

Happy New Year! 2009 promises to be a year of significant challenges as well as tremendous opportunities. The economic crisis has affected everyone, and we are struggling to raise critical operational funding. Nevertheless, I have been touched and humbled by the outpouring of support we received as 2008 came to a close. We will continue to build on this in order to make possible our grant-funded programs across Africa, Latin America and India.



We are mindful that in the past 18 months an additional 100 million people have been pulled back into poverty due to the global food and economic crises. Now, more than ever, it is critical that we remain dedicated and focused on helping entrepreneurs build businesses that break the cycle of poverty. This newsletter features a brief article examining what some of our country programs are doing to address these crises.

We are gratified and proud that even in these difficult times, the businesses we work with not only spur economic activity but also provide a social service. This newsletter profiles two businesses that are having a real impact on their communities – Industrial Revelation in Tanzania is producing a revolutionary nutritional supplement to cure malnutrition among children, and Carmela Sacuj's mushroom business is employing women in her rural community.

We are also excited about our new country program in Ethiopia. The opening of the Ethiopia office is an expansion of the coffee work we are doing in East Africa with funding from the Bill & Melinda Gates Foundation.

Thank you again for your continued support. I look forward to sharing more stories of success with you throughout 2009.

Bruce McNamer
President and CEO

Feeding Economic Growth in Tanzania



Industrial Revelation will purchase peanuts from Tanzanian farmers such as these growers in Mtwara.

American-born Navyn Salem always felt deeply connected to her family's homeland of Tanzania. So when she left the advertising industry to start a socially responsible business, she could think of no better place to begin than in its bustling capital, Dar es Salaam.

Navyn's father – who grew up in Dar es Salaam – lost many relatives to disease and starvation when he was growing up. This inspired his daughter to do what she could to save other families from similar tragedy. In 2007 she founded Industrial Revelation, a company dedicated to selling economically and socially viable treatments for malnutrition.

Navyn realized that only a profitable, self-sustaining business could realize these social goals on an ongoing basis. Since she was just learning the entrepreneurial ropes, she reached out

to TechnoServe to help her develop a business plan, identify strategic partners, coordinate feasibility studies and recruit key staff.

Navyn knows that a country must harness its own resources in order to solve its problems.

As a result, Industrial Revelation is now well on its way. It recently partnered with a French company, Nutriset, to produce Plumpy'nut, a supplement proven to cure severe malnutrition. Plumpy'nut is an energy-dense paste made with peanuts, milk powder, sugar, vegetable oil and a

(continued on page 3)

Visionary Entrepreneur Expands Opportunities for Guatemalan Women



Carmela founded **Asociación Visión Maya Mujeres** in 2004 to provide economic opportunities for women in her region.

Above: Carmela (2nd from left) poses with employees in a mushroom warehouse. Right: at work cleaning the mushrooms.



Carmela Francisca Sacuj Matzar is a leader among Mayan women in San Andrés Semetabaj, a poor rural community in central Guatemala. As the founder of an association that produces textiles and cultivates mushrooms, Carmela is helping 50 women to generate income and transform the lives of their families and their community.

Carmela's work ethic developed early. She began to work part-time at age 10 after her father died, leaving her mother to care for 10 children. The family supported itself primarily through subsistence farming, leaving them with no money to pay for their children's schooling. So Carmela had to leave school after the seventh grade to work full-time to help support her family.

Carmela founded **Asociación Visión Maya Mujeres** in 2004 to provide economic opportunities for women in her region. The association originally focused on textile production, but Carmela recognized that this market was already saturated. Determined to tap into a more lucrative market, Carmela attended a one-week agricultural extension course at the local university. There she learned about organic mushroom cultivation, including the burgeoning local and regional demand for Oyster mushrooms.

Carmela's association began pro-

ducing organic Oyster mushrooms in the back room of one woman's home, but their initial production volume and quality proved disappointing. The women secured funds to build 10 small warehouses, but they lacked the technical skills and knowledge to maintain appropriate growing conditions. So they reached out to TechnoServe. Since 2007, TechnoServe has helped them improve the volume and quality of their mushrooms and linked them to more lucrative markets. This has resulted in a doubling of production and a 40 percent increase in net revenues.

Currently, TechnoServe is helping the association begin producing dried mushrooms, which command a much higher price than raw mushrooms. Once the 50 women producers have begun successfully marketing this new product line, TechnoServe will help them to leverage their new expertise to produce other dried fruit products sourced from local farmers. This will diversify the association's income base while also generating more money for the farmers.

The extra income is changing life in the community. Families are working

together to produce mushrooms at home, eliminating the need to travel in search of work, and all of the employees' children are in school.

Carmela's success is a testament to the unlimited potential of female entrepreneurs to drive innovative new industries to transform the lives of the poor.



Asociación Visión Maya Mujeres is selling its mushrooms throughout Guatemala.

Responding to the Financial Crisis

The effects of the global financial crisis and the food crisis that preceded it will be deeply felt for years to come. Nevertheless, TechnoServe is hopeful about the future for our clients. We recently completed a survey of our country program directors to understand how we can help our client businesses best weather this storm, or, when possible, take advantage of new opportunities. Their responses confirmed the possibilities for both. Among them:

- We are helping small-scale dairy producers in Uganda respond to increased export opportunities for milk powder.
- We are helping producers in Honduras to secure additional working capital to contend with delayed payments by supermarket chains, and helping sugar cane growers in South Africa to diversify into less volatile and higher-value horticulture.
- The general weakening of coffee prices is increasing farmer interest in working with TechnoServe to produce higher-value specialty coffees.
- High fertilizer costs are making it

even more important to boost productivity, which remains a major focus of TechnoServe's assistance to many farmers.

Global economic uncertainty is projected to continue for the coming years. Most observers expect that developing nations will suffer from reduced foreign investment, lower remittances from overseas workers and cuts in foreign aid. It is clear that in the months ahead we need to do our utmost to support the world's poor. With your help, we can continue to rise to the occasion.

Feeding Economic Growth in Tanzania

(continued from page 1)

fortified vitamin mixture. It does not need to be refrigerated or mixed with water – two things not readily available in the developing world. Plumpy'nut allows families to treat their children at home, avoiding costly hospital stays that many cannot afford or even access. Most children can recover from severe malnutrition within six weeks on the Plumpy'nut treatment plan.

Navyn knows that a country must harness its own resources in order to solve its problems. TechnoServe helped link Industrial Revelation with local suppliers (most of the ingredients are sourced domestically; the milk powder is from neighboring Kenya and Uganda). Plumpy'nut (which is currently being made in France) will soon be prepared at the new factory in Dar es Salaam and distributed from this home base, reinforcing Navyn's commitment to stimulating economic activity in the region.

The factory will produce enough Plumpy'nut to treat 200,000 severely malnourished children every year in Tanzania and neighboring countries. The factory – on track to open in mid-2009, just in time for the malnutrition that often precedes the annual harvests – is creating more than 30 jobs. Hundreds of local farmers are also benefiting from having a stable market to which they can sell their products.

The factory is also producing several other Plumpy products, some designed specifically for infants and others for less severe cases of malnutrition. They all have the same core ingredients.

TechnoServe will continue to provide support by assisting with the recruitment of factory managers. Navyn believes her company can have the greatest impact on a regional level, so she is exploring opportunities for increased distribution across East Africa.

Visit Industrial Revelation's website (www.industrialrevelation.org) to learn more.



Children such as this Rwandan boy are recovering their health thanks to Plumpy'nut.

TechnoServe Launches its First Program in Ethiopia

TechnoServe has just launched its first-ever program in Ethiopia. It is part of the Coffee Initiative, a four-year project supported by a grant from the Bill & Melinda Gates Foundation to help approximately 180,000 small-scale farmers in East Africa to boost

their income by improving the quality of their coffee. The initiative has already been underway in Kenya, Rwanda and Tanzania. As the birthplace of coffee, Ethiopia offers the potential to greatly expand our reach and improve the lives of many more farmers.

Donor Profile: The Family Legacy Foundation

Patricia Marion and Jim Dulin, co-founders of the Family Legacy Foundation, wanted to invest in a sustainable solution to poverty while building a long-term relationship with an impoverished community. It was important to them to support the development of entire families and communities, rather than give a one-time gift to an individual. On a TechnoServe-arranged trip to Guatemala last spring, Patricia and Jim discovered a cause that truly spoke to them, and they began working with the TechnoServe/Guatemala team and Habitat for Humanity to implement the Bamboo Village project.

The project's inspiration is Nicolas Yax, the owner of a small bamboo fabrication company. He had previously won TechnoServe's nation-

al business plan competition. With support from the Family Legacy Foundation, Nicolas has now moved from a home-based workshop to a factory that is producing bamboo housing materials and furniture.

The Bamboo Village project is creating jobs and income for locals and providing affordable – and environmentally friendly – housing for the community. Nicolas is currently building two model homes made almost entirely of bamboo.

Patricia and Jim plan to make annual return visits to track the project. They are confident that the business will generate economic growth for the community, teaching residents about successful business models and proving that, working together, they can break free from the devastating cycle of poverty.



Jim Dulin (left) and Patricia Marion with Nicolas Yax in Guatemala.

For more information on the Bamboo Village, please visit www.thefamilylegacyfoundation.org.

We've Moved!

Please note that our Norwalk, CT office has moved. Our new address is:

148 East Avenue
Suite 3H
Norwalk, CT 06851

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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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.