

Our Impact 2012 Annual Report



TECHNOSERVE
BUSINESS SOLUTIONS TO POVERTY



OUR MISSION

We work with enterprising people in the developing world to build competitive farms, businesses and industries.





“What gets measured gets done.” It’s a truism in business. At TechnoServe, we want to achieve real, sustainable impact in the lives of families across the developing world. Measuring that impact properly is the first step.

Our mission is to work with enterprising people in the developing world to build competitive farms, businesses and industries. We consistently measure our direct impact in terms of financial benefits—new sources of income that help families improve their lives. This impact can jumpstart self-sustaining economic growth that creates opportunities for future generations. And it provides the basis for TechnoServe and others to replicate and scale our successes.

In this Annual Report, we’re proud to share our new system for measuring the direct results and impact of our work. Measurement has always been a key focus for TechnoServe. It speaks to our core values of integrity and results. As we have grown rapidly in recent years, we have seen the need for a more consistent, systematic way to measure our impact across programs. We want to hold ourselves accountable for achieving our mission and creating impact.

While it is still a work in progress, our new system builds and improves on what we have done in the past. We are focusing on indicators that closely reflect our mission:

- **Participants:** Who is better off because of our work?
- **Financial benefits:** How much have farm and business revenues increased? How many new jobs and wages have been created?
- **Sustainability:** Are these benefits lasting? We use finance mobilized—loans to or investment in the farms, businesses and industries we support—as a key indicator of sustainability. Third-party financing shows that the market players we support are building competitive enterprises and developing relationships that will outlive TechnoServe’s involvement.
- **Efficiency:** How much economic impact does each dollar we spend generate in the communities where we work? We use this measure at the program level to facilitate learning and drive decision-making across the organization.

The new system will help us measure our reach and the economic impact that our work sets in motion. By measuring progress against our mission more precisely, we believe we can move closer to realizing our vision of being the most effective catalyst and partner for transformative, on-the-ground, market-based solutions to poverty.

These improvements come at a time when governments, businesses, donors and nonprofits all are examining and refining how they measure socioeconomic impact. We want to contribute to the discussion and ensure that we are delivering value for our donors’ money.

As we strive to increase our impact, we aim to reinforce the culture of learning within TechnoServe. We designed the measurement system so that the information would be practical and simple to collect and report. Measuring against objectives allows us to course-correct and improve our programs for greater impact. And the standardized results will help stimulate discussion and learning across different countries and continents.

Our emphasis on rigorous and consistent reporting shows that we value results—and thus are more likely to achieve them. These initial improvements can spark a cycle of development that transforms lives on a large scale. By focusing on measurement, we enhance our ability to create business solutions to poverty.



Bruce McNamer
PRESIDENT AND CEO

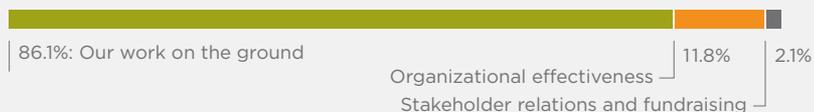


Tim McLellan
CHIEF OPERATING OFFICER

2012 AUDITED FINANCIAL HIGHLIGHTS

ACCOUNTABILITY

We spend each dollar raised as follows:



<i>In thousands</i>	2012	2011
Program investment		
Program services	\$ 65,329	\$ 54,100
Support services	8,938	8,491
TOTAL PROGRAM INVESTMENT	\$ 74,267	\$ 62,591
Fundraising	1,577	1,555
TOTAL PROGRAM INVESTMENT AND FUNDRAISING	\$ 75,844	\$ 64,146
Support and revenue		
Private funding	\$ 38,768	\$ 35,011
<i>Individuals</i>	3,167	3,596
<i>Foundations/Corporations</i>	35,601	31,415
Governments and multilateral organizations	29,870	20,781
Contributed services	5,268	3,312
Other	458	375
TOTAL SUPPORT AND REVENUE	\$ 74,364	\$ 59,479
Asset, liability and net asset summary		
Cash and cash equivalents	\$ 2,295	\$ 2,708
Cash and cash equivalents subject to donor restrictions	42,629	33,227
Other assets	12,333	11,810
Liabilities, deferred revenue and restricted net assets	55,280	44,690
FUND BALANCE	\$ 1,976	\$ 3,055

See our full financial statement at technoserve.org/2012financials

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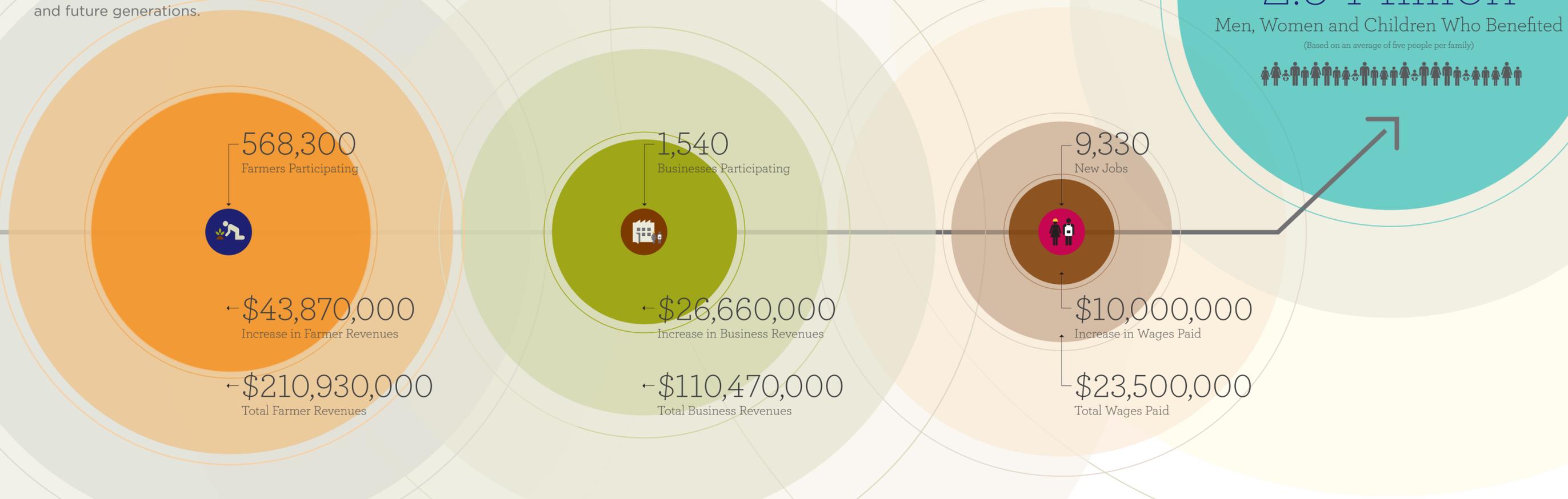
*as of June 2013

Small beginnings, big impact.

How TechnoServe's work benefited 2.9 million people in 2012

In 2012, TechnoServe worked with enterprising people across **more than 30 countries** to build competitive farms, businesses and industries. These efforts helped generate increases in income that benefited **2.9 million people**—sustainable impact for families and future generations.

2.9 Million
Men, Women and Children Who Benefited
(Based on an average of five people per family)

Higher Revenues for Farmers

WE WORK TO STRENGTHEN MARKET SYSTEMS SO THAT SMALLHOLDER FARMERS CAN SUSTAINABLY INCREASE THEIR INCOMES.

On the ground: In Kenya and Uganda, smallholder farmers are discovering new value from mango and passion fruit. Through Project Nurture, a partnership with The Coca-Cola Company and the Bill & Melinda Gates Foundation, TechnoServe is working with fruit farmers to improve productivity, develop strong farmer business groups and find new market connections. Together with local partners, we are laying the groundwork for a thriving, sustainable industry that can help farming families lift themselves out of poverty.



Last year, TechnoServe worked with **48,497 farmers**. The 17,927 farmers who adopted our recommended practices for at least one season generated **\$5.36 million** in incremental revenues from mango and passion fruit.



Higher Revenues for Businesses

WE HELP ENTERPRISING PEOPLE BUILD AND EXPAND BUSINESSES THAT PROVIDE ECONOMIC OPPORTUNITY.

On the ground: TechnoServe is working with promising small and growing businesses in Chile to achieve their potential. Through Anglo American's Emerge program, implemented by TechnoServe and the Adolfo Ibáñez University, we provided one-on-one consulting to help entrepreneurs develop business plans, build critical skills and access markets and sources of financing. This support is allowing the businesses to thrive and expand. After one year of assistance, the **72 businesses** assisted by



TechnoServe generated **\$2.56 million** in incremental revenues in 2012. These businesses are creating job opportunities and providing key products and services in communities where Anglo American operates.



New Jobs, Higher Wages

WE TARGET INDUSTRIES WITH THE POTENTIAL TO CREATE JOBS ON A LARGE SCALE IN POOR COMMUNITIES.

On the ground: TechnoServe is supporting the development of a competitive cashew industry that is revitalizing communities in West Africa. As part of the African Cashew Initiative—a four-year project funded by the Bill & Melinda Gates Foundation and the German Federal Ministry for Economic Cooperation and Development (BMZ), along with a range of private-sector companies—we are helping to establish or expand cashew-processing factories in Ghana, Côte d'Ivoire, Benin and Burkina Faso. These factories are providing market



opportunities for farmers and creating thousands of jobs in rural areas. In 2012, we provided intensive support to 18 processors that created **4,488 new jobs**—nearly 75 percent of which went to women—and paid **\$2.32 million** in incremental wages to all employees.



Sustainability

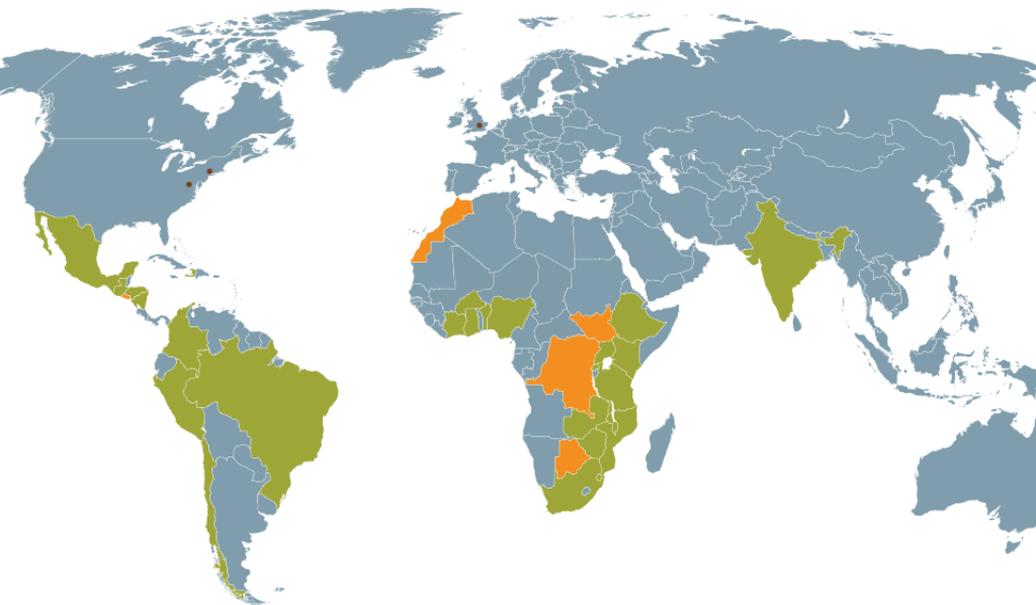
WE BUILD SOLUTIONS THAT LAST AFTER OUR INVOLVEMENT ENDS.

On the ground: We measure private sector investment in the farms, businesses and industries we support to determine whether the benefits created through our work are sustainable. Third-party financing shows that the market players we support are building competitive enterprises and developing relationships that will outlive TechnoServe's work. In 2012, we helped mobilize:



\$26,230,000
in financing to farmers

\$17,430,000
in financing to businesses



WHERE WE WORK

Active Countries

Benin	South Africa
Brazil	Swaziland
Burkina Faso	Tanzania
Chile	Uganda
Colombia	Zambia
Côte d'Ivoire	Zimbabwe
Ethiopia	Emerging Countries
Ghana	Botswana
Guatemala	Democratic Republic of the Congo
Haiti	El Salvador
Honduras	Morocco
India	South Sudan
Kenya	Offices
Malawi	London
Mexico	Norwalk, CT
Mozambique	Washington, DC
Nicaragua	
Nigeria	
Peru	
Rwanda	

TechnoServe works with enterprising people in the developing world to build competitive farms, businesses and industries. We are a nonprofit organization that develops business solutions to poverty by linking people to information, capital and markets. Our work is rooted in the idea that given the opportunity, hardworking men and women in even the poorest places can generate income, jobs and wealth for their families and communities. With more than four decades of proven results, we believe in the power of private enterprise to transform lives.

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