Progress Report

2012  A BETTER FUTURE  •  QUALITY COCOA, HIGHER INCOMES  •  GLOBAL OVERVIEW  •  WOMEN’S WORK
A LETTER FROM OUR CHAIRMAN AND PRESIDENT

Poverty deprives families of choices. Sending children to school, eating a nutritious diet, seeing a doctor—poverty can put these options out of reach.

This state of existence is hard. Seeing no exit is worse. In the developing world, millions of otherwise ambitious and enterprising people remain trapped in poverty because they lack access to information, skills or capital. But with the right support, these men and women can harness the power of private enterprise to increase their incomes and improve their lives.

This is where TechnoServe comes in. We help farms, businesses and industries to overcome challenges and become competitive. TechnoServe works with farmers to improve their productivity and the quality of their goods, and to view their farms as businesses, not just a way to subsist. At farming cooperatives, processing plants and other enterprises, we help businesspeople acquire skills that allow them to access capital and create growing businesses. At the industry level, TechnoServe promotes smart policies and forges connections to new markets and sources of financing.

These efforts enable farmers and businesses to create more value from their products. Take, for example, the Flor del Pino cooperative, a group of 25 coffee farming families in the mountains of western Honduras. For years, these farmers sold their crop to local buyers at low prices. TechnoServe advisors helped them grow more premium-quality coffee and connect with European buyers who pay a higher price. These companies don’t buy from Flor del Pino out of charity. They choose Flor del Pino because the cooperative delivers quality coffee that appeals to their consumers. With their higher incomes, the farmers make choices of their own. They eat healthier diets. They send their children to school. They improve their community by helping to install drinking water and electricity. Other farmers see these developments and choose to follow Flor del Pino’s lead.

In this Progress Report, you can learn how this pattern of development is creating benefits across the countries where TechnoServe works. When people escape the cycle of poverty, they have the opportunity to create a better future.

On the cover: Women dump cocoa pods onto a collection pile in Divo, Côte d’Ivoire. For more on TechnoServe’s work with cocoa farmers across the world, see the story at right.
Sweet Success

Break open the skin of a cocoa pod and you’ll find a sweet, sticky pulp. Embedded in the pulp are light-colored seeds that, when fermented and dried, become the key ingredient in chocolate. But these cocoa beans represent so much more to the men and women who cultivate them.

These beans are housing, food, education, health care. They are the livelihood and key to the future for millions of farming families.

TechnoServe works across the developing world to help people realize the full potential of their cocoa trees. At each stage of cocoa production—from planting seedlings to marketing the processed beans—farmers and businesses gain the skills needed to improve the quantity and quality of their crop and sell it for a premium price. With these changes, cocoa can lift poor families and communities out of poverty.

Business Groups Benefit Farmers

Tanzania is one such place where cocoa can change lives. The cocoa grown there has a unique flavor prized by specialty chocolate makers. But many Tanzanian farmers lack the knowledge and tools to care for their trees or properly process the beans. TechnoServe is helping farmers in southern Tanzania to capitalize on the market opportunity for fine cocoa.

With support from Irish Aid and the U.S. Agency for International Development, TechnoServe helped organize 7,000 cocoa farmers into business groups, which allow dozens of farmers to sell their beans collectively and improve their bargaining power. TechnoServe also has introduced the concept of the Central Cocoa Fermentary, where business groups can ferment and dry their beans in bulk, ensuring that quality standards are upheld.

The business groups provide a forum to train farmers on topics such as pruning trees, controlling pests and harvesting the pods. The hard work has paid off: Thanks to these changes, the farmers assisted by TechnoServe have doubled their incomes.

“We now have better standards of living. We have better places to sleep in,” says farmer Eliezeli Ngailo, from the village of Ngeleka. “Basically, our life has changed.”

Impact for Families Worldwide

This transformation is happening in other countries where TechnoServe works. In Honduras, TechnoServe helped resurrect a cocoa industry that was nearly wiped out by disease, weather and low prices. In Nicaragua, smallholder farmers are transitioning to cocoa production with our assistance. In Ghana and Côte d’Ivoire, TechnoServe is part of a regional program, led by the World Cocoa Foundation, that aims to double the incomes of 200,000 cocoa farmers.

These efforts are happening in different places, but they share a common thread: A better bean means a better future for farming families.
Highlights

1. **GUATEMALA** Reducing Waste and Creating Economic Opportunity
   Guatemala City is home to one of the largest and most toxic landfills in Central America, and thousands of people live in neighborhoods bordering the dump site. TechnoServe is helping more than 200 women to form a company to produce organic fertilizer and sort waste for recycling. This effort will help reduce the proliferation of trash and create new sources of income for disadvantaged women who live near the landfill.

2. **BOLIVIA** Hitting a Mark from höher Productivity
   TechnoServe, with support from the Milken-Rispen Challenge Fund, is helping a group of farmers and government officials to produce higher-quality export markets by improving the making process, modernizing plants and welding links to buyers. The farmers have learned to improve the productivity of their cows by producing low-cost, high-quality feed as a result, their incomes have risen 17 percent.

3. **ETHIOPIA** A Young Woman’s Beautiful Future
   Cecilia Natike, 25, owns a beauty salon in the Mathare community, and she is able to pay school fees for her two children. “I don’t depend on someone to give me money,” Cecilia says. “I don’t have to ask anyone to buy me anything.”

4. **GUATEMALA** Côte d’Ivoire’s Creating New Economic Opportunities
   TechnoServe is working to create jobs and market opportunities through the African Cotton Initiative, a four-year project in Ghana, Côte d’Ivoire, Benin, Burkina Faso and Mozambique funded by the Bill & Melinda Gates Foundation and the German Federal Ministry for Economic Cooperation and Development. We are supporting cashew factories that are creating thousands of jobs—more than 60 percent of which are held by women.

5. **HAITI** Crisis to Opportunity
   The farmers have learned to modernize plants and access high-quality feed; as a result, they are able to produce higher-paying export markets by improving the milking process. TechnoServe, with support from the Millennium Challenge Company (MCC), is helping more than 200 women to form a company to produce organic fertilizer and sort waste for recycling. This effort will help reduce the proliferation of trash and create new sources of income for disadvantaged women who live near the landfill.

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CÔTE D’IVOIRE

Business Plan Competition Promotes Reconciliation
Côte d’Ivoire has suffered from years of political instability, violence and economic disparities between the northern and southern regions. A TechnoServe business plan competition, supported by the World Bank, is an investment in restoring confidence and encouraging entrepreneurship to launch business ventures. The competition offers new opportunities for young people in rural areas and bridge the divide between north and south.

WHERE WE WORK

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UPDATE: WOMEN

OPPORTUNITIES FOR WOMEN LEAD TO STRONGER FAMILIES AND COMMUNITIES

Women’s Work

When Ivania Ruiz Balmaceda lost her husband in a car accident 12 years ago, she faced a desperate situation. Like most women in her town of Las Delicias, Nicaragua, Ivania had focused on keeping a good home and raising her children while her husband supported the family.

Now, alone, Ivania struggled to piece together a living, picking crops on her neighbors’ farms and borrowing money in order to feed her children and keep them in school. In 2010, TechnoServe began working with a group of vegetable farmers in Las Delicias—all men—to improve the quality of their produce and connect them to better markets. TechnoServe advisor Elia Moreno noticed that many of the women worked on the farms just as hard as their husbands. She began training a group of women to grow their own crops.

New Skills Bring New Income

Ivania was one of these women. She learned how to produce vegetables that would meet the quality standards of a major supermarket chain. The women also learned business skills that helped them run their own cooperative.

In 2011, Ivania harvested her first tomatoes and earned $2,000—money that she used to send her three daughters to school, buy a refrigerator and invest in her farm.

“We can talk with the men in the community about agriculture because we know how to produce,” Ivania says. “We have learned how to earn a living.”

In Nicaragua, TechnoServe advisor Elia Moreno (at right) with Ivania (center) and Oneyda Matamoros.

“In Nicaragua, TechnoServe advisor Elia Moreno (at right) with Ivania (center) and Oneyda Matamoros.”

“Ivania’s story demonstrates why women are the linchpin in the effort to end global poverty. When women are given the opportunity to earn income, they gain influence within their households and communities. Women spend the money they earn on nutritious food, education and medical care—exactly the type of investments that bring about long-term benefits and help families break the cycle of poverty.

Helping Women to Succeed

For these reasons, TechnoServe is promoting economic opportunities for women in developing countries. We are working to equip women entrepreneurs with the skills they need to run thriving businesses in places such as Uganda and Guatemala. In farming communities, we are helping women to increase their incomes and take leadership roles in industries such as coffee and fruit production.

Through this work, TechnoServe helps women improve their families’ lives, regardless of the barriers they face. These efforts can help more women like Ivania to close the gender gap and control their own destiny.