



**TechnoServe**  
BUSINESS SOLUTIONS TO POVERTY

# WORLD

A Newsletter For Friends Of TechnoServe • Fall 2012

For those of us who live in wealthy countries, it's easy to take small businesses for granted. They are the backbone of our economy. We buy products and services from them on a daily basis.



In the developing world, small businesses face a number of obstacles that their counterparts in the rich world do not. These places have plenty of enterprising people, but they are held back by a lack of information and business skills. There are few entrepreneurs for these people to emulate. Access to financing and markets is a constant challenge.

As part of our efforts to help build competitive businesses, TechnoServe works to find promising entrepreneurs and help them grow their companies. Through the years, we have learned what works and what doesn't. Impulsa Tu Empresa, the entrepreneurship development program detailed in this month's newsletter, represents another step forward for TechnoServe and the businesses we assist.

This program is targeting the most promising small and growing businesses across four countries in Central America and Africa. Our experience has shown that intensive support, combined with assistance in connecting to markets and sources of financing, can unleash the potential of small businesses. These businesses not only create jobs and economic opportunities, they serve as examples for others in their communities.

Ultimately, small businesses can be the economic engine that lifts families and communities out of poverty. And your generous contributions help these businesses gain the skills and connections they need to grow. Thank you for your support.

*Bruce McNamer  
President and CEO*

## A New Boost for Entrepreneurs in Central America and Africa



Verónica Bucardo and Julio Baltodano, co-founders of Nicaraguan-based leather and textile manufacturer IKO Imagen, inspect an employee's stitching work.

In 2010, university student Julio Baltodano surveyed the local apparel industry in Managua, Nicaragua, and devised a clever business idea. Together with his friend Verónica Bucardo, Julio envisioned IKO Imagen as a leather and textile manufacturer that would specialize in handbags and brand merchandising, or placing company logos on t-shirts and other products.

But like most aspiring entrepreneurs in developing countries, Julio and Verónica faced daunting challenges, including a lack of business skills and barriers to finance for a business of their size — too large for microfinance and too small for traditional bank loans. IKO Imagen may have never seen the

light of day had Verónica not heard about Idea Tu Empresa (“Design Your Business”), a TechnoServe program that used business plan competitions to help entrepreneurs transform good ideas into thriving businesses.

IKO Imagen entered the competition in Nicaragua that year and won. The fledgling business received support and training from experienced advisors as well as some much-needed seed funding. A \$10,000 award allowed IKO to invest in several pieces of industrial equipment, including a leather embroidery machine.

Today, IKO Imagen has 12 full-time employees and has grown its annual

*(continued on page 3)*

# Peace Pays: Rebuilding Livelihoods in Northern Uganda

Joska Aweko's life has been indelibly affected by conflict. For two decades, the Lord's Resistance Army terrorized the people of northern Uganda. Joska and hundreds of thousands of others were forced from their homes and into government-run camps, where disease, hunger and violence were rampant.

When the conflict abated, Joska, a mother of eight, was one of the first people with the courage to return to her home village of Amilobo. Some nights, she and her family slept in the bush out of fear that LRA rebels would ransack her home and kidnap her children.

**TechnoServe is helping more than 8,500 cotton farmers improve their incomes and recover from a destructive civil war.**

But security has returned and Joska has reestablished her farm. With money from cotton, the area's main



Joska Aweko sits in her new home, which she is building with profits from her cotton crop. With support from Edun, TechnoServe is working with smallholder farmers to improve farming and business practices.

cash crop, she has been able to send her children to school and imagine a better future for them.

"We are praying that peace will stay here forever," Joska says.

Joska is one of more than 8,500 Ugandan farmers who are rebuilding their livelihoods through the Conservation Cotton Initiative. TechnoServe is helping these smallholder farmers to improve their incomes and recover from the destructive conflict. The Conservation Cotton Initiative is supported by Edun, a global fashion company committed to a trading relationship with Africa.

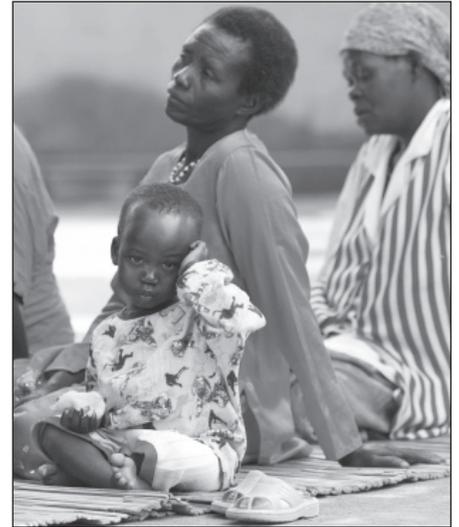
Edun understands that healthy farming communities are vital to Africa's success. The Conservation Cotton Initiative reflects Edun's commitment to building long-term, sustainable growth opportunities in the places that need them most.

This program aims to help farmers and farmer groups improve their cotton yields and connect to better markets. We are also working with farmers to improve the quantity and quality of staple crops such as corn, beans and groundnuts, giving families greater food security.

On Sept. 21, the world celebrated Peace Day, giving this work a special significance. Conflict and poverty are inextricably linked. As Paul Collier describes in his book "The Bottom Billion," conflict is one of the traps that keeps poor countries poor. It's a vicious cycle — civil war reduces incomes, but poverty also heightens the risk of civil war.

On the other hand, economic growth reduces the risk of conflict. TechnoServe has seen this throughout our history, in countries such as Nicaragua and Mozambique. Giving people the opportunity to earn a living is one of the best ways to guarantee a lasting peace.

In northern Uganda, the Lord's Resistance Army denied people this opportunity. Led by Joseph Kony, the rebels carried out an unspeakably brutal campaign, mutilating civilians and abducting thousands of children. At the height of the conflict, 1.7 million



The Conservation Cotton Initiative is helping farmers in northern Uganda to create a better future for their children.

Ugandans lived in government-run camps, where they had no way to make a living and relied on handouts for food.

Kony, who became a household name earlier this year after the release of Invisible Children's "Kony 2012" video, remains at large, and the LRA continues to prey on border regions in neighboring countries.

But northern Uganda has enjoyed peace in recent years, and with it, the opportunity to rebuild. People like Joska are gaining the skills that will allow them not just to survive, but to prosper.

Joska is a member of the Amilobo Growers Cooperative Society, a 110-member farmer group that formed in 1985 but collapsed during the war. As the members returned to their land from the camps, they re-launched the cooperative to market their cotton collectively.

Through the Conservation Cotton Initiative, TechnoServe business advisors are showing members of Amilobo proper farming techniques for cotton and staple crops, such as planting seeds in rows and controlling pests by spraying their crops. We are helping to strengthen the governance of farmer groups and connect them to markets. The members of Amilobo now see farming as a business, not just a means of subsistence.

*(continued on page 3)*

## A New Boost for Entrepreneurs *(continued from page 1)*



Verónica Bucardo displays IKO Imagen merchandise at a trade fair. With TechnoServe's help, the entrepreneur and her partner were able to turn a business idea into a thriving company.

sales by 50 percent. The company boasts several high-profile clients for its brand merchandising services, including the local divisions of Citibank, Walmart and Save the Children. IKO has also launched a separate brand of personalized products and branched out into accessories for the banking industry.

“TechnoServe’s support has been vital for IKO Imagen,” says Verónica, who serves as IKO’s general manager. “It has allowed us to execute our original business plan.”

Now that IKO Imagen is an established enterprise, it’s primed for the next phase of growth. Verónica has several goals: improve IKO’s raw material supply chain, connect with new markets in Central America and find additional sources of finance.

That’s where TechnoServe’s new program Impulsa Tu Empresa (“Boost Your Business”) comes in. Supported by the Argidius Foundation, Impulsa Tu Empresa is a business accelerator program designed to help more than 800 small and growing businesses fast-track their development. Launched in late August in Nicaragua, Honduras and Guatemala — and scheduled to launch by the end of the year in Burkina Faso in West Africa — the program will assist high-potential businesses by providing mentoring, market connections and access to capital.

TechnoServe’s research and experience show that small and growing businesses drive economic growth in their communities because they generate jobs, income opportunities and key

products and services. In developing countries, where there are more obstacles to success and fewer role models for entrepreneurs to follow, programs like Impulsa Tu Empresa are effective tools for breaking the cycle of poverty.

**By 2017, Impulsa Tu Empresa aims to increase sales by \$13 million and generate 750 new jobs across four countries.**

Promising entrepreneurs were invited to apply to Impulsa Tu Empresa by Oct. 31. The program primarily focuses on existing businesses like IKO Imagen that have annual sales between \$20,000 and \$2 million. The winners, determined by a panel of qualified judges, will receive 10 months of mentorship and support.

“Business experts will work closely with the entrepreneurs, sharing knowledge, counseling them and helping them be more competitive,” says Oscar Artiga, Central American regional director for the program.

By 2017, Impulsa Tu Empresa aims to increase sales by \$13 million and generate 750 new jobs across the four countries. By delivering the tools, information and connections that entrepreneurs need to overcome challenges, the program will help establish small and growing businesses as catalysts of economic growth for years to come.

## Rebuilding Livelihoods in Northern Uganda *(continued from page 2)*

As TechnoServe works to improve farming and business practices, we are partnering with Invisible Children to deliver adult literacy training and helping communities dig boreholes for drinking water. Invisible Children is also working with farmer groups to establish Village Savings and Loan Associations (VSLAs), which allow community members to pool their savings and issue loans.

Joska is the chairwoman of the Amilobo VSLA. Before, she says, farm-

ers would keep money in their homes, if they saved any at all. Now they have an incentive to save, and the loans help others meet short-term needs.

Meanwhile, Joska and others are increasing the amount of cotton they plant as they see firsthand the benefits of their improved practices. With better productivity, Joska is selling groundnuts and beans in the local market for the first time, giving her family an additional source of income. She and other members of the Amilobo coop-

erative have learned to work together, sharing information and working to obtain maximum value for their crops.

Ten years ago, to walk on the roads of Amilobo was to put your life at risk. Today, children walk these roads to school. Trucks move products to market. Without security and stability, these improvements would not have been possible. As the people of northern Uganda work to maintain peace and prosperity, the story of Joska and her fellow cotton farmers shows that peace pays.

# Make a Lasting Impact through Planned Giving



Every day, TechnoServe is making a difference around the globe as we partner with enterprising men and women to build competitive farms and businesses that help lift their families and communities out of poverty.

If you believe that our work is important and should continue, we invite you to consider including TechnoServe in your estate plans. Remembering favorite charitable and nonprofit organizations in your planning is a powerful expression of your values — and reminds your family and friends about the difference you have made in the world.

There are many giving options to choose from, including naming TechnoServe in your will, setting up charitable gift annuities and designating bequests from your retirement plan. Your legacy gift can provide financial benefits to you and your family while ensuring that TechnoServe continues to make an impact for generations to come.

To learn more about the various ways you can make a planned gift to TechnoServe, please contact Darlene Brown at 1-800-99-WORKS. You've already begun to leave a legacy. Make it one that truly matters.

Your support helps TechnoServe assist people like Fatima del Rosario Estrada, who is able to buy nutritious food for her family in northern Nicaragua with the income she earns from producing compost.

## WAYS YOU CAN SUPPORT TECHNOSERVE

### 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**  
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Paul E. Tierney, Jr., Chairman  
Bruce McNamer, President and CEO

For more information, contact us at 1 Mechanic Street,  
Norwalk, CT 06850 • (203) 852-0377 or (800) 999-6757  
email: [technoserve@tns.org](mailto:technoserve@tns.org) web: [www.technoserve.org](http://www.technoserve.org)

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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.

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