

Happy New Year!

The economic downturn in 2009 placed significant obstacles in front of poor people across the world, as well as organizations, such as ours, working to help them. Despite this, TechnoServe managed to continue to drive a positive impact in people's lives across the 17 countries where we have offices and to expand into two more: Côte d'Ivoire and Haiti.

Following the terrible tragedy Haiti suffered in January, we continue to wish the best for our staff, partners and clients, and their families and friends as they go about the difficult task of putting their country back together. We believe our work there will help local entrepreneurs acquire the skills and resources they will need to make a meaningful contribution to rebuilding their country.

On a more positive note, TechnoServe already has realized some very noteworthy achievements in 2010.

TechnoServe, the Bill & Melinda Gates Foundation and The Coca-Cola Company recently announced a collaborative effort to help 50,000 small-scale fruit farmers in East Africa to double their fruit incomes by 2014. This program exemplifies a partnership approach to private-sector development in Africa and establishes TechnoServe at the forefront of organizations facilitating socially impacting investments by for corporations and foundations.

Also, I quickly would like to share my excitement over the launch of our online fundraising platform, Ankur: Poverty to Prosperity. In this edition of the World newsletter, you will read about an Ankur-featured program in El Salvador, where TechnoServe is helping sell to markets in the United States. Please visit www.technoserve.org/ankur to learn more about Ankur and its programs.

Once again, thank you for reading and have a great 2010!

Bruce McNamer
President and CEO



Helping Small Fruit Farmers Become Exporters in El Salvador

Just two years ago, Beto Gonzales was almost forced from his land in El Salvador. Now, he is proud to be part of an effort employing 2,000 members of his community, while his food products help Salvadoran migrants in the United States to enjoy the tastes of their homeland. Beto and his fellow producers of *jocote*, a fruit (also known as Spanish plum) native to Central America, had grown accustomed to receiving subsistence wages for the sale of their crops. Each year, the traditional methods Beto applied to grow his fruit became less and less effective. Difficulties fertilizing, collecting and transporting the fruit regularly caused post-harvest losses of about 40 percent. And with middlemen setting the prices

and determining the payment terms Beto and other farmers were left with little incentive to invest in implementing better practices.

Barely breaking even, Beto and his neighbors considered selling the farms they had owned for decades. With more and more workers losing their jobs, crime began to rise as the quality of life declined.

But Beto and his associates were too proud to wilt under difficult conditions. In 2008, he and nine other area *jocote* producers reached out to TechnoServe for assistance, and were incorporate into a broader "Strengthening the Development and Export of Ethnic Products" program. With support from

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TechnoServe is helping these **jocote** producers generate higher incomes and more employment opportunities by linking them to markets in the United States.

Entrepreneur Helps South Africans Eat Better



A new line of potato products is helping Owethu Products and Projects establish a foothold in the frozen vegetables market.

While working in an office job in Pretoria, South Africa, Sindi Mbambo recognized an opportunity to help her community live a healthier lifestyle. Sindi noticed her colleagues were too busy or too sick to prepare nutritious food, and were settling instead for quick, insalubrious meals. So she started peeling vegetables by hand at night and selling them to her coworkers and neighbors in the morning.

“It started as an idea to help people be healthier and eat better,” she says. “I didn’t have any funding, so I would take out the back seat of my car and turn it into a van to make more room for the vegetable containers. I would do it after work and started to love it more and more.”

Sindi credits her tough upbringing for the perseverance she has shown in opening and maintaining a small business.

“I lost my mom when I was very, very young, so I had to make sure that I finished school and could support my younger siblings,” she says. “I could have left the business a long time ago. If it weren’t for my background, I could have been a quitter and someone who is not ready to fight for what she wants.”

Two years after beginning her

venture, Sindi sold her apartment in Pretoria and moved back to her hometown of Pietermaritzburg. From there, she began building a new customer base for Owethu Products and Projects, and trying to break into the more lucrative supermarket supply chain.

“Once I had my first main client, the others followed. But it took perseverance to get my first supermarket client,” Sindi says.

By 2008, she wanted to start competing with the leading frozen food manufacturers in South Africa, but needed assistance. So Sindi entered her idea in *Believe*

Begin Become, a national business plan competition (BPC) organized by TechnoServe/South Africa with support from Standard Bank.

“If my business grows, I will be able to hire more people, to feed more families around the community.”

“Here in South Africa, when you’re a small entrepreneur or business owner, it’s very hard to find funding,” she says. “I joined *Believe Begin Become* to get some ideas of how I could inject change into my business.”

Throughout the BPC process, business mentors enabled Sindi to refine and implement her business plan. They also plugged her into a wider *BBB* network of entrepreneurs and financial institutions.

“The *Believe Begin Become* network has allowed me to find out who’s doing what around South Africa,” she says. “I know now I can pick up my phone and find help quickly.”

Sindi went on to become one of 20

winners, entitling Owethu to vouchers for business development services and entry into a one-year aftercare program. With support from TechnoServe advisors, she signed vegetable supply contracts with Boxer Supermarkets in Pietermaritzburg and Ixopo. Her company also was able to secure more than \$120,000 in loans and seed capital. The much-needed financing helped Owethu grow – taking on more employees and clients – and diversify.

“The cash that I got helped me to upgrade all of my processes, to use better programs for accounting and to buy equipment,” she says. “Before, some of the things were done manually, but then I got some machines to help me push the volume.”

Having graduated from the *BBB* aftercare program, Sindi now sustains the success of Owethu independently. The business is grossing nearly \$20,000 per month, and Sindi is using her profits to reinvest in infrastructure and workforce.

“Before *Believe Begin Become*, I had four employees, and now I have seven,” Sindi says. “We all come from poor backgrounds. In South Africa, there’s no education, there’s no employment. If my business grows, I will be able to hire more people, to feed more families around the community.”

Now operating in a certified-sanitary facility next to the main market in Pietermaritzburg, the Owethu staff peels and packs fresh vegetables for sale to supermarkets and restaurants, among other customers. Sindi sources her produce from a network of suppliers comprising vendors at the market, farmer cooperatives and small independent growers.

“If the market doesn’t have what I am looking for, I will go to the farmers and ask them to grow it for me,” she says. “Then, when it is ready, I will go and buy it from the farm.”

Aside from the traditional Owethu offerings – freshly cut carrots, spinach, cauliflower, broccoli, onions and green beans, among others – Sindi has begun marketing a new line of potato-based products. Two recently released items

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El Salvador Exporters *(continued from page 1)*

the Government of El Salvador's Ministry of Foreign Relations and the US Department of Agriculture, the TechnoServe-led program helps entrepreneurs sell to the Salvadoran migrant market in the United States.

TechnoServe linked the *jocoteros* to PAHNAS, a Salvadoran food processing company specializing in the exportation of ethnic perishable foods, such as pupusas and tamales. PAHNAS had been struggling to find reliable producers to meet its demand for quality *jocote*, and had been purchasing it from local markets after the fruit passed through multiple intermediaries. Sourcing directly from Beto and his fellow growers, who were now producing export-quality fruit with the help of TechnoServe, permitted PAHNAS to cut costs, and increase productivity and competitiveness. With TechnoServe support, PAHNAS also identified new distributors of ethnic products in the United States. Already selling to distributors in Los Angeles, Houston, Washington D.C., New York, Boston and Miami, the company reached out to distributors in Nevada, Arizona, Pennsylvania, Delaware and New Jersey, where there are high concentrations of Salvadorans.

It is estimated that 2.8 million Salvadorans live in the U.S. (43 percent of them on the East Coast), consuming on average nearly \$6,000 worth of "ethnic" Salvadoran products each year, including baked goods, frozen fruits and dairy products. *Jocote*, a sweet, acidic fruit that can be grown in soil with marginal agricultural value, is the most exported fruit from El Salvador to Salvadorans living abroad. It is most often consumed fresh or processed as sweets, marmalades and juices. Capitalizing on this opportunity turned things around for the *jocoteros*. They began to view their fruit as an opportunity for export and started integrating their operations to pool knowledge and resources, and assure the wellbeing of their workers, environment and products.

TechnoServe advisers helped the farmers to implement agricultural best practices, enabling them to increase the value and marketability of their *jocote*. Installing latrines on farmers' plots, for

example, reduced the risk of contamination. Using plastic containers in place of wooden baskets for collection and transport drastically reduced damage to crops. Standardizing grading and accounting systems permitted farmers to better sort and track their fruit. Soon, the annual post-harvest losses disappeared. Equally important, they are setting a good example for other nearby growers.

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"Everyone wants to follow in our footsteps, and we believe in the responsibility to guide others who are seeking help," Beto says. "We have to share everything we have achieved because there is enough for everyone."

The producers also have begun the process needed to receive the Salvadoran Ministry of Agriculture and Livestock's official stamp of approval, a designation that would allow the cooperative to receive higher prices for its produce, become even more competitive and meet a key benchmark for international markets.

In December, special envoys – Ben Rau, a specialist in international programs for the USDA; Luis Sugiyama, principal advisor for the Environmental Protection Agency's pesticide programs; and Chris Walsh of the University of Maryland's Train the Trainers Program – visited Beto on his farm and expressed their approval for the work being carried out there under the Ethnic Products program.

Ethnic Products Program

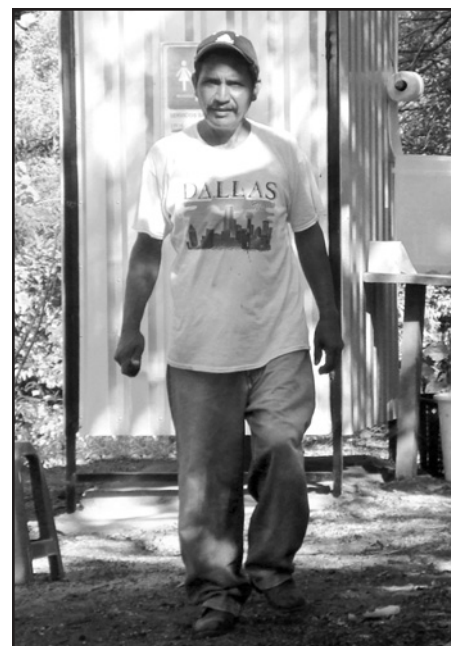
To help entrepreneurial men and women in El Salvador take advantage of the U.S. market through the first-of-its-kind Ethnic Products program, TechnoServe has conducted trainings on best manufacturing practices and is

evaluating potential new clients for inclusion in the current portfolio. Having already completed a study of Salvadoran ethnic products for the eastern U.S. market, TechnoServe is now focusing on production and processing, business management, sales and marketing.

TechnoServe is empowering nine companies currently exporting to the U.S. market, as well as training an additional 30 businesses with the potential to export in the future, helping them to improve their production, processing and export of traditional products. The program is also benefiting rural farmers who produce the source materials needed by these companies. Ultimately, the project aspires to increase Salvadoran exports to the U.S. by \$1.5 million.

To reach its full potential in 2010 and beyond, TechnoServe's El Salvadoran Ethnic Product Export Program needs to raise \$55,000 in matching funds to fully implement its 2010 plan. As such, it is one of the signature programs featured in the Ankur Campaign: Poverty to Prosperity. You can learn more at www.TechnoServe.org/ankur.

By supporting this program in 2010, you will be helping to create 150 new jobs in processing and production.



Beto Gonzales in front of one of the sanitation stations installed with TechnoServe support.

Thank you for your support!

This February, we celebrated our 42st annual gala in New York City. The Celebration of Global Entrepreneurship and Leadership applauded entrepreneurship as an incredible catalyst to lift people out of poverty in developing nations, and recognized the leadership, passion and commitment of thoughtful men and women enabling small business owners worldwide.

We were pleased to welcome the following honorees:

- Beth Burke, Global Vice Chair of Public Policy, Sustainability and Stakeholder Engagement for Ernst & Young



- Goldman Sachs, 10,000 Women Initiative (accepted by Dina Powell, Managing Director and Global Head of Corporate Engagement for the Goldman Sachs Foundation)
- George Siguler, founder of Siguler Guff & Company, LP

- Jeffrey Raikes, CEO of the Bill & Melinda Gates Foundation
TechnoServe would like to express its gratitude to the inspirational group of honorees for their good work and participation in the TechnoServe gala, and to everyone else who made the event possible.

South African Entrepreneur *(continued from page 2)*

include hash-browns – made from potatoes that would otherwise be thrown out – and potato pops, which Sindi describes as being like chicken nuggets but with potatoes.

Owethu's enhanced production capacity also has allowed the business to branch out into selling soup mixes, rice and frozen vegetables.

"This helps because the stock is

kept in the freezers and the freshness is guaranteed," she says. "We must make sure the clients are there with the fresh [vegetables], but the market is much wider with the frozen vegetables."

Even with her mounting accomplishments, Sindi stays true to her original vision. She continues to donate vegetable soups to schools in the surrounding rural areas, "where

they are very, very poor."

The success of the South African *Believe Begin Become* competition is not limited to . Overall, 160 entrepreneurs have received training on developing implementable business plans since 2008, and third-party financial institutions have offered nearly \$1 million in funding to help 20 aftercare participants sustain growth.

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 30 countries.