

LETTER FROM THE PRESIDENT



For over 50 years, TechnoServe's cutting-edge business approach to poverty has transformed the lives of millions. A key to our success is the support of donors like you,

who have helped create long-lasting change for enterprising women and men across the developing world.

In this issue of *World*, you will discover how TechnoServe is helping smallholder farmers and processors cultivate cashew to create significant economic growth in Benin and Mozambique.

You will also meet Beatrice Njau, a coffee grower in East Africa who tripled her farm's production after participating in a training program developed by TechnoServe and Nespresso. This program uses a unique green coffee-sourcing approach that focuses on quality, sustainability, and productivity.

In Nairobi, you will see how a smartphone app that tracks sales and inventory is helping micro-retailers increase profitability and drive economic growth in their communities. You will also meet Dave Hale, who is leading TechnoServe Labs, a new initiative that is developing and testing technology to deliver our mission at a greater scale.

These stories illustrate the lasting, positive change that your generosity is creating — and for that you have my deepest thanks.

Sincerely

William Warshauer
President and CEO

Cashew is Key: Crop Alleviates Poverty in Benin and Mozambique



In Benin and Mozambique, cashew is more than just a nut. *"It's a source of income. It's a source of life,"* says Américo Uaciquete, a researcher at Mozambique's Institute for the Promotion of Cashew. Amadeus Machado, a smallholder cashew farmer, echoes this reality: *"People are starting to believe that cashew is now the best thing to save us from poverty."*

As global demand for cashew increases, TechnoServe is working with smallholder farmers, traders, and processors to help increase their incomes, grow their businesses, and secure a brighter future.

In the mid-seventies, Mozambique was the world's leading cashew nut producer. By the late nineties, after a 16-year civil war, it was barely registering on the global cashew map. Recognizing the potential to rebuild, TechnoServe worked to overcome the country's challenging business environment. We partnered with business owners to reopen one factory, which increased income for farmers and created jobs in the processing facility. Leveraging this success, TechnoServe helped enterprising owners attract new investment, including funding from the U.S. Department of Agriculture.



Cashew crops have meant increased prosperity for smallholder farmers like Amadeus Machado.

Today, Mozambique has 18 cashew-processing factories in which women hold 80 to 90 percent of all jobs. Some 1.4 million smallholder farmers earn a sustainable living by growing the nut.

Although cashew is Benin's second largest export crop, farmer productivity and local processing remain far below potential. Launched in 2015, TechnoServe's BeninCajù project is addressing these barriers to success. To increase their yields, growers are trained in best practices. They go on to supply raw materials to new processing facilities, where owners have learned how to create solid business plans that support growth and secure funding.

BeninCajù's goal is to create nearly 4,000 jobs — 70 percent for women — and improve the income of almost 50,000 producers, or 25 percent of all cashew farmers. *"I am convinced this story has a great future,"* says Gaston C. Dossouhoui, Benin's Minister of Fishing, Agriculture, and Animal Industry.

Beneficiary Spotlight: Beatrice Njau

NAIROBI



Living in Nairobi with her husband and son, Beatrice Njau was struggling with her business. Her

father invited her back home to manage part of the family coffee farm, which had fallen into disarray. Determined to succeed, Beatrice participated in the Nespresso AAA Sustainable Quality™ Program, a partnership between TechnoServe and Nespresso that addresses the market and production challenges of coffee in East Africa.

Beatrice learned how pruning and stumping trees could increase her yields and about the importance of pest control, composting, and using the appropriate fertilizer. Training in erosion control and record-keeping ensures her farm's sustainability and profitability.



Beatrice Njau revitalized her family coffee farm and tripled production.

Within one year, Beatrice doubled production. Within two years she *tripled it*. She has used her earnings to buy nutritious food for her family and make repairs on her

house. Her husband, proud of her accomplishments, gave her a pressure-cooker. The appliance — which few, if any, households in their community own — has slashed the time Beatrice spends preparing meals from hours to just 30 minutes. Now that she has more time to focus on her farm, she is aiming to buy a bigger water tank that will provide the irrigation needed to grow vegetables to sell at a local market. She also plans to purchase more cows so she can sell milk for additional income.

Unlike many other women in the program, Beatrice considers herself lucky to always have had decision-making power in her business. Her success has inspired her fellow trainees to negotiate with their husbands to independently manage sections of their farms.

Digital Revolution Reaches the Corner Store: Mobile Tools Help Micro-Retailers

NAIROBI



The Hope Shop is a small “duka” located in a Nairobi suburb. It carries groceries and other basics that local

residents need. However, the owner, Peninah Karemi, struggled to turn a profit. With limited record-keeping skills, she did not correctly record and calculate sales and expenses or monitor inventory. She often did not realize she was out of an item until a customer requested it.

Without accurate data, shopkeepers like Peninah can't make good business decisions. TechnoServe looked to see if mobile tools could help them overcome these challenges. With support from Citi Foundation and the elea Foundation, TechnoServe's Smart



Peninah Karemi uses a mobile app to track her store's sales and inventory. With more accurate record-keeping, she's been able to boost profits.

Duka training and entrepreneurship program sought to answer that question.

Partnering with a Kenyan technology firm, TechnoServe developed a smartphone app to track sales and inventory information. Peninah was one of 31 entrepreneurs trained in its use.

During a 10-month pilot program, she captured nearly 70 percent of all sales — a significant improvement. With more complete information, Peninah was able to increase the Hope Shop's profitability: *“Currently, I am aware of what my profit margins are on a daily basis, and this has helped me to make more informed business decisions,”* she tells us.

Mobile tools have enormous potential to benefit more shop owners like Peninah — and their communities. As businesses become more profitable and grow, they generate more jobs and broaden the range of products and services available to communities where large retailers don't operate.

TechnoServe Impact

2018 highlights another impressive year of transformative results. Thank you for supporting us in creating self-sustaining, long-lasting change.



TechnoServe Labs: New Initiative Leverages Technology for Greater Social Impact

Dave Hale is the director of TechnoServe Labs, a new initiative dedicated to develop and test technology-based solutions that will help us to scale our impact as an organization.

Q. Tell us what brought you to TechnoServe.

A. I believe in using market forces to scale social impact. That's TechnoServe at its core — connecting enterprising people to information and markets to alleviate poverty.

Q. What is your vision for TechnoServe Labs?

A. I'm looking to work within our larger focus sectors, to understand where technology can be used to create the most scale. TechnoServe already has a great track record of testing and



implementing new technologies. In Rwanda, I had the chance to see the SMS beekeeping solution that TechnoServe developed for coffee washing collectives — this is a great example of a solution that increases transparency for banks and cooperatives, making it easier and cheaper to get working capital.

Q. What would you want people to know about you?

A. Recently, I converted a 1994 Ford Ranger pickup into an electric truck by pulling out the engine and replacing it with an electric motor. With so many engineers in Silicon Valley, it gets a lot of attention.

Tax-Smart Ways to Make an Impact

MAKE A DONOR-ADVISED FUND RECOMMENDATION

If you have a donor-advised fund (DAF), you can request a one-time or monthly gift to TechnoServe. Your tax-deductible DAF contributions can be invested for potential growth.

MAKE AN IRA DISTRIBUTION

Are you at least 70½ years of age? If so, you can make a gift of up to \$100,000 directly to TechnoServe through a charitable IRA rollover, without owing any income tax on the distribution. A charitable IRA rollover can be used to satisfy required minimum distributions.

Did You Know?

You can make a gift from your donor-advised fund directly to TechnoServe by using DAF Direct.

MAKE A GIFT OF STOCK

By giving a gift to TechnoServe in the form of stocks or other appreciated assets, you can avoid paying capital gains tax, while making an impact for people across the globe. To make a gift of stock today, contact Katie Seigle at kseigle@tns.org or (202) 650-5717.

MAKE A GIFT TO CHARITY IN MY WILL

Many of our supporters like to include TechnoServe in their estate plans to invest in TechnoServe's future and make a meaningful and lasting impact on millions of women and men in the developing world. For more information about bequests and other planned giving options, contact Andrea Stepanski at astepanski@tns.org or (202) 719-1331 or visit our website at www.technoserve.org/planned-giving.

We have been awarded an "A" rating by Charity Watch and recognized by Guide Star's highest level of recognition the Platinum Seal of Transparency.



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BUSINESS SOLUTIONS TO POVERTY

Since its inception in 1968, TechnoServe's work to create business solutions to poverty has benefited millions of people in more than 40 countries. TechnoServe is a private, nonsectarian, nonprofit organization, as defined by IRS code section 501(c)(3). TechnoServe is a member of America's Charities. Contributions to TechnoServe are tax deductible to the extent permitted by law.