



TECHNOSERVE BUSINESS SOLUTIONS TO POVERTY

Progress Report

2011 OUR VISION • COFFEE FARMERS BUILD BETTER LIVES • GLOBAL OVERVIEW • HOPE FOR HAITI

Our Vision

We hear a lot of big numbers in development circles: the number of people living on less than \$1 a day, the number without access to clean water, the number who suffer from hunger or malnutrition. These discussions often start with millions, if not billions.

Now consider a different set of numbers. One. A single entrepreneur. Or ten. A 10-farm cooperative. Or fifty. A 50-person factory.

These numbers may seem small. But this is where change begins. One entrepreneur's vision transforms a community. The ten-farm cooperative opens a market to tens of thousands. That first factory sparks a whole new industry.

Since 1968, TechnoServe's work has been guided by this vision. We empower people with the skills and knowledge they need to build strong enterprises. These businesses create income and economic opportunities that help lift families

and communities out of poverty. And this work—unlike handouts—creates change that lasts long after TechnoServe's assistance is complete.

In 2010, we continued to expand our footprint. We now have 900 employees

working in more than 30 countries and we are targeting new industries and forging innovative partnerships. Our work is changing more lives than ever.

Like Bhawani Shankar, a soy farmer in India, who increased his productivity with TechnoServe's as-



▲ BRUCE McNAMER

sistance. He is using the extra income to send his children to better schools. Like Josefina Klinger, a Colombian entrepreneur, who worked with our advisors to improve her tourism business. Now, dozens of people in her community are enjoying new economic opportunities. And like Pascasie Mukagasana, a Rwandan farmer, who can afford nutritious food for her family after working with TechnoServe to improve the quality of her coffee.

These stories, and countless others like them, point to a brighter future for people in developing countries. TechnoServe's future also looks bright. In the coming year, we plan to grow even further and innovate in new areas, such as food security, gender and the environment.

This work will help transform millions of lives. But it all begins with one.

Paul E. Tierney, Jr.

Bruce McNamer

CHAIRMAN OF THE BOARD

PRESIDENT AND CEO



▲ PAUL E. TIERNEY, JR.

Brewing Good

Pascasie Mukagasana has known great hardship. She was separated from her children and her husband, A thanase Nzigiyimana, for a year following the 1994 Rwanda genocide. They reunited, only to lose a son to illness. In 1998, A thanase was wrongfully imprisoned for 10 years. Alone with her children, Pascasie struggled to feed her family.

Soon after A thanase's release from prison, the couple began working with TechnoServe. Our advisors showed Pascasie and A thanase techniques for producing high-quality Arabica coffee, which commands a high price in the global marketplace.



HIGH-QUALITY COFFEE

TechnoServe's advisors work with farmers to establish best practices for cultivating, harvesting and processing their coffee crop.

2010 PROGRESS BY THE NUMBERS

108,000

Coffee farmers assisted by TechnoServe

4,740

Tons of coffee produced

COFFEE DRYING

At right, women work at coffee drying beds in Jawi Cooperative, western Ethiopia.

Rebuilding Lives Through Coffee

Through coffee farming, Pascasie and A thanase are rebuilding their lives. Money from coffee has helped them feed their family, send their daughter to school and invest in their coffee fields for the long term.

"The higher income took us out of hunger," Pascasie says. "With the money we will get, we will pay off debts and pay school fees."

TechnoServe is helping to bring similar benefits to tens of thousands of other families. With the support of the Bill & Melinda Gates Foundation, our Coffee Initiative will empower 180,000 East African farmers over four years to improve the quality of their coffee and bring prosperity to their communities.



Our work is impacting farming families in Ethiopia, Kenya, Rwanda and Tanzania. We impart best practices in areas such as plant nutrition and pest management to promote high yields. Our advisors work with farmers to build and operate wet mills—processing stations that produce high-quality coffee beans. And we help farmers sell to the specialty buyers that supply the coffee shops and grocery stores in your neighborhood. With TechnoServe's assistance, our clients are receiving, on average, 37 percent more income on coffee sold.

The Next Generation of Solutions

As we enter the fourth year of the program, TechnoServe is also providing innovations for the future. We are working with local banks to develop new financial mechanisms that give smallholder farmers access to loans. Across the program, we are introducing technologies that conserve scarce water resources and protect the environment for future generations. We are also developing a sophisticated set of social impact measures to ensure that we help people like Pascasie and A thanase lift themselves out of poverty for good.

TechnoServe hopes to expand this work to double coffee incomes for one million farmers by 2019. With the right knowledge, a coffee bean can change lives on a grand scale.

Hope For Haiti

TechnoServe is helping Haitians break the downward economic spiral that has plagued the country for decades. The average Haitian lives on less than \$2 a day, hunger and malnutrition are commonplace—and the January 2010 earthquake made matters worse.



MANGO TANGO

Odwalla® is donating 10 cents from every Mango Tango purchase to Haiti Hope (up to \$500,000 annually for five years).



FARM PROGRAM

TechnoServe's program shows farmers how to produce and harvest high-quality mangoes.



MANGOES TO MARKET

Haiti Hope will help more mango farmers reach the lucrative export market.

But more than 200,000 Haitians have the key to a better future growing in their backyards: the mango tree. Just weeks after the quake, TechnoServe entered into a partnership to help Haitians realize the value of their high-quality mangoes.

Haiti Hope Helps Mango Farmers

The Haiti Hope Project brings together public and private partners including The Coca-Cola Company, the Clinton Bush Haiti Fund, the Multilateral Investment Fund of the Inter-American Development Bank and the U.S. Agency for International Development (USAID). Haiti Hope will work with 25,000 mango farmers in the next five years to help them market their mangoes and secure the highest possible price for them. Haitian farmers produce about 500 million pounds of mangoes annually, but fewer than five percent reach the lucrative export market. With proper training and market connections, more of these farmers will use their mango trees to create sustainable incomes for their families.

To start, TechnoServe is working with eight existing farmer groups comprising thousands of smallholder farmers. Our detailed program shows farmers how to better care for their trees, produce and harvest higher-quality mangoes, and meet export requirements.

Local trainers—who know their communities best—will introduce these improved practices. The partners in Haiti Hope are forging connections with mango exporters and other industry and government stakeholders. And we plan to work with financial institutions to provide credit to farmers, utilizing loan guarantees provided by the Clinton Bush Haiti Fund.

HIFIVE Promotes Entrepreneurship

TechnoServe is also a partner in HIFIVE (Haiti Integrated Finance for Value Chains and Enterprises), a USAID initiative to improve access to financial services. Through HIFIVE we are providing business training to hundreds of Haitian entrepreneurs to help them become creditworthy. We have also launched a business plan competition, building on a proven model that has helped us create economic opportunities for poor people in 18 countries during the last eight years. From an initial pool of almost 400 entrepreneurs, a panel of expert judges has chosen 20 finalists to receive seed funding and follow-on consulting from TechnoServe business advisors.

Through the combined efforts of both these programs, TechnoServe is empowering Haitian people to better their communities through the benefits of private enterprise.

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