

TECHNOSERVE BUSINESS SOLUTIONS TO POVERTY

Our Impact

2011 ANNUAL REPORT • OUR VISION • FINANCIAL RESULTS • GLOBAL IMPACT

OUR MISSION

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



A CATALYST AND PARTNER



Our Vision: We will be the most effective catalyst and partner for transformative, on the ground, market-based solutions to poverty.

TechnoServe traces its roots back to the village of Adidome, Ghana. In 1963, our founder Ed Bullard traveled there with his family for a year of volunteer service.

Ed was captivated by the spirit and character of the Ghanaian people. But he was appalled by the depth of poverty that surrounded him. A businessman, Ed understood that the contrast between this poverty and his own prosperity came not from any innate difference between himself and a poor Ghanaian farmer.

Instead, the hardworking men and women of the area struggled because they lacked the knowledge, skills and tools needed to lift themselves out of poverty. So in 1968, Ed launched TechnoServe as a different type of nonprofit, one that would help poor people by connecting them to information and market opportunities.

“All too often a charitable nonprofit organization is thought to be in the business of providing charity—that is, giving away money, food, clothing or housing,” Ed later said. “If, however, a charitable organization can share know-how and knowledge, then the whole dynamic is changed. The recipient feels a sense of pride and accomplishment...And the donor feels a sense of mutual pride and partnership with the recipient.”

BUILDING SKILLS AND FORGING PARTNERSHIPS

TechnoServe has grown and evolved in our 44 years, but Ed’s vision remains at the core of everything we do. TechnoServe promotes business solutions to poverty by linking enterprising people to information,

partners and markets. Like Ed, we believe that private enterprise can transform lives.

TechnoServe’s staff and volunteer consultants bring their business and technical expertise to bear on the challenge of creating economic growth that benefits poor communities. Our work begins with rigorous market analysis to identify growth opportunities in each of the countries where we operate. We build skills and forge partnerships, working across industries with everyone from smallholder farmers to multinational corporations. We act as a catalyst, generating economic momentum that lasts long after TechnoServe’s role ends.

Take, for example, TechnoServe’s work with the coffee industry in East Africa. Our analysis showed that the region had the right landscape and climate to meet the growing worldwide demand for specialty Arabica coffee. But smallholder farmers were largely using traditional practices to grow and process their coffee, resulting in low yields and poor quality.

With support from the Bill & Melinda Gates Foundation, TechnoServe worked with farmers in four countries to increase their incomes from coffee. Our business advisors helped develop farmer-owned wet mill businesses to produce high-quality washed coffee. We forged linkages between these businesses and sources of financing and other services. We delivered training to farmers that helped increase their yields. And we facilitated partnerships between producers and major international buyers.

LASTING IMPACT

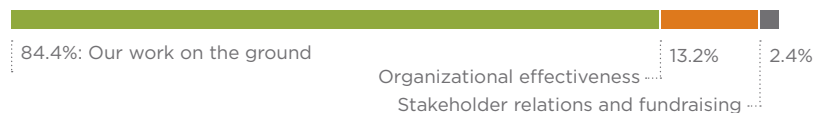
This comprehensive approach has delivered results: 180,000 smallholder farmers in East Africa have seen their coffee incomes increase and some 280 wet mill businesses are generating jobs and economic activity in rural communities. In the last coffee season, participating farmers earned 37 percent more income on coffee sold through TechnoServe-supported wet mill businesses. Local organizations are building on this progress to further develop the industry. The knowledge and partnerships are in place to ensure that coffee is a sustainable source of income and growth in the region for years to come.

We aim to deliver this type of lasting impact in everything we do. TechnoServe was founded on the belief that with hard work and equal access, people can lift themselves out of poverty. We will continue to deliver results that prove this to be true.

2011 AUDITED FINANCIAL HIGHLIGHTS

EFFICIENCY AND RESPONSIBILITY

We spend each dollar raised as follows:



<i>In thousands</i>	2011	2010
Program investment		
Program services	\$ 54,100	\$ 48,951
Support services	8,491	7,781
TOTAL PROGRAM INVESTMENT	\$ 62,591	\$ 56,732
Fundraising	1,555	1,584
TOTAL PROGRAM INVESTMENT AND FUNDRAISING	\$ 64,146	\$ 58,316
Support and revenue*		
Private funding	\$ 35,011	\$ 31,481
<i>Individuals</i>	3,596	3,628
<i>Foundations/Corporations</i>	31,415	27,852
Governments and multilateral organizations	20,781	20,600
Contributed services	3,312	3,681
Other	375	221
TOTAL SUPPORT AND REVENUE	\$ 59,479	\$ 55,983
Asset, liability and net asset summary		
Cash and cash equivalents	\$ 2,708	\$ 5,298
Cash and cash equivalents subject to donor restrictions	33,227	27,229
Other assets	11,810	11,081
Liabilities, deferred revenue and restricted net assets	44,690	38,850
FUND BALANCE	\$ 3,055	\$ 4,758

*Support and revenue categories have been changed for fiscal year 2010.

GOVERNANCE AND LEADERSHIP*

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Hoeylandt
Director
Nagode Group

*as of June 2012

TechnoServe in 2011

KEY SECTORS

CASHEW



COTTON



FOOD PROCESSING



SOY



COCOA



DAIRY



FRUITS + VEGETABLES



STAPLE CROPS



COFFEE



ENTREPRENEURSHIP



LIVESTOCK/FEED



TOURISM



WHERE WE WORK

ACTIVE

Benin	Ecuador	Kenya	South Africa
Bolivia	El Salvador	Malawi	Swaziland
Brazil	Ethiopia	Mexico	Tanzania
Burkina Faso	Ghana	Mozambique	Uganda
Chile	Guatemala	Nicaragua	Venezuela
Colombia	Haiti	Nigeria	Zambia
Côte d'Ivoire	Honduras	Peru	Zimbabwe
	India	Rwanda	

EMERGING

Guinea	Belize
Guinea Bissau	China
Morocco	Costa Rica
South Sudan	Dominica
	Madagascar

PAST

Mali
Panama
Poland
Sudan

OFFICES

London
Washington, DC (Headquarters)

ASIA SECTORS



TechnoServe works with enterprising people in the developing world to build competitive farms, businesses and industries. Our programs are designed to **develop capacity** for individuals and businesses, **strengthen market systems** and **facilitate scalability** for emerging industries. This work creates sustainable economic growth that helps poor people improve their lives and secure a better future for their families.



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STRENGTHEN MARKET SYSTEMS WE LINK SMALL-SCALE PRODUCERS WITH SUPPLIERS, BUYERS AND CAPITAL, FORGING PARTNERSHIPS ACROSS INDUSTRIES IN ORDER TO UNLOCK ECONOMIC OPPORTUNITIES AND INCREASE INCOMES

On the ground: The mango industry has the potential to be an economic driver for Haiti's economy. The Haiti Hope Project—a coalition including The Coca-Cola Company; the Multilateral Investment Fund (MIF), a member of the Inter-American Development Bank Group (IDB); the U.S. Agency for International Development (USAID); and TechnoServe—is helping to generate higher incomes through improved production and better market access for Haitian mango farmers and their families.

TechnoServe is working with smallholder mango farmers to train them in effective production practices and help them work in business groups. We are assisting these groups in meeting the demands of higher-value markets, creating linkages between producers and buyers. Together with Coca-Cola, we are exploring opportunities for local entrepreneurs to process mangoes into puree, a promising market opportunity. And TechnoServe has partnered with local financial institution Sogesol to address a major constraint for farmers: access to credit. More than 1,000 farmers have received loans through the program to help cover expenses leading up to the mango harvest. These farmers have demonstrated the potential for a viable market in providing financial services to smallholder farmers—the loan repayment rate for the initial group was 100 percent.

10,000

FARMERS TO DATE WHO HAVE ATTENDED TRAINING SESSIONS, OF WHOM MORE THAN 40 PERCENT WERE WOMEN

Private enterprise can transform lives. Here's how it works: TechnoServe helps businesses increase their revenues. These enterprises then create new jobs and buy more products from small-scale producers. The benefits from these new sources of income ripple through families and communities. Our results in 2011:

BUILD BUSINESSES AND INDUSTRIES



4,570

businesses assisted in more than a dozen industries.

EMPLOY PEOPLE



61,000

employees paid \$20 million in wages.

INCREASE REVENUES



\$315,000,000

in revenues earned and \$81 million in profits.

BUY PRODUCTS



\$142,000,000

worth of products bought from 447,400 small-scale producers.

TRANSFORM LIVES



2.5 million

men, women and children benefited from these income sources (based on five people per family).



DEVELOP CAPACITY WE HELP ENTERPRISING INDIVIDUALS AND COMMUNITIES BUILD SKILLS, SHARE KNOWLEDGE AND APPLY THE TECHNOLOGIES NEEDED TO OVERCOME POVERTY

On the ground: In Ghana, the world's second-leading cocoa producer, TechnoServe is working with smallholder cocoa farmers to improve their productivity and increase their incomes. We have collaborated with leading agricultural firm Wienco Ghana Limited to develop the Cocoa Abrabopa Association (CAA), a farmer-based initiative that is promoting new knowledge and skills among 25,000 small-scale producers.

TechnoServe helped develop an integrated approach to increasing the productivity of CAA farmer members through direct training and building the capacity of CAA extension officers. The program provides credit for members to access key agricultural inputs such as fertilizers, pesticides and fungicides. CAA members also receive training on applying these inputs, implementing good agricultural practices, running their farm as a business and managing their finances. Participating farmer business groups are stronger as a result of these improvements, and CAA members are now keeping records of income, expenses, yields and loan repayment. The yields on treated farms have increased fourfold over untreated farms, and revenues per acre are more than three times higher. The CAA plans to reach more than 40,000 farmers, and TechnoServe will introduce systems to improve the efficiency of CAA operations, enabling the program to scale up and become self-sustaining.

95-98%

AVERAGE LOAN REPAYMENT RATE AMONG CAA MEMBERS



FACILITATE SCALABILITY WE CATALYZE GROWTH IN EMERGING INDUSTRIES BY HELPING PARTNERS SMALL AND LARGE TO DEVELOP IMPROVED BUSINESS MODELS, ANTICIPATE CHALLENGES AND MANAGE RISKS

On the ground: TechnoServe is working to boost the incomes of tens of thousands of small-scale farmers in southern Africa by promoting the development of a local soy industry, thanks to a grant from the Bill & Melinda Gates Foundation. Our activities in Mozambique and Zambia are demonstrating the broader potential in sub-Saharan Africa for locally grown soybeans to meet the increasing demand for oil and animal feed.

More than 26,000 smallholder farmers are receiving support to produce soybeans. TechnoServe has enlisted 13 agricultural businesses and organizations as project partners. Our business advisors are helping to train farmers in good agricultural practices and connect them to buyers. In Mozambique, our earlier work in building a domestic poultry industry has helped create sustainable demand for locally grown soybeans. Together with our partners, we are facilitating farmers' access to markets for seeds, fertilizers and other resources. And TechnoServe is bringing together stakeholders in Mozambique and Zambia to form national associations that will promote the soy industry's expansion. We are supporting the creation of the Sub-Saharan Africa Soy Alliance to spark the development of a competitive soy industry in other countries in the region.

24,924

HECTARES OF SOYBEANS PLANTED BY PROGRAM PARTICIPANTS IN THE 2011-12 SEASON, AN 81 PERCENT INCREASE FROM THE PREVIOUS SEASON



TechnoServe helps build competitive farms, businesses and industries in dozens of the world's poorest countries. We are an international nonprofit that promotes business solutions to poverty by connecting enterprising people to information, partners and markets. We work to impart the skills and knowledge that help people create prosperity for their communities. With more than four decades of measurable results, we believe in the power of private enterprise to transform lives.



 **TechnoServe**
BUSINESS SOLUTIONS TO POVERTY
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