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Annual Report

technoserve.org

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2019





Contents

Introduction	
Topline Impact	2
Impact by Sector	9
Layers of Impact	13
Highlights of 2019	22
About TechnoServe	25



Creating Layers of Impact



William Warshauer President and CEO



Michal Bush Managing Member, BIV Investments



Rachel Hines Former Managing Director, J.P. Morgan

As you read these words, a young Indian woman who grew up in a slum is working at a high-paying corporate job in Mumbai. She is one of the roughly 11 million young people who enter the country's job market each year--but unlike nearly a quarter of her peers, she secured steady employment that provides a better living standard for her whole family.

At the same time, farmers in a hillside village in Zimbabwe are picking ripe coffee from trees that now pay for school fees, housing, medicine, and food. While nearly 80% of the world's 12.5 million coffee-farming families live in poverty, these farmers have doubled the prices they receive for their beans.

And in vocational schools across east Africa, teachers are training thousands of young people on a proven entrepreneurship curriculum that has raised incomes by an average of 84%. With Africa's 140 million unemployed youth facing far too few available jobs, these students are getting the skills and confidence to build their own job opportunities--and even employ others.

All of this impact is rooted in work by TechnoServe. Partnering with industrious people around the world to create selfsustaining business solutions, TechnoServe not only transforms individual lives--but also markets, sectors, and communities. These "layers of impact" are the focus of this year's 2019 Annual Impact Report.

2019 was a particularly exciting year for impact: TechnoServe handed off a

groundbreaking youth entrepreneurship program to local organizations; helped farmers from dormant coffee industries re-introduce their beans to the world; and launched an effort to scale up such progress through technology partnerships: TechnoServe Labs.

This commitment to impact was recognized in 2019 by the independent charity ratings agency ImpactMatters, which named TechnoServe the #1 nonprofit fighting poverty.

In the following sections, you will see how we measure program impact--and many other indicators--through rigorous analysis that helps us identify what works, learn from our failures, and set even higher bars for progress.

Because this impact is not enough. And as long as there are people in the world who never get the chance to achieve their potential, it will not be enough.

This means we must find better ways to unlock the power of women, everywhere we work. It means scaling up climate-smart approaches to help our clients withstand an increasingly erratic environment. And it means combining world-class technology with local understanding in a way that transforms opportunities for millions.

Thank you for walking with us, and the hardworking people we serve, on the journey to create ever more layers of impact. O 2019 Annual Impact Report • Topline Impact

in Impact

Our Impact in 2019





For every **\$1** invested in our programs, TechnoServe's beneficiaries gain an average of **\$3.41** more income.

Latin America and the Caribbean

Q Guatemala

Financial Benefits: \$4,015,860 Beneficiaries: 6,124 Percent Women: 50% Finance Mobilized: \$234,956

Q El Salvador

Financial Benefits: \$2,715,294 Beneficiaries: 2,186 Percent Women: 34% Finance Mobilized: -

9 Panama

Financial Benefits: \$206,394 Beneficiaries: 49 Percent Women: 57% Finance Mobilized: -

9 Peru

Financial Benefits: \$13,588,432 Beneficiaries: 9,003 Percent Women: 25% Finance Mobilized: \$4,232,295

Q Chile

Financial Benefits: \$7,179,085 Beneficiaries: 1,083 Percent Women: 64% Finance Mobilized: -

9 Mexico

Financial Benefits: \$7,613,421 Beneficiaries: 4,545 Percent Women: 19% Finance Mobilized: \$685,796

9 Honduras

Financial Benefits: \$30,307,485 Beneficiaries: 23,905 Percent Women: 19% Finance Mobilized: \$17,249,917

9 Nicaragua

Financial Benefits: \$15,348,629 Beneficiaries: 12,493 Percent Women: 23% Finance Mobilized: \$94,174

Q Colombia

Financial Benefits: \$391,369 Beneficiaries: 98 Percent Women: 14% Finance Mobilized: -

🛛 Brazil

Financial Benefits: \$790,808 Beneficiaries: 160 Percent Women: 30% Finance Mobilized: \$26,842

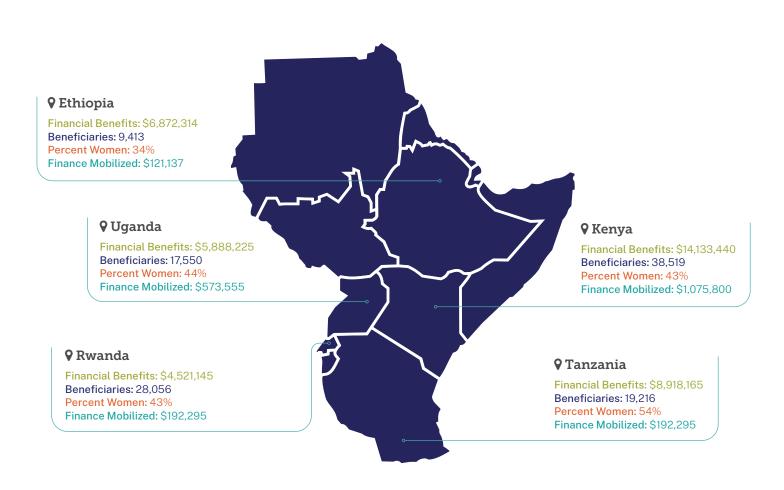
Total

Financial Benefits **\$82,156,777**

Beneficiaries **59,646**

Percent Women **25%** Finance Mobilized **\$22,523,980**

East Africa



West Africa



Financial Benefits: \$26,472,756 Beneficiaries: 20,739 Percent Women: 35% Finance Mobilized: \$37,018

Q Cote d'Ivoire

Financial Benefits: \$1,340,665 Beneficiaries: 1,159 Percent Women: 74% Finance Mobilized: \$295,800

QGhana

Financial Benefits: \$1,025,466 Beneficiaries: 124 Percent Women: 41% Finance Mobilized: -

VNigeria

Financial Benefits: \$3,429,853 Beneficiaries: 29,465 Percent Women: 37% Finance Mobilized: \$445,429

TotalFinancial Benefits
\$32,268,740Beneficiaries
\$1,487Percent Women
37%Finance Mobilized
\$778,247

Southern Africa

🛛 Malawi

Financial Benefits: \$661,482 Beneficiaries: 9,470 Percent Women: 69% Finance Mobilized: -

9 Zambia

Financial Benefits: \$1,501,674 Beneficiaries: 3,298 Percent Women: 45% Finance Mobilized: -

Q Zimbabwe

Financial Benefits: \$6,654,322 Beneficiaries: 15,767 Percent Women: 39% Finance Mobilized: -

9 Botswana

Financial Benefits: \$5,362,487 Beneficiaries: 277 Percent Women: 44% Finance Mobilized: -

9 South Africa

Financial Benefits: \$7,520,153 Beneficiaries: 210 Percent Women: 42% Finance Mobilized: \$1,630,828

Madagascar

Financial Benefits: \$333,333 Beneficiaries: 1 Percent Women: 0% Finance Mobilized: -

9 Mozambique

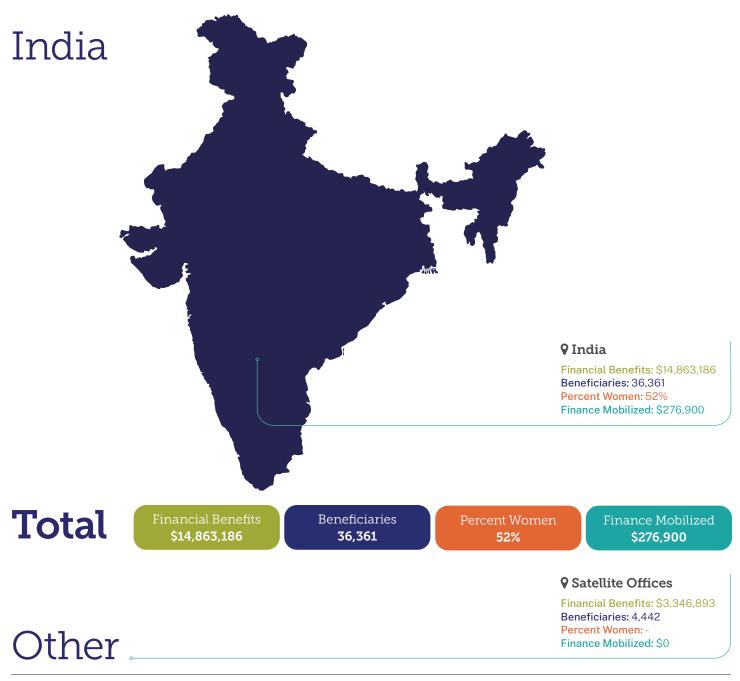
Financial Benefits: \$5,577,216 Beneficiaries: 23,780 Percent Women: 20% Finance Mobilized: \$149,254

Total

Financial Benefits \$27,610,667

Beneficiaries 52,803

Percent Women **36%** Finance Mobilized **\$1,780,082**



Impact by Sector



Agriculture	Financial Benefits	Beneficiaries	Women	- = O
Total	\$114,337,326	234,677	33%	\$24,378,521
Coffee	\$49,855,249	85,290	33%	\$21,195,450
() High-Margin Agriculture	\$55,009,205	118,291	27%	\$2,379,819
Other Agriculture	\$9,472,872	31,096	59%	\$803,252



Entrepreneurship	Financial Benefits	Beneficiaries	Women	- Finance Mobilized
Total	\$86,242,226	82,816	51%	\$2,943,475
Micro/Small/Growing Businesses	\$65,463,302	37,741	51%	\$2,388,260
Micro-Retail	\$1,745,297	7,344	92%	\$348,078
Food Processing	\$12,938,260	33,166	41%	\$207,137
Other Enterprise Development	\$6,095,367	4,565	66%	\$0

MARINA STATE

TECNO O

Layers of Impact

Transforming **Lives** Transforming **Communities** Transforming **Markets**

Layers of Impact

TechnoServe's work doesn't just transform individual lives—it changes entire communities and market systems, helping progress continue far into the future.





Transforming Lives

Dara Obispo

Peru

Not long after Dara Obispo became a single mother at the age of 16, she faced a dilemma. Living in a rural community in Peru's Amazon basin, and unable to continue her education, she knew there weren't many options to support her son. So she reluctantly decided to take over her family's long-abandoned cocoa farm. "It was in such bad shape, I felt discouraged from working the plot," she said.

To receive a little help, she joined the MUJERES project, a TechnoServe program funded by the West Foundation and Manhattan Beach Community Church that is designed to support female heads of household. She learned practical information about how to manage her crops--and more importantly, she received the message that she could be a successful cocoa farmer. So, with her infant son strapped across her back, she set to work taming the farm.

The first year she started farming, Dara only harvested about 50 kilograms of cocoa beans. But by constantly working to improve her farming practices, she was able to increase her production to more than 370 kilograms this past year. The improved production has helped to change Dara's life; she no longer has to work odd jobs to make ends meet and can spend more time with her son. Now 19, Dara wants to continue to improve her farm. "Cocoa is what supports me and my son," she says. "I want him to be a professional. Even if I don't have much, I want to give him that. I want him to remember that his mom set him on the right path."





Transforming Lives

Umerah Faridi

India

Growing up in the tenements of Mumbai, Umerah Faridi wasn't sure she'd ever be able to have a professional career. "Girls in my family rarely get a chance to pursue a college education, let alone go to work," she says. But she dreamed of providing a better life for her family, so she pursued an education, hoping to beat the odds and attain a white-collar job.

For millions of young people in India like Umerah who come from marginalized communities, even a college education is not enough to help them secure formal employment. That's why TechnoServe's Campus to Corporate Careers program, in partnership with multiple private donors and recruiting partners in urban India, is training thousands of youth on important 21st century skills such as personal and professional effectiveness, communication and workreadiness, time management, etc., and helping them to build the self-confidence and abilities they will need to secure and retain formal employment.

After graduating from the program, Umerah landed a job at HDFC Securities, a bank in Mumbai. It came as a shock to her family. "For the longest time, I have only watched television advertisements or seen big billboards of these banks," her father explains. "Never did I imagine my daughter getting a chance to work for one."

Now, Umerah is working hard to get her family out of the tenements. "I can now focus on my dream of moving my family into a new, bigger house. This job is going to help me achieve that. Slowly but steadily," she says.





Transforming Communities

Reducing Waste

Benin

Growing up, Babatundé Oguidi knew that his hometown of Parakou, Benin, had a garbage problem. Much of it was related to plastic: bags, bottles, and other waste lined the streets. So when he learned about biodegradable materials in university, he knew it could help to transform his city.

That's when Babatundé decided to create Ola-Bio Benin, a business dedicated to manufacturing biodegradable packaging materials for the agri-food, industrial, and commercial sectors in Parakou. When Babatundé and two others launched the business in 2015, they had a passion for making their city a better place to live, but not much business experience. They had difficulty finding affordable suppliers, struggled to compete with international packaging manufacturers, and lacked the capital they needed to grow.

In 2018, Babatundé enrolled the company in BeniBiz, a business accelerator program implemented by TechnoServe and funded by the Dutch and Swiss governments. Babatundé and his colleagues received training on financial management, customer outreach, marketing, and networking. The program also helped them improve their sourcing. "The identification of new suppliers of raw materials led to a 26 percent savings on the cost of materials, which has allowed us to lower selling prices and be more competitive," Babatundé says.

As a result, the company has tripled in size and now employs a team of 12. It is supplying biodegradable packaging materials to pharmacies, bakeries, and even the local movie theater, among a number of businesses nationwide, and it aims to expand to other markets. For Babatundé and his colleagues, that will mean doing more to solve the plastic problem across the country.





Transforming Communities

Reviving Coffee

Zimbabwe

In the green Honde Valley of Zimbabwe's Eastern Highlands, prosperous farms once provided sustainable livelihoods for generations of coffee growers. Children learned the trade by watching their parents, knowing that one day they would take over the farm.

But decades of political and economic turmoil took its toll on the valley's coffee industry. The crop became unprofitable for many farmers, and by 2016, just 400 smallholder coffee growers remained. Some, like Tanyaradzwa Makina, were considering ripping out their coffee trees.

Then a change happened. In 2017, Nespresso and TechnoServe launched a project to revive Zimbabwe's coffee sector, providing training on techniques that improved the productivity of the farms and helped them preserve the natural quality of the local coffee. Nespresso started to purchase the coffee produced by these farmers, providing better prices and payment in U.S. dollars--a valuable perk in a country that has long battled inflation.

The money started to flow through the local economy as farmers like Tanyaradzwa quickly put their earnings to use.

"I was so happy," she says. "I went out and I paid the school fees for my children, and then I paid our debts to the man who built our house." She also bought food and new clothes for the family.

Samuel Nyakuchena, a 92-year-old farmer in the region, says, "We hope if we work hard, we can get more money in the local economy – in the whole area, we will have more money."

Indeed, the week that coffee payments are made, there is now a noticeable increase in local market activity, with farmers shop-hopping to buy a host of supplies. Local employment rises during harvest time as farmers have both enough cash and enough coffee for extra laborers to assist.

In 2019, Nespresso launched Tamuka Mu Zimbabwe, a single-origin capsule with coffee grown by the farmers in the Honde Valley. It was the first time in decades that the farmers were able to give consumers around the world a taste of Zimbabwean coffee.

"We are very happy that people out there are drinking our coffee," Samuel said.



🚓 Transforming Markets

The Cashew Comeback Story

Mozambique

Over 20 years ago, Mozambique was emerging from decades of war, and its once-strong cashew industry lay in ruins. Processing plants remained shuttered, and farmers didn't have the tools or training needed to improve their production or reach profitable markets for their crops.

"After the late 1990s, nobody really wanted to hear about the cashew industry. And it was really TechnoServe that believed that there was the potential to re-start the industry here," says Gonçalo Correia, the managing director of cashew processor Condor Anacardium.

The turnaround story started in the early 2000s. Through a series of programs, TechnoServe helped to revive the country's cashew processing industry, provided agronomy training to thousands of farmers, and helped cashew producers gain better access to high-quality seedlings and other farming supplies. Today, Mozambique's cashew sector provides a sustainable livelihood to 1.4 million farmers and employs 15,000 people--overwhelmingly women--in processing plants.

Now, TechnoServe is helping Mozambique's cashew sector to take its next leap towards improved productivity and transparency. Working with Norges Vel and the Government of Mozambique's Cashew Promotion Institute (INCAJU), TechnoServe is building a digital tool to provide better data for industry stakeholders and help cashew farmers connect to better information and markets on a large scale.

Using a smartphone application, INCAJU's agricultural extension agents can work with cashew farmers to enter farm-level data that INCAJU officials can track in real time. This allows INCAJU to make timely, strategic decisions to improve productivity and stop the spread of crop diseases. "Sitting in any corner of the world, including the INCAJU headquarters, we can have access--in real time--to the statistics of what is happening in the sub-sector, including knowing where a specific seedling is planted," said Humberto Guibunda, the head of the Department of Development and Technology at INCAJU in Maputo.

Through a basic SMS platform, farmers are also able to provide information about their production to be shared with potential buyers, and INCAJU can share localized weather forecasts and planting recommendations with cashew growers.

The first-phase of ConnectCaju has already registered 100,000 farmers, and a new phase of the project, starting in 2020, will register an additional 150,000 farmers into the system.



Transforming Markets

Building a Generation of Entrepreneurs

East Africa

Young adults in Africa face a stark reality: each year, 10 to 12 million of them enter the job market, but only about 3 million jobs are created annually.

To secure their futures--and the economic and political stability of the countries in which they live--many of Africa's youth will need to create their own opportunities. Helping them achieve this on a wide scale is one of the world's most critical challenges.

TechnoServe had previously trained over 15,000 young people in east Africa to become economically selfsufficient, with most participants running small farms or businesses that increased their incomes by an average of 133%. The training curriculum went beyond the usual entrepreneurship skills, helping youth develop the confidence and "soft skills" to advocate for themselves, seek out opportunities, and engage effectively with everyone from customers to banks.

But now, how could this progress be scaled up and sustained?

TechnoServe and the Mastercard Foundation developed a second phase of this successful program, "Strengthening

Rural Youth Development through Enterprise" (STRYDE). Not only would TechnoServe train thousands more young people, it would also teach local institutions how to do the same thing--long after TechnoServe's departure.

Across east Africa, TechnoServe trained 124 youthfocused organizations like vocational schools, community organizations, government ministries, and even prisons, how to deliver the STRYDE model. These institutions then trained 21,000 youth, and continue to train thousands more each year.

The STRYDE program closed last year after teaching more than 71,000 African youth how to grow their own incomes. But the STRYDE model continues--now part of the regular service offerings of local institutions. As trainers from the Mityana Agrovet Institute in Uganda reported: "All students want to be in STRYDE...it opens their eyes to the wider world."



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Constraints Highlights of 2019



January

TechnoServe organizes a high-profile event in Washington, D.C. on "Boosting African Entrepreneurship Across Sectors", featuring leading youth entrepreneurs from its business accelerator program in Ghana.





March

The successful Smart Duka microretailer program expands to reach 1,000 more shopkeepers in Kenya through a new partnership with the Moody's Foundation.

May

As a result of its partnership with TechnoServe, Nespresso launches the first-ever single-origin capsule from Zimbabwe, marking an important milestone in the revival of the country's coffee sector.





August

TechnoServe launches a new project in Benin that will use drones and machine learning to identify agricultural training needs more efficiently and at greater scale.



September

TechnoServe Labs, an initiative to harness emerging technology to benefit farmers and entrepreneurs in the developing world, launches in Silicon Valley.





October

With the release of Nespresso's Cafecito de Puerto Rico, farmers working with TechnoServe to recover from Hurricane Maria share their coffee with consumers around the world.

November

TechnoServe is named the #1 charity for fighting poverty by nonprofit evaluator ImpactMatters.





December

TechnoServe's Strengthening Rural Youth through Enterprise program, a partnership with the Mastercard Foundation, officially transitions its training activities to local organizations, after improving the livelihoods of more than 70,000 young people in East Africa.

About TechnoServe

Financials*



* Audited financial information for 2019 was not available at the time of publication—the numbers presented here are unaudited. Official, audited figures will be published at technoserve.org/financials when they become available.

Funding Sources

Efficiency

28% Foundations
24% Corporations
24% U.S. Government
13% Other Government
7% Private Fundraising
2% Multilateral Organizations
2% Other

84% Program Services13% Management3% Fundraising

Partners

TechnoServe's success is made possible by partnerships with leading foundations, corporations, public-sector agencies, and multilateral organizations. Below is a sampling of some of our partners during 2019.



Board of Directors

Co-Chair Michael J. Bush **Managing Member** BIV Investments

Co-Chair Rachel Hines Former Managing Director J.P. Morgan

Vice Chairman Peter A. Flaherty Managing Director Arcon Partners, LLC

Secretary Jennifer Bullard Broggini Senior Advisor Lago Holding Sagl

Treasurer Bo Manly Former Executive Vice President and Chief Synergy Officer Smithfield Foods, Inc.

Chairman Emeritus Paul E. Tierney, Jr. Partner Development Capital Partners, LLC

Monica Andractas Head of Venture Capital Funds CPP Investment Board

Kanika Bahl CEO Evidence Action

Scott Baker Partner

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Gerald (Jerry) Baldwin Director And Former Chairman & CEO Peet's Coffee & Tea

Thomas Barry President and Chief Executive Officer Zephyr Management

Bob Bechek

Partner Bain & Company

Anthony Bloom Chairman Cineworld PLC

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Harvey R. Heller President Heller Bros. Packing Corp. Mia Funt President & Co-Foudner ByHeart

Aedhmar Hynes Former CEO Text100 Global Communications

Timothy M. Kingston Country Head Goldman Sachs Chile

Debbie McCoy

Managing Director Blackrock

Charles (Charlie) Moore Fellow Rock Center For Corporate Governance

Michelle Peluso Chief Marketing Officer IBM

Kurt C. Peterson Partner & Executive Committee Member Reed Smith Llp

Michael Spies Senior Managing Director Tishman Speyer

William Warshauer President & CEO TechnoServe Inc.









TechnoServe Business Solutions to Poverty

Connect with us:



technoserve.org info@technoserve.org +1 202 785 4515

1777 N Kent Street, Suite 1100 Arlington, VA 22209