



TechnoServe
BUSINESS SOLUTIONS TO POVERTY

WORLD

A Newsletter For Friends Of TechnoServe • Summer 2009

It's hard to believe 2009 is nearly half over. Time has flown by as TechnoServe continues to expand its services to reach more people in the developing world. We are in the process of opening a country office in Côte d'Ivoire, thanks to new grants from the Bill & Melinda Gates Foundation to work with cashew and cocoa farmers and a World Bank grant to run a business plan competition. We will also be doing cashew work in Benin. I am excited to build on our ongoing work in these sectors to help hundreds of thousands of additional farmers who depend on these crops for their livelihoods.



What always impresses me about both our business advisors and our clients is their innovation, ambition and determination to succeed. We're working with men and women in 20 countries who are using the power of enterprise to transform their lives. Their businesses are increasingly diversified, from a bamboo construction company in Guatemala to a pepper farm in Swaziland. What unites these businesses is the steadfast commitment of the entrepreneurs, and their desire to improve their lives, their families' lives, and those of others in their communities.

The transformations are often profound and long-lasting. In this issue you can read about how TechnoServe has helped a vegetable cooperative in Nicaragua to sell its produce to the leading national supermarket chain. Access to this stable market is changing the way of life in the province: higher incomes are creating exciting new opportunities for the farmers.

As always, I want to thank you for your continued support. None of what you read about in this newsletter would be possible without generous contributions from donors like you.

*Bruce McNamer
President and CEO*

Nicaraguan Farmers' Business Takes Off

Farmers in northern Nicaragua's Jinotega province have had a difficult time making a living. After a devastating hurricane and the global coffee price collapse in the late 1990s, they were barely scraping by. Many of them were forced to sell their goods to the first buyer, often not earning enough to pay for basic necessities.

In 2001, TechnoServe began working on a program, funded by the U.S. Agency for International Development (USAID), to help small-scale producers link to more reliable and lucrative markets. The situation was dire: 81 percent of Jinotega's population was living in extreme poverty, struggling to get by on less than a dollar a day.

"It was really a very tough situation from which we could not have escaped without TechnoServe's help."

But TechnoServe recognized that farmers could better capitalize on favorable agricultural conditions in the small communities of Tomatoya and Chagüite Grande. Farmers in those areas grew cabbage, lettuce and tomatoes, but they only harvested their crops twice a year, meaning that for much of the year they had no income sources. And the



Efrén Rizo, president of the Tomatoya-Chagüite Grande cooperative, displays a crate of lettuce destined for La Colonia, Nicaragua's leading supermarket chain.

harvests themselves yielded little to no money.

"We sold our crops to commercial middlemen who paid whatever price they wanted," recalls Efrén Rizo. "There were times when they paid about one cent per cabbage, and we had no other options but to sell at that

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TechnoServe to Help Implement Two New Bill & Melinda Gates Foundation-Funded Programs in West Africa

TechnoServe is an implementing partner on two programs announced in February by the Bill & Melinda Gates Foundation. The \$48 million in grants (together with a matching amount of contributions from a number of large corporations) will help hundreds of thousands of small-scale cashew and cocoa farmers to significantly increase their incomes so they can lift themselves out of poverty. TechnoServe's efforts will be focused in Benin, Côte d'Ivoire and Ghana.

The cashew project, led by the

German development organization Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ), aims to improve the lives of 150,000 small-scale cashew farmers in West and Southern Africa. TechnoServe's role in this project will be similar to our ongoing programs in the cashew sector in other countries – working with farmers and processors to improve the quality of their cashews in order to fetch higher prices on a global market and to promote job creation in rural areas.

The World Cocoa Federation (WCF) is leading the cocoa project, which seeks to double the incomes of one-third of cocoa farming households in West Africa within 10 years. Cocoa is West Africa's largest agricultural export, providing income for millions of small-scale farmers. The project aims to increase farming household incomes by focusing on things like improved farmer knowledge and productivity, better cocoa quality, crop diversification, and improved supply chain efficiencies.

Pepper Farm Creates a Brighter Future for Swazi Residents

St. Philip's Mission has a long history of doing charity work in Swaziland, including running a school and health clinic in one of the country's poorest, most remote areas. One of their primary areas of focus is ministering to HIV/AIDS patients and providing a home for AIDS orphans (Swaziland has the world's highest HIV/AIDS rates). To help feed the orphans as well as to fund their various programs, the mission started a farm. Vegetable crops such as tomatoes, cabbage, and onions grew well in the healthy soil and hot climate. But by 2006, they were only selling a few crops to low-paying local markets and struggling to make a profit.

Two TechnoServe business advisors were brought in to assess the operations. They saw good potential in a different, more profitable crop: chili peppers. So TechnoServe linked the mission to an international hot-pepper-sauce manufacturer's African supplier.

An initial contract with the buyer has generated a reliable revenue source and enabled the farm to employ

five full-time staff and 50 part-time workers, which is a boon to residents who have few other employment options. TechnoServe – with generous support from United States Agency of International Development (USAID) – is teaching them modern farming methods, including the most effective way to plant the peppers. The mission is looking forward to collecting their first harvest in 2009.

"This kind of advice is critical," says Sister Diane, who oversees farm operations with help from the local Swazi staff. "We can grow better crops and generate more income for the project to make it more sustainable."

The farm is also growing cabbages among the peppers, to make the most of fields that are already plowed, planted and

weeded. And the workers are able to apply better farming skills to their own crops that they're growing back in their villages to feed their families.

The farm's business success can also serve as a model for other communities. "Our successfully growing crops here gives the surrounding communities a great sign of hope for the future," says Sister Diane.



Sister Diane, far right, is working with these Swazi farmers to grow chili peppers for sale to an international hot sauce manufacturer. TechnoServe helped the mission connect with the buyer and is providing ongoing technical support.

Nicaraguan Farmers *(continued from page 1)*

price. We dressed in rags, and sometimes we did not have anything to eat. It was really a very tough situation from which we could not have escaped without TechnoServe's help."

TechnoServe helped the farmers establish a formal cooperative and secure capital to purchase seeds. Then our business advisors arranged for the cooperative to meet with La Colonia, the leading national supermarket chain.

La Colonia was importing almost all of its fresh produce from neighboring countries such as Guatemala and Costa Rica. This was expensive, and many shipments were lost due to health or safety issues. The produce often arrived in poor condition, having spent days in transit, but it had to be sold for high prices in order to cover costs.

The cooperative is now pursuing Good Agricultural Practice (GAP) certification, guaranteeing that they will follow certain standards of production, processing and transportation, with a heavy emphasis on environmentally friendly practices.

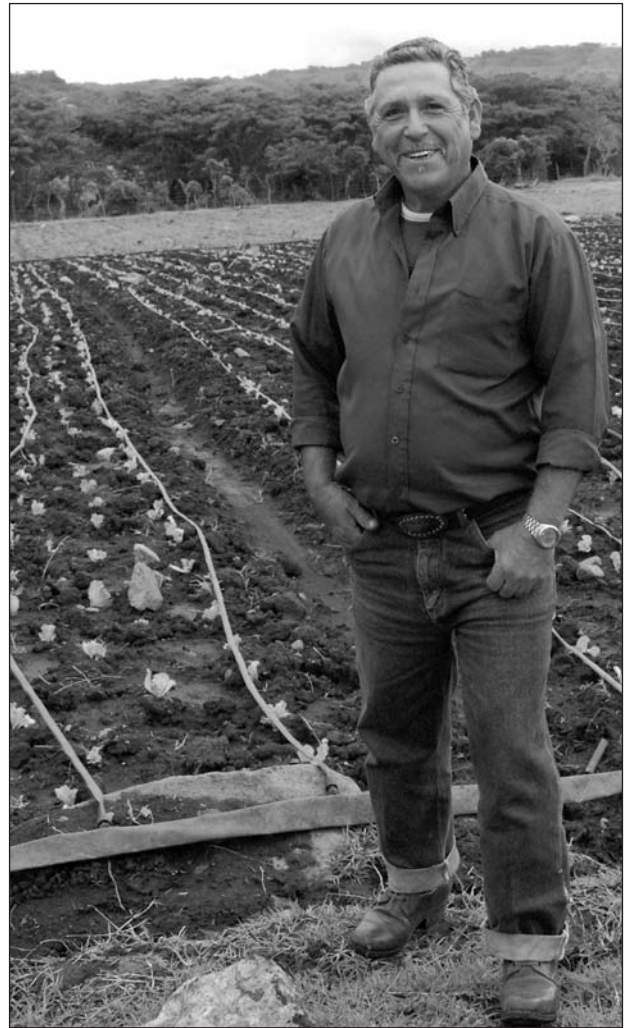
By 2001, La Colonia management was desperate to find an alternative source of produce in order to provide their customers with high-quality and affordable fresh produce. After the first meeting with the Tomatoya-Chagüite Grande cooperative, La Colonia placed a large order for lettuce. Impressed with the cooperative's ability to fulfill the order, the company decided to purchase additional produce.

After helping the cooperative secure La Colonia's business, TechnoServe worked with the group to ensure they continued to meet the supermarket's standards. Our business advisors coached them in how to implement safety and quality-control measures.

"As we grew, and thanks to the support we received from TechnoServe, La Colonia saw that we could meet their requests," Efrén says. "It was not easy ... but we are complying because we have a commitment through which we can increase our revenues and our quality of life."

The farmers began using certified seeds, saving them up to 40 percent in seed costs, and new technologies such as drip irrigation, which saves fuel, water and manpower. They have also staggered their planting in order to increase their harvests from two to 24 a year. And the cooperative learned that there is a market for even their lower-quality produce, which is now sold to street vendors and local markets when it isn't consumed by the growers themselves.

Thanks to these improvements, the farmers' business expanded and they were also able to begin selling to a distributor to the Wal-Mart chain. In 2008, the cooperative sold \$300,000 worth of goods and employed 17 people. Many of these employees are women who work in new greenhouses that sell high-quality seedlings to other farmers, spurring a cycle of growth that will improve living conditions for many more people throughout the region.



A farmer from the Tomatoya-Chagüite Grande cooperative stands in front of a farm plot. TechnoServe worked with the farmers to introduce better farming practices such as drip irrigation, which is helping them earn more money for their crops.

The cooperative is now pursuing Good Agricultural Practice (GAP) certification, guaranteeing that they will follow certain standards of production, processing and transportation, with a heavy emphasis on environmentally friendly practices. La Colonia, as a token of their trust and confidence in the cooperative, is funding the certification training.

The growing business is generating higher incomes for the farmers, allowing them to realize their dreams for their families. Efrén is able to provide his children with the education he never received. "I have a son who is a systems engineer, and my daughter is studying banking and finance," he says. "I am very proud. Other farmers have also been able to put their kids through school."

Donor Update: The Family Legacy Foundation

In a previous newsletter, we showcased the Family Legacy Foundation and their visit to Nicolas Yax's small bamboo factory in Ladiella, Guatemala. The Family Legacy Foundation has continued to support Nicolas, a winner of TechnoServe/Guatemala's 2007 business plan competition, and his business recently completed its first bamboo structures. The foundation provided seed money for operating the factory, as well as funding for TechnoServe to provide technical and business advice for building the bamboo prototypes. They have also partnered with Habitat for Humanity to provide additional support for Nicolas' business.

Foundation heads Jim Dulin and Patricia Marion plan to travel to Guatemala annually to visit Nicolas and review the progress of the project. On their visit this February, accompanied by family and friends and several TechnoServe staff (including President and CEO Bruce McNamer), they attended the dedica-

tion of the first finished structures, a library and community hall. These buildings are inexpensive and made almost entirely of bamboo, a renewable resource. Nicolas' business plans to build 25 to 50 bamboo buildings a year, creating jobs and income for locals and providing affordable housing for the community.

"It was inspiring to see Nicolas' hard work come to fruition and see the joy and hope it brought to his community," Patricia says. "We are excited to continue to work hand in hand with Nicolas, TechnoServe and Habitat for Humanity to further explore this business' potential."

This bamboo structure will serve as a library for the town of Ladiella, Guatemala. Nicolas Yax's business plans to produce 25 to 50 bamboo buildings a year.



TechnoServe and Habitat for Humanity staff with Family Legacy Foundation members and supporters in Guatemala for the dedication of the first bamboo structures.



WAYS YOU CAN SUPPORT TECHNOSEERVE

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

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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.

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

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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.



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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 30 countries.