Offers New Hope (continued from page 1)



Cocoa beans from the *criollo* tree have characteristics that are prized by gourmet chocolate makers.

and now works with an umbrella group that oversees quality control.

"The economic improvement we have seen in our families and in our community over the past few years has been invaluable," says Pablo Montenegro, president of the Jorge Salazar Cooperative and a former guerilla leader who was able to build a new house after earning a higher income producing *malanga*. "This has only been possible with the support of TechnoServe, which is helping us change our lives."

Now, the Jorge Salazar Cooperative is poised to realize the benefits of another burgeoning crop: cocoa beans from the native *criollo* tree. The *criollo* bean's exceptional aroma, flavor and quality are prized by gourmet chocolate makers, and fine

cocoa typically commands a price anywhere from two to five times higher than conventional cocoa. Yet Nicaragua exports fewer than 1,000 tons of cocoa a year, almost none of it fine cocoa.

In 2006, TechnoServe began assisting 80 small-scale farmers to capitalize on the business opportunity presented by *criollo* cocoa. These farmers have planted about

100,000 native cocoa trees. TechnoServe has also worked with farmers to resume production on cocoa trees that had been abandoned. In the coming months, TechnoServe will help farmers install two cocoa wet mills to improve the quality of their cocoa, which will sell for a higher price and provide access to international markets. Chocolate makers such as Domori and Ritter Sport have already expressed interest in the high-quality cocoa.

Among those participating in the cocoa program are the members of the Jorge Salazar Cooperative, who decided to pursue *criollo* cocoa after seeing the results of a TechnoServe study showing that the native bean is prized by the chocolate industry. By 2013,

TechnoServe expects farmers in the program to export about 70 tons, or \$200,000 worth of cocoa. The long-term vision is to help as many as 25,000 farmers participate in the industry. And the cocoa program has another important benefit: By planting or preserving more than 300 acres of trees, TechnoServe is helping to preserve Nicaragua's rich biodiversity.

**"The economic improvement we have seen...has only been possible with the support of TechnoServe, which is helping us change our lives."**

The budding cocoa farmers include Mercedes Valle, a member of the Jorge Salazar Cooperative's board of directors who planted two-and-a-half acres of *criollo* cocoa in 2006. Mercedes, a *malanga* producer, expects to begin exporting cocoa next year.

"These cocoa trees were almost lost," Mercedes says, "but thanks to TechnoServe we discovered that these plants have an important value because they can help us improve our incomes."

## TechnoServe and the Gates Foundation Work to Help Farmers Profit from Soy

TechnoServe is helping to grow the incomes of tens of thousands of small-scale farmers in southern Africa by promoting the development of a local soy industry, through a grant from the Bill & Melinda Gates Foundation.

The four-year, \$8-million grant will fund activities in Mozambique and Zambia, where TechnoServe is working to expand soy production by smallholder farmers and connect

them to buyers for their crops. Within four years, TechnoServe expects that soy will boost the annual incomes of 37,000 farming households by an average of \$200 a year.

The program builds on TechnoServe's proven model for increasing farmer incomes by promoting improvements across an industry's entire supply chain. TechnoServe, in partnership with a range of businesses, nonprofits and public-sector organiza-

tions, will help farmers purchase premium seeds and other supplies, learn vital techniques for growing soy, and form farmer business organizations. At the same time, TechnoServe will promote investments in soy storage and processing as it works to develop the local feed and livestock industries, ensuring that the smallholder farmers will have a stable market for their crops.

The effort in Mozambique and Zambia is part of TechnoServe's

broader vision for the soy industry in sub-Saharan Africa. The region contributes less than one percent of the world's soy, but the crop has the potential to be a key source of income for farmers and food for the region. In the next 10 years, TechnoServe hopes to significantly increase the incomes of 200,000 households in southern Africa through the development of a competitive local soy industry.

"Through our 42 years, TechnoServe has demonstrated that we can help change lives through focused interventions in a particular industry, such as coffee or cocoa," says Bruce McNamer, President and CEO of TechnoServe. "The Bill & Melinda Gates Foundation is tremendously supportive of our approach, and we look forward to working with them to build a soy industry in southern Africa and help break the cycle of poverty for tens

of thousands of people in the process."

The soy program builds on a close relationship between TechnoServe and the Gates Foundation, which is also funding a major initiative to help 180,000 coffee farmers in East Africa double their incomes. The foundation is also partnering with The Coca-Cola Company and TechnoServe on a program to boost the incomes of fruit farmers in Kenya and Uganda.

# Make a Difference Again This Year!

The global economic crisis has added renewed urgency to TechnoServe's work. Poor people and poor countries bore the brunt of the recession. But equally important, this crisis created opportunities for developing nations to be vigilant about how they use their resources and energized work toward sustainable, local solutions to the issues that drive the cycle of poverty.

Ed Bullard founded TechnoServe 42 years ago based on the belief that the most effective form of aid for people in developing countries is a hand up, not a handout. That principle continues to guide our work today. TechnoServe's approach to building jobs and income on the ground is taking hold in more communities and in more countries to help people break out of the vicious cycle of poverty for good.

The results are evident in places like Mozambique, where TechnoServe's assistance has helped revitalize industries such as cashews and poultry, creating new jobs in processing factories and delivering higher incomes to farmers. Or in El Salvador, where TechnoServe has helped farmers and food companies gain the capabilities needed to export their products to the United States. Or in Haiti, where TechnoServe is working with mango farmers to double their

incomes and make the fruit a cornerstone of the country's recovery efforts. The list goes on, and it is growing as we actively pursue chances to make an impact in new countries.

Your support allows TechnoServe to persevere in this life-changing work at this critical time. TechnoServe pro-

vides the most reliable and promising intervention available. We have strengthened our resolve to grow and assist more people around the world.

Thank you for your previous support of our work and your continuing loyalty. Your donation makes a difference.



Thuli Dlamini of Swaziland has launched Unozidumo Investments, a maker of school uniforms, with TechnoServe's help. Your donations ensure that TechnoServe can continue to impact the lives of entrepreneurs like Thuli and her employees and suppliers.

## 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.*



**TechnoServe**  
BUSINESS SOLUTIONS TO POVERTY

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Since its inception in 1968, TechnoServe has helped to create or expand thousands of businesses, benefiting millions of people in more than 40 countries.