

# 2017 Impact Report



# Sharing Prosperity



# 50 Years of Lasting Impact

Founded in 1968, TechnoServe has been a leader in harnessing the private sector to transform lives for five decades. We take a holistic approach to agricultural and enterprise development in order to catalyze inclusive economic growth that doesn't leave anyone behind.

## OUR MISSION

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

Poverty is complex, but not intractable. Our experience shows that markets can work for the poor when the right incentives, capacities, and linkages are in place to maximize value and inclusiveness over the long term.

TechnoServe designs development interventions starting with a rigorous analysis to identify market failures and their root causes. We address these constraints by providing technical assistance, strengthening local businesses and institutions, and facilitating lasting relationships between market actors. We partner with public and private stakeholders to align incentives and achieve systemic change, often working with leading corporations to create shared value for all market participants. And we meticulously measure the effects of each intervention, scaling those that deliver the greatest impact.

Whether we are working with smallholder farmers in Benin to optimize value from their cashew harvest or assisting women entrepreneurs in Brazil to grow their businesses and create prosperity in their communities, our documented results bear out the effectiveness of this approach.

As our 2017 Impact Report shows, TechnoServe programs working to strengthen agricultural value chains generate transformative financial benefits for farmers, businesses, and employees. Likewise, our entrepreneurship programs contribute to inclusive economic growth, ensuring that women have equal access to opportunities.

We are proud of our impact—and we confidently stand behind it. We have fine-tuned our measurement system to the highest standards of rigor, and we are increasingly investing in external impact evaluations, including randomized controlled trials. In 2017, we also commissioned an impact audit of several TechnoServe projects, adding to the growing body of evidence that TechnoServe delivers real and lasting impact.

We invite you to explore our Impact Report in these pages and then dig deeper at [technoserve.org/impact](http://technoserve.org/impact).

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# 2017 Impact Results

## FINANCIAL BENEFITS



# \$189 million

in increased revenue and wages generated as a result of TechnoServe's work

## BENEFICIARIES



# 461,000

people and businesses who saw increased financial benefits as a result of our work, positively impacting the lives of 2.3 million people

## WOMEN BENEFICIARIES



# 37%

of beneficiaries were women or women-owned businesses

## FINANCE MOBILIZED



# \$28 million

in loans and equity provided to farmers and businesses by the private sector with TechnoServe's facilitation



To learn more about these metrics and how we calculate them, visit us at [technoserve.org/impact](http://technoserve.org/impact). We also invite you to explore our interactive impact portal, which disaggregates our results by country, region, and project.

# Our Global Impact in 2017

TechnoServe's work has broad-reaching impact, both in geographic scope and the opportunities we create for people and businesses to access value in a market. This map shows our impact across the regions for our four indicators. Latin America and the Caribbean generated the most in financial benefits in 2017, for the second year in a row, while East Africa and Southern Africa reached the most beneficiaries. Asia and West Africa are growing regions where we are starting to see a substantial uptick in our impact.

MAP KEY	
	Financial Benefits
	Beneficiaries
	Women Beneficiaries
	Finance Mobilized

## Latin America and the Caribbean

	\$78M
	64,000
	37%
	\$15M

## West Africa

	\$17M
	33,000
	36%
	\$8M

## East Africa

	\$41M
	224,000
	38%
	\$2M

## Asia

	\$10M
	27,000
	47%
	\$2M

## Southern Africa

	\$43M
	113,000
	34%
	\$1M

# Expanding Opportunities in Agriculture

TechnoServe takes a holistic and inclusive approach to agricultural development. Whether we're working in coffee, dairy, cashew, maize, or cotton, we analyze the entire market system to identify areas that constrain growth or exclude smallholder farmers and other market participants from sharing in the value. As a result of this analysis, many of our projects focus on interventions that allow farmers and farmer organizations to obtain reliable seeds and fertilizer at a fair price, optimize their yields, and sell their produce to buyers who will pay them a premium for quality product. We also work with aggregators, processors, and buyers, to ensure all market actors are earning a profit from a value chain that is inclusive, competitive, and sustainable.



“When the neighbors saw the change in production, they became interested, and now they are ready to apply the improved practices.”

BIRHANU TEKA,  
Ethiopian coffee farmer



## FROM SEED TO SHELF: TECHNOSERVE PROMOTES INCLUSIVE AGRICULTURAL MARKETS



**Adding value through processing:** We've helped cashew processors in Benin increase revenue by 31 percent through technical assistance and market linkages, allowing processors to create new jobs and ensure a stable market for local farmers.



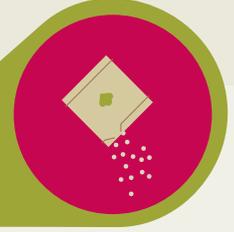
**Providing training to farmers:** Using TechnoServe's proven adult learning methodology, we've trained over 119,000 Honduran coffee farmers in sustainable agricultural practices, helping them increase their yields by 64 percent and generate \$36.5 million in new coffee income.



**Linking farmers with lucrative markets:** We helped over 650 Mexican dairy farmers to meet quality standards and sell directly to a multinational company—improving their revenue by \$1.8 million.



**Strengthening producer organizations:** In India, TechnoServe is helping women farmers realize higher prices for their crops by improving the business practices of farmer organizations, resulting in \$1.5 million in new revenue.



**Increasing access to seeds and other inputs:** In Ethiopia, we've helped more than 5,000 smallholder barley farmers access improved seed varieties, allowing them to increase their incomes by an average 34 percent compared to a control group.

TechnoServe projects work at multiple stages of the value chain to address market constraints.

# Catalyzing Small Business Growth

Our financial impact in entrepreneurship grew by more than 20 percent in 2017. Small businesses are growth engines for their local economies. They create demand for labor and local sourcing, while providing necessary products and services. Many of the businesses we work with are located in marginalized communities, where they are the only reliable source of basic goods. By supporting the growth of these businesses, we create cascading benefits for suppliers, wage-earners, and consumers.

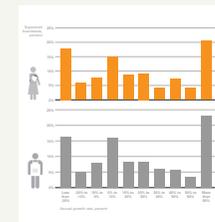


Juliet John, 29, has increased sales in her small mom-and-pop shop in Dutse, Nigeria, after learning better record-keeping and other improved business practices from a TechnoServe business advisor.



## TECHNOSERVE HELPS BUSINESSWOMEN ACHIEVE THEIR FULL POTENTIAL

The ability to start and run a business is a powerful tool for climbing out of poverty. Because women face higher barriers to starting businesses, we have focused our strategy in entrepreneurship programs to attract and support more women—with great success. We now reach more women than men in our entrepreneurship work.



Even when women overcome the considerable hurdles to starting a business, they face enormous challenges in growing their business. Women are more likely to close their shops early so they can get home before dark or attend to domestic responsibilities. They often enter industries that have smaller margins. They run the risk of their husbands, fathers, or brothers claiming a portion of their earnings, reducing their ability to invest in and grow their enterprises.

To explore these results, and view a histogram of growth rates among TechnoServe-supported businesses disaggregated by sex, visit our website at [technoserve.org/biz-growth](https://technoserve.org/biz-growth).

We've focused our interventions on helping women address these constraints to growth, and we've measured the effect. Our data shows that women we work with achieve the same growth rates in their businesses as men. They strongly out-perform a typical business in the economies we work in, where businesses owned by men grow an average of 1 percent a year, while women-owned businesses incur losses. We see an average 50 percent annual growth (14 percent median annual growth) across women- and men-led enterprises, suggesting the powerful impact of our work.<sup>1</sup>



<sup>1</sup>Growth rate analysis was undertaken with support from data science firm Delta Analytics. Growth rates are calculated by comparing revenues observed during the project with baseline revenues. The 1,758 observations (55% women) in the dataset come from 11 projects implemented in Benin, Brazil, Chile, Côte d'Ivoire, El Salvador, Ghana, Guatemala, Honduras, Kenya, and Nicaragua. Data on economies where we work is sourced from the World Bank's Enterprise Surveys.

# Driving High Returns on Investment

ROI =

Financial benefits for project beneficiaries

Project cost

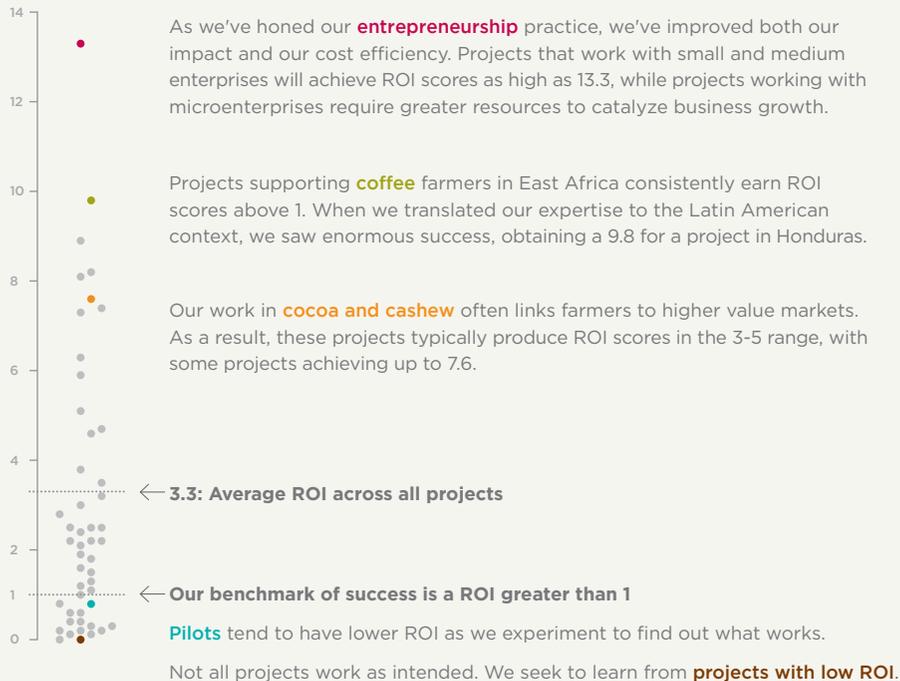
Two values underpin our assessment of project success: rigorously measured impact and cost-effectiveness. We are committed to undertaking the most rigorous method available when evaluating our projects, such as the examples laid out on the facing page.

We also strive to deliver value for our work that is greater than the money we spend on implementation. We calculate a return on investment (ROI) score for completed projects as a measure of their cost effectiveness. ROI scores greater than 1 indicate that we have delivered more value to beneficiaries than was invested in the project.

## MORE VALUE FOR MONEY

With ROI scores from over 60 projects, we're able to identify trends in our data that guide our decision-making.

### ROI for projects completed 2013-2017



## EXTERNAL VALIDATION OF OUR IMPACT

Underlying each of our ROI calculations is a rigorous approach to measurement. We enthusiastically seek out any opportunity to evaluate our projects using randomized controlled trials (RCTs), often referred to as the gold standard in impact evaluation, as well as quasi-experimental design methods. Below we've highlighted examples from some of our recent external evaluations.

- Preliminary results from a World Bank-led randomized controlled trial of women entrepreneurs in Tanzania found that women who were trained by TechnoServe on savings doubled the amount they deposited using a mobile savings platform. Women entrepreneurs who received business skills training in addition to mobile savings training, increased their deposits almost four-fold. The study also found statistically significant improvements in women's sense of empowerment and their level of control over business income.
- IDinsight evaluated our efforts to support farmers entering contract farming arrangements in Uganda in 2016. The evaluators found that TechnoServe's approach increased the use of hybrid maize seed by 40 percent, leading to improved productivity and higher incomes for farmers.
- In 2013, the evaluation firm Laterite used the quasi-experimental method known as difference-in-differences to assess the impact of TechnoServe's farmer training on coffee yields. This evaluation showed coffee farmers in Kenya saw a 67 percent increase in yields, while Rwandan farmers saw a 41 percent increase in yields.

In addition to these and other external evaluations, in 2017 TechnoServe engaged ImpactMatters, an impact audit firm founded with the support of Innovations for Poverty Action (IPA), to review projects within our portfolio. They provided us with a benefit/cost analysis for each project, as well as a quality of evidence assessment. We are pleased to report that our projects performed strongly, with all cost-benefit ratios equaling 1 one or greater, and most projects receiving a good quality of evidence rating. ImpactMatters' benefit/cost analyses of our projects are largely in line with, or greater than, the ROI scores we had calculated.



You can read more about these impact evaluations and ImpactMatters' audits of TechnoServe projects on our website, at [technoserve.org/evaluations](https://technoserve.org/evaluations).



“When I talk to the children, I realize their dreams don’t just depend on their own initiative. They depend on the ability of their mom or dad to maximize productivity on their farm, to get the best price they can for their coffee, so that the children can overcome the barriers their parents face. I’m inspired to capture rigorous data about our projects, to make sure we know what’s working and what’s not working so we can adapt and improve, because those children’s dreams depend on it. It motivates me to know I’m changing the markets to give more people a fair chance at success.”

**OLGA MARINA VELÁSQUEZ VADO**

Monitoring and Evaluation Manager

Better Coffee Harvest project in Nicaragua and El Salvador

**ON THE COVER:**

In Tanzania, Rehema Mwinyijuma has grown her tailoring business and her savings after participating in TechnoServe’s Business Women Connect program. Photo by Marijo Silva.

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