

# TechnoServe

## Private Sector-Led Approaches to Sustained Food Security



World Initiative for Soy in Human Health  
Food Aid Conference

February 16, 2005

# TECHNOSERVE HAS 36 YEARS' EXPERIENCE OF DEVELOPING RURAL BUSINESSES ACROSS LATIN AMERICA AND AFRICA

Helped launch the coffee Cup of Excellence in Nicaragua. Winner sold at 20 times the market price. Now helping to replicate in El Salvador.

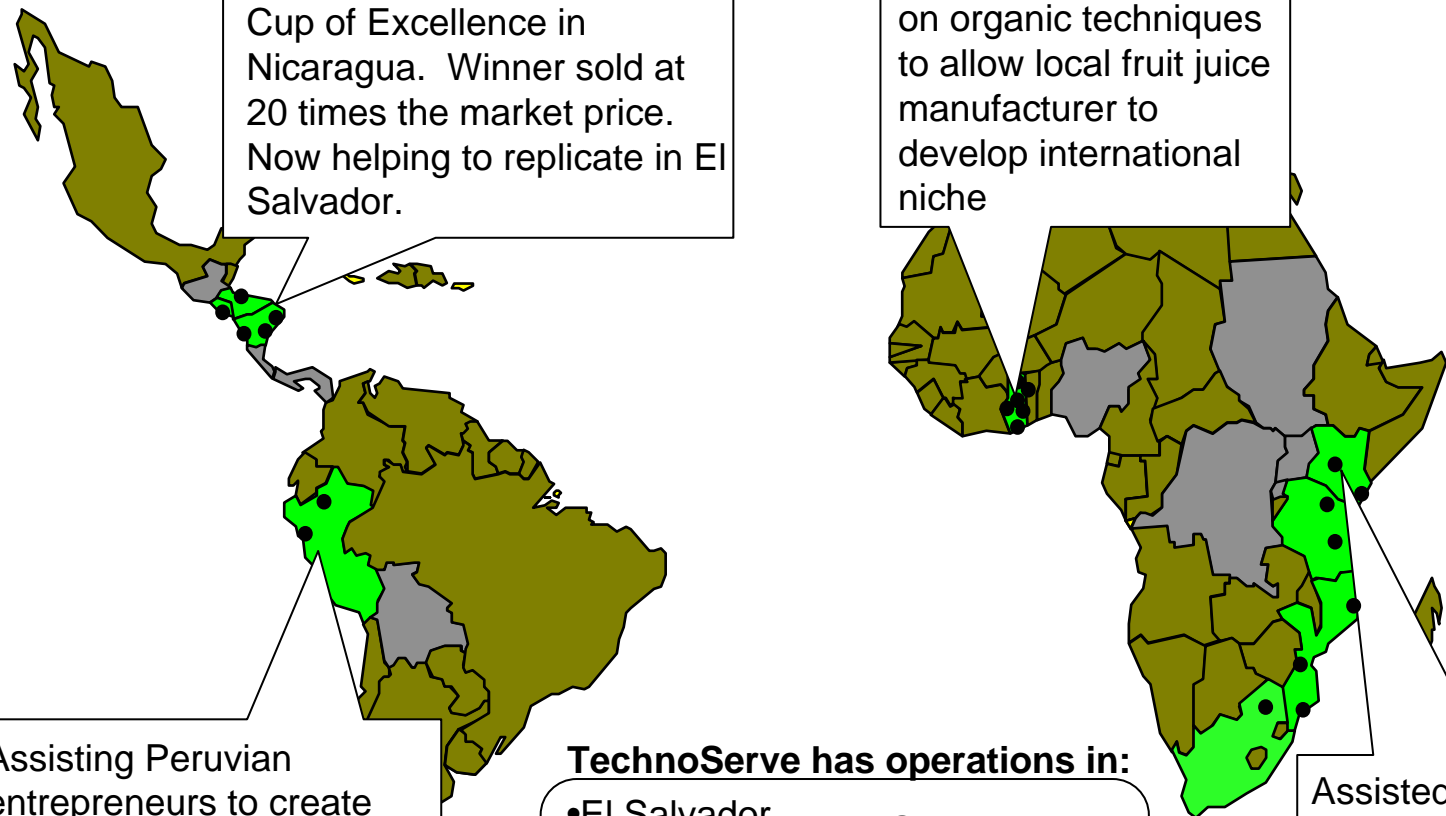
Advised fruit producers on organic techniques to allow local fruit juice manufacturer to develop international niche

- TechnoServe offices
- **Current Activity**
- Past Activity
- No Activity

Assisting Peruvian entrepreneurs to create businesses to supply agricultural products to Latin America's largest gold producer.

- TechnoServe has operations in:**
- El Salvador
  - Honduras
  - Nicaragua
  - Peru
  - Uganda
  - Ghana
  - Kenya
  - Mozambique
  - South Africa
  - Tanzania

Assisted farmer organization to finance and establish bulk milk cooling plant with nearly US\$1m in sales – successfully replicated across Kenya



# WE AIM TO IMPROVE RURAL BASED INDUSTRY COMPETITIVENESS...

## Our core beliefs

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- Private companies are essential to accelerate rural economic growth, and improve incomes and employment
- Sound business strategies and excellent execution make companies successful
- To improve rural incomes, and create sustained improvements in rural livelihoods we have to focus on improving company level performance

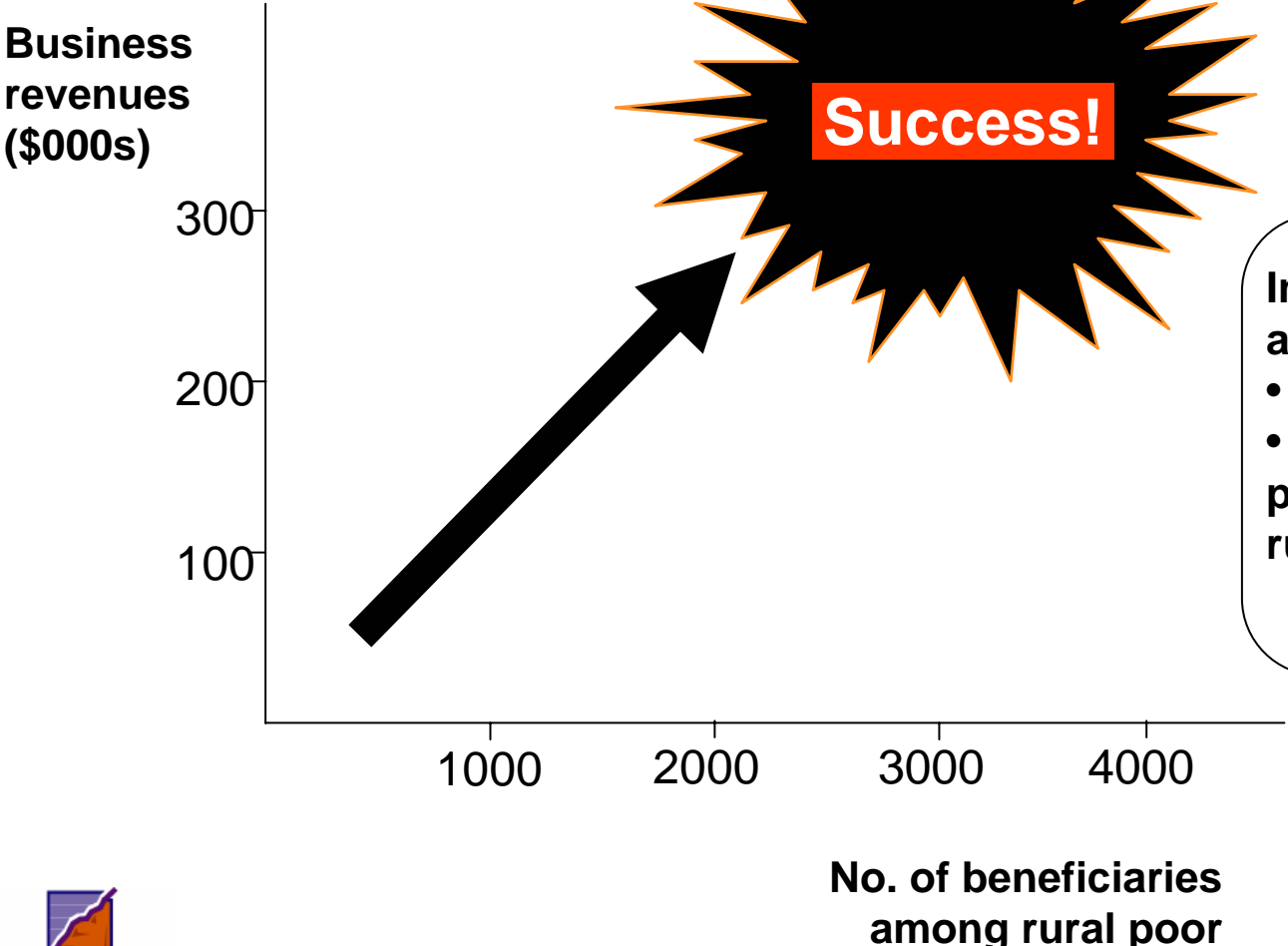
## Our approach

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- We identify entrepreneurial men and women to build businesses
- We use world class techniques and partners to help them plan, market, operate and expand their business
- We leverage lead entrepreneurs to growth competitive sustainable industries
- We tackle specific constraints in that industry's enabling environment



# ...TO ACHIEVE INCREASED INCOMES FOR BUSINESSES AND THE RURAL POOR



**In 2003 TechnoServe assisted 120 clients who**

- achieved \$19m revenue
- made \$12m in purchases from 55,000 rural poor people

# FOR EXAMPLE BY REGENERATING CASHEW PROCESSING IN MOZAMBIQUE...



*Antonio Miranda, 51*

- In 2001, Antonio Miranda, a Mozambican entrepreneur, piloted a small-scale, manual, rurally located processing plant
- In 2004, he opened a second 1,000-ton factory – with revenues over \$1m
- In 2004, we worked with 10 other entrepreneurs – trained by Miranda – totalling more than 7,000 tons of processing capacity
- In 2005 the firms will purchase almost \$3 million in raw material, from 80,000 small-scale farmers

## **TechnoServe helped by:**

- Assessing global performance benchmarks and developing initial business plan
- Providing world class advice focussing on processing productivity and quality
- Creating links to producers and supporting raw nut quality improvement
- Creating links to export markets
- Assisting in raising investment and working capital
- Identifying additional entrepreneurs

# ...MATERIALLY IMPROVING THE LIVES OF THOUSANDS OF MOZAMBICANS

*"I really like working, and I really like working here. Now I have money, to feed and educate the children."*



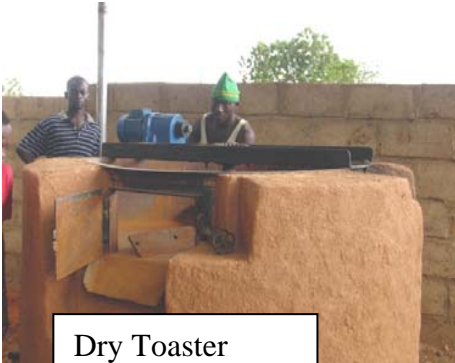
*Atija Soalahe, 33 years, widow, 6 children, factory worker*



- In target areas, people's cash income is primarily from raw cashew nut sales – which had fallen by over 80% since early 1970s
- In 2004, raw nuts were sourced from over 30,000 rural producers
- Producers are paid premiums up to 60% over that paid by traders
- By the end of 2004, over 1,800 processing jobs were created in areas with minimal formal employment

# ...AND BY ASSISTING AN EMERGING SOYBEAN PROCESSOR IN GHANA

## Upper West Agro Enterprise:



Dry Toaster

- Soybean processing facility producing soybean oil for household use, soybean cake for livestock industry
- Operated at 25% capacity in 2002

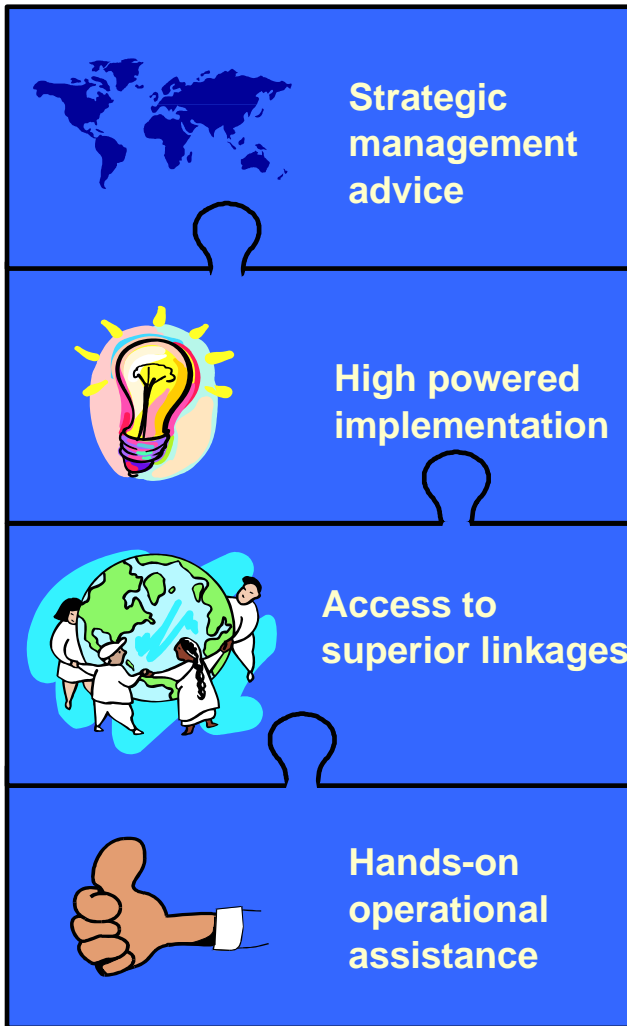
## TNS helped by:

- Carrying out operational and management audit
- Recommendations for upgrading processing technology. Adoption of dry toaster resulted in 475% increase in soy throughput
- Facilitated market linkage for 25 MT of soya cake per month
- Purchased soybean worth \$22,000 from 3000 smallholder farmers in 2003

**“Working with TechnoServe has confirmed my conviction that rural industrialization in the deprived Upper West Region is one sure way of creating wealth for the rural poor.” Dr. Francis Banka, Managing Director**



# ...WE DO THIS BY OFFERING ENTREPRENEURS A NUMBER OF CORE SERVICES



- Diagnosing company situations
- Prioritizing management needs
- Creating business plans and investment proposals
- Developing targeted solutions – including dealing with regulatory challenges

- Developing systems and skills
- Improving processes (e.g. production, distribution or sales)
- Managing projects

- Markets and customers
- Suppliers
- Financial institutions and equity investors
- Legal, advertising and certification partners
- Trainers

- Day-to-day managerial, operational and planning support
- Technical assistance including best practice production methods
- Benchmarking



# WE PARTNER WITH MANY WORLD-CLASS CORPORATIONS



- Strong Private Sector Orientation
- Active Board
- Leverage of Strategic Partners



# ...TO GENERATE SUSTAINABLE INCREASES IN RURAL LIVELIHOODS



Social Impact Assessment reveals significant improvements in:

- Access to education
- Consumption of new protein sources
- Access to health insurance
- Home improvements
- Diversification into new food and cash crops

