



TechnoServe
BUSINESS SOLUTIONS TO POVERTY

WORLD

A Newsletter For Friends Of TechnoServe • Summer 2010

For people in developed countries like the United States, it's easy to take certain things for granted. Food on the table. Electricity. An education.



In places like Swaziland, life is much more fraught with uncertainty. Unemployment is high, and much of the population depends on subsistence farming. HIV and AIDS have ravaged the country, tearing apart families and limiting Swaziland's economic potential. Life can be a day-to-day struggle for survival.

All of which makes businesses like Eswatini Kitchen so crucial. Eswatini Kitchen, the gourmet condiment producer profiled in this edition of the World newsletter, offers a livelihood directly to dozens of employees and indirectly to thousands of rural farmers who sell to the company. When the business reaches new markets and sells more of its products, the benefits extend to its employees, suppliers and their families. Eswatini Kitchen's impact doesn't stop there – the company's profits support a nonprofit organization that offers opportunities to disadvantaged Swazi youths.

TechnoServe's business advisors have helped Eswatini Kitchen thrive, just as we do with thousands of businesses across the developing world. As the stories in this newsletter show, our work encompasses many stages of business development. For example, we help established businesses like Eswatini reach their full potential. We also help would-be business owners turn their ideas into reality through our business plan competitions. You can read about one such success story in Colombia in the following pages.

Thanks to your generous contributions, we at TechnoServe have the privilege of working every day to help people lift themselves out of poverty. Thank you for helping make our work possible.

*Bruce McNamer
President and CEO*

Honey Industry Offers Swaziland a Sweet Future



Percy Shongwe tends to his beehives in Swaziland. Percy and his siblings have used beekeeping to bring extra income into their household.

For 17-year-old Percy Shongwe and his two younger siblings, honey is a ticket to an education.

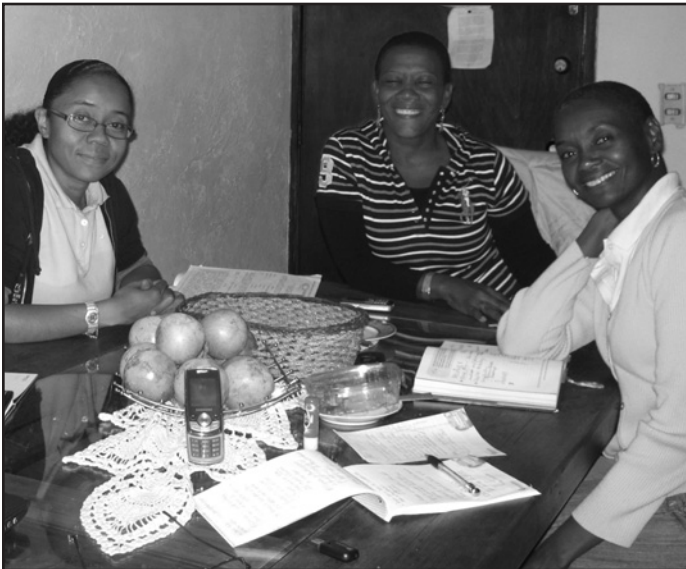
Percy, Brian and Nompendolo supply Swaziland's Eswatini Kitchen with honey from their more than 50 beehives. They inspect the hives twice a month; then three times a year, they spend a day harvesting the raw honey. Beekeeping and harvesting require only about 60 hours of work per year but give Percy and his siblings the opportunity to earn more than \$7,000, easing the burden on their mother, a struggling pre-school teacher. They use the income to pay their school fees. They are also saving to install electricity in the home they share with their mother and seven other siblings.

A TechnoServe seminar gave Percy and his siblings their start in beekeeping and made them part of a community of thousands of vulnerable Swazis who receive incomes, advice and hope from Eswatini Kitchen, a producer of gourmet jams, jellies, chutneys, sauces, and honey that TechnoServe helped transform into a thriving business.

Eswatini Kitchen was established in 1991 by Manzini Youth Care, a faith-based nonprofit organization in the city of Manzini. Swaziland has the world's highest known rate of HIV and AIDS, an epidemic that has devastated families and created tens of thousands of orphans and vulnerable children. Father

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Colombian Women Take Tourism Business to Next Level



TechnoServe business advisor Edith Aristide (left) works with Josefina Klinger (center) and Angelica Valencia of Mano Cambiada.

Colombia's Nuquí region abuts the Pacific Ocean, in an area where the sea meets lush mangrove-forested foothills, making it a hotbed of animal and plant biodiversity. The region is also known for the hospitality of its Afro-Colombian population – a community that historically has suffered from neglect and discrimination.

Now, however, the Nuquí community is working hard to preserve the region's beauty while also sparking economic opportunities through eco-tourism. One of the leaders of this movement is Josefina Klinger. In 2006, Josefina and some of her friends and neighbors in the Afro-Colombian community created a partnership of small tourism service providers called Mano Cambiada. With the help of TechnoServe's South American business plan competition, known as *Idea Tu Empresa*, Mano Cambiada launched as a formal business and is on track for expansion.

The majority of the group's original members were women hoping to expose more people to their beautiful native land and rich heritage and culture. They aimed to promote social development, maintain the community's traditions, and conserve and sustain natural resources. The organization

operates in the municipality of Nuquí and the Utria National Park. "Only a few places in the world can control the senses as deeply as Nuquí," Josefina says. "Here is where life is still full of charm; Nuquí Pacífico is just another world."

Mano Cambiada provides eco-tourism services with educational components. Since 2006, the group has partnered with a number of

outside organizations, including the Colombian government, the University of the Andes and several nonprofits. But Josefina and her business partner, Angelica Valencia, recognized that Mano Cambiada needed a more structured framework for conducting business. They had an extensive portfolio of tourism options but no formal processes for marketing their offerings, tracking their revenues or performing other vital business functions.

Enter TechnoServe and its proven business plan competition model. Through 35 competitions across 14 countries, TechnoServe has helped launch or expand hundreds of businesses. The organization enlists expert judges to evaluate business plans and choose the most promising entrepreneurs, who can receive seed funding and support from experienced business advisors. Many of the entrepreneurs are like Josefina and Angelica; they have an operating enterprise that needs a little funding and guidance to turn it into a formal business. Once these

entrepreneurs gain new business skills, their enterprises become a key source of growth and income for their communities.

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Josefina and Angelica entered Mano Cambiada into *Idea Tu Empresa* (which spans six South American countries and is sponsored by the Inter-American Development Bank's Multilateral Investment Fund and J.P. Morgan) in 2009. They won \$9,500 in seed money, which allowed the business to implement a more efficient and automated accounting system. With the help of TechnoServe's business advisors, Mano Cambiada also introduced forward-looking elements such as management manuals and operational planning strategies. Finally, the organization

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Mano Cambiada helps tourists enjoy the natural beauty of Colombia's Pacific coast.

Swaziland's Sweet Future *(continued from page 1)*

Larry McDonnell and Sister Judith Dean founded Manzini Youth Care to offer opportunities for marginalized young Swazis. Eswatini Kitchen's profits help fund the organization's programs, which include residential care, free primary education and skills training for more than 2,000 youths.

With TechnoServe's assistance, Eswatini Kitchen Honey processed more than 14 tons of honey in 2009, up from about eight tons in 2008.

By 2008, Eswatini Kitchen's growth was held back by an overstretched management team and a lack of financing for long-overdue capital investment. TechnoServe began working with the company that year and conducted a diagnostic study showing that the business was on shaky financial footing. So TechnoServe provided a loan guarantee that enabled Eswatini Kitchen to secure credit from Nedbank, a Dutch financial institution, and Root Capital.

The loans helped the company buy new machinery and improve operations. New bottling and labeling equipment will help Eswatini Kitchen fill orders more quickly, reducing turn-around time and allowing the company to explore new market opportunities. Thanks to the improvements, the business was able to join Cooperation for Fair Trade in Africa (COFTA) and secure certification that gave it access to international markets.

Young & Rubicam, a consulting firm that provides pro bono services to select TechnoServe clients, also helped re-brand Eswatini Kitchen's products; this resulted in, among other things, a new, more engaging logo and label design. Last year, Eswatini Kitchen participated in the New York Fancy Food Show and was even touted by U.S. Secretary of State Hillary Rodham Clinton as a paragon of

success during a trip to Africa.

TechnoServe continues to help the business focus on food safety, sound financial practices and strong operational management. This offers greater job security to its 35 employees (mostly women, nearly all of whom are their family's sole breadwinner), the 120 children in their care and the many rural producers who supply the company with raw materials.

TechnoServe has also worked with sister company Eswatini Kitchen Honey to build a honey industry in Swaziland. TechnoServe saw the potential for beekeeping to boost the country's economy and created a comprehensive strategic plan for the industry in 2007. Swaziland is home to more than 400 rural beekeepers who collectively harvest 60 tons of raw honey annually. But Swazi beekeepers generally lack the technical knowledge to produce at their full capacity. And they sell most of their honey on the informal marketplace, limiting their potential income.

TechnoServe's initial recommendations included the establishment of a National Honey Council to help create a robust and sustainable industry. The council, co-founded by Eswatini Kitchen Honey and TechnoServe, comprises 13 members, including local beekeeping associations, the Ministry of Agriculture, processing facilities and local non-profit organizations. These groups have worked together to promote policies and conditions that will allow the honey industry to grow. For example, the council worked with the USDA to lift export restrictions on honey from Swaziland, giving Swazi processors potential access to lucrative international markets. In addition, the USDA trained the Ministry of Agriculture's Veterinary Department to identify

and prevent bee diseases and increase bee longevity.

Meanwhile, TechnoServe has worked to build the capabilities of local beekeepers. The organization, in partnership with Eswatini Kitchen Honey and local experts, held a beekeeping seminar that gave each of the 60 participants 16 beehives and trained them to cultivate them and collect the honey, helping to broaden Eswatini Kitchen Honey's supply base. Many of the new beekeepers were orphans or vulnerable children such as Percy, Brian and Nompendulo.

Eswatini Kitchen Honey now buys honey from more than 200 beekeepers annually, and the business continues to work with TechnoServe to train more rural beekeepers. With TechnoServe's assistance, Eswatini Kitchen Honey processed more than 14 tons of honey in 2009, up from about eight tons in 2008. This growth is moving Swaziland closer to becoming a premier honey source in southern Africa.



An Eswatini Kitchen employee bottles honey purchased from rural beekeepers.



West and Southern Africa Regional Director Brent Habig discusses TechnoServe programs at the annual meeting.

TechnoServe held its 42nd annual meeting on June 23, with 14 directors and 13 members in attendance. Guests included Mauro De Lorenzo from the Templeton Foundation and Afzaal Malik from The Coca-Cola Company, who gave a presentation on Coca-Cola's growing partnership with TechnoServe. The Bill & Melinda Gates Foundation introduced Coca-Cola to TechnoServe, leading to a partnership between the three organizations in East Africa, where TechnoServe is working

Annual Meeting Looks to TechnoServe's Future

to connect mango and passion fruit farmers to Coca-Cola's supply chain. TechnoServe and Coca-Cola are also collaborating on the Haiti Hope Project, an effort to build a competitive and sustainable mango industry in Haiti.

Senior TechnoServe staffers – including President and CEO Bruce McNamer, West and Southern Africa Regional Director Brent Habig, Nicaragua Country Director Julio Montealegre, East Africa Regional Director Kindra Halvorson and Coffee Initiative Senior Vice President David Browning – also gave updates on TechnoServe's recent activities.

Members and directors had the opportunity to raise questions about TechnoServe's current work as well as plans for the future. The conversation focused on U.S. and foreign government support, a key potential source of growth. In the coming years, substan-

tial funding will be available for agriculture-focused programs, especially those addressing global food security. This potential new funding will give TechnoServe the opportunity to improve more people's lives by expanding its program offerings.

The members program welcomed eight new participants, each committed to helping the organization through financial support, fundraising assistance and identification of future members. TechnoServe's founder Ed Bullard envisioned the members program, established in 1969, as a select group of people interested in TechnoServe's mission. Today, the organization boasts more than 100 members, with a minimum annual dues requirement of \$1,000. Any TechnoServe donor interested in becoming a member should contact Serap Akisoglu at sakisoglu@tns.org.

Colombian Tourism *(continued from page 2)*

created new market connections that dramatically increased their revenues and expanded the breadth of their services.

These improvements have benefited the entire Nuquí community. Mano Cambiada's programs focus on building relationships between visitors and

locals and celebrating the region's culture. As Mano Cambiada grows, the surrounding villages enjoy new economic opportunities from the increase in tourism. The business either employs or indirectly benefits more than 70 people in the community, who work as tour guides, host visitors in their homes

or sell native goods.

"We used to be a community with lots of unsatisfied needs," Angelica says. "After we received the TechnoServe funding, we have a proper framework for best practices. We can change the point of view of our communities. We have a lot of work to do but we now know how to do it better."

WAYS YOU CAN SUPPORT TECHNOERVE

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.