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TECHNOSERVE
PARTNERSHIP GRANT REPORT
JULY 1986 - JUNE 1987
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TECHNOSERVE, INC. PARTNERSHIP GRANT
NO. PDC-0280-A-00-6205-00
PROGRESS REPORT ON THE FIRST YEAR ACTIVITIES AND ACHIEVEMENTS
JULY 1986 - JUNE 1987

INTRODUCTION

This report is presented to the Agency for International Development in compliance with the reporting requirements of AID Partnership Grant PDC-0280-A-00-6205-00. As such its purpose is to provide the Agency with an account of the specific Technoserve activities in Africa and Latin America that are the focus of this new grant. Inasmuch as the Partnership Grant mechanism is new, Technoserve and AID are exploring new ground together. This report attempts to present the events of the past 12 months in that special context. From Technoserve's point of view, the reflections and discussions on strategy and implementation that occurred at headquarters and at field levels are as much a part of the response to the grant as the concrete data such, e.g. out-put indicators and financial accounts. This report, therefore, gives special attention to the development of new country strategies for both geographic divisions and to the activities of Technoserve's Research & Dissemination department as it gets into full gear.

The report format accommodates the guidelines for reporting on grant accomplishments published by FVA/PVC in August 1985.

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I - BACKGROUND TO GRANT AND PROJECT CONTEXT

1.1.0. Large segments of the public, as well as the entire development community, were galvanized by the African famines of the past decade to think again about hunger. Hunger, in fact, has now become the dominant preoccupation of both public and private sectors alike. It is Technoserve's position that the prevalence of "hunger" in the world - whether in our own or in the developing countries - is largely the result of poverty and that poverty itself is the result of underproductivity and unemployment.

Apart from the vagaries of nature and the provocations of national politics - factors which compounded already strained economies - recurring hunger and famine as recently seen in Africa are manifestations of an accumulation of problems resulting in underproduction and crop failures on a wide scale. Among these are: poor transportation and storage systems, faulty marketing, inadequate price levels and policies and lack of credit, agricultural inputs and extension support. It is essentially these causes of poverty and hunger that Technoserve is addressing in its Five Year Program, 1986 - 1991.

Since its founding in 1968 as a non-profit, voluntary agency, Technoserve has pursued one single goal: the improvement of the social and economic well-being of low income people in the developing countries through the medium of self-help, enterprise development. Working primarily with the rural poor, Technoserve has focused on the promotion of community-based enterprises out of a firmly held conviction that agriculture is the main force behind national development. It has sustained this sole focus for nearly 20 years, steadily accruing expertise and insights from its work with literally hundreds of rural enterprises and hundreds of thousands of participants and beneficiaries, and earning for itself a position of comparative advantage that is unmatched in the development field. It is from this position that Technoserve has launched its new five year program with the intent of optimizing its institutional resources in order to help more people in more countries.

II - TECHNOSERVE'S LONG-RANGE RESPONSE TO THE PROBLEMS OF WORLD HUNGER AND POVERTY

2.1.0. The Partnership Grant agreement which commenced on July 1, 1986 has made it possible for Technoserve to inaugurate this five-year plan and to work toward achieving "critical mass" level of activity and impact at the rural community institutional areas in select primary countries. Critical mass - measured by scale as well as number of projects and institutions - is that level of program dynamic that makes it possible for Technoserve to achieve maximum impact - on agricultural production and also to bring a positive influence to bear in the arena of national policy dialogue. Primary countries of assistance as currently defined under the Partnership Grant are Ghana, Costa Rica and Panama.

Replication or establishment of at least one more affiliate country; establishing full-scale, critical mass. programs in 2-3 new countries in Sub-Saharan

Africa and 1 in Latin America; strengthening of Technoserve's evaluation and self-training capabilities; and strengthening of the organizations' new replication and dissemination program: these are the other major activities through which Technoserve is implementing this long-range plan. As a base for this strategy, Technoserve is building on the solid position the agency has achieved in all 9 of its programs in Latin America and Africa.

This intensified program features four synergistic program elements:

- 1) Agricultural Production, Processing, Marketing and Policy Reform;
- 2) Agriculturally Related Institutional Development;
- 3) New Country Expansion
- 4) Replication/Dissemination, Evaluation and Training.

2.2.1. Agricultural Production, Processing, Marketing & Policy Reform. Foremost is the effort to increase agricultural production and on policy reform which fosters such increased productivity. In this Technoserve is emphasizing food - livestock, basic grains, fruits and vegetables - along with certain fiber and cash crops. The inauguration of the Partnership Grant program in July 1986 gave fresh impetus to the long-range strategy and as a result over the past twelve months (July 1986-June 1987), the agency has been able to make significant decisions notably in the new country selection and agricultural commodity sectors.

With regard to affecting positive changes in development policy, it is Technoserve's intent to achieve these changes by making data and information available to policy makers and also by leveraging such changes from the comparative advantage of our individual programs. The commodity sector programs currently being developed in Ghana, Panama and Costa Rica are expected to attain this level of influence within the next few years. In the past twelve months, program planning, commodity research and expanded project activity have brought these programs to a stronger national position with wider-ranging programs focused on basic grains, vegetables and edible oils.

2.2.2. Institutional Development. Technoserve's long-range strategy for achieving maximum impact is furthered through Technoserve's support of agriculturally-related institutions, both public and private. It was evident during the past twelve months that there is increasing initiative on the part of host country governments to seek working partnerships with Technoserve and also to seek consultative/training relationships in such areas as agricultural extension, water resource and credit management. Such programs are now in process formation in Peru, Kenya, El Salvador and Panama.

2.2.3. New Country Expansion. Technoserve's long-range "maximum impact" goal is reflected again in its plan to expand services into new countries, a program phase which will provide a testing-ground for institutional adaptations of the Technoserve model - i.e. for program replication - as for expansion of the traditional Technoserve program into new countries. The program affiliate in Belize is a prototype of program replication. New country investigations into several countries of Sub-Saharan and Southern Africa and South America were undertaken in the grant year.

2.2.4. Replication and Dissemination. The R&D program initiated in 1984 with Matching Grant funding has developed into an important adjunct to our effort to capitalize on our 20 years of experience and to seek new ways of extending our programs to other development agencies. This program began to hit full stride during this past year, particularly in the area of "dissemination" through the publication of the research series "Findings '86 and '87 and commencing publication of indepth case studies of completed Technoserve projects.

Seminars and training programs for PVO's and development institutions are now in the planning process as a result of the quality and extent of our R&D output and activities during the past year.

2.3.0. Board of Directors. A major component for success in the achievement of Technoserve's Five Year Plan is the increasingly active involvement of the Technoserve's Board of Directors. This Board of Directors - consisting of 20 outstanding men and women of the world of business, philanthropy and religion - has been strengthened through the addition of new, dedicated and very active officers whose zeal and commitment has been reflected during the year in their reaching out to their respective communities to make Technoserve better known and appreciated. A landmark of their activity during the past twelve months - and a portent for the future - was the Board's initiative in the formation of Technoserve's World Harvest Council as a forum for action with the President Emeritus of Notre Dame, Reverend Theodore Hesburgh, as Chair with Dr. Norman Borlaug and Robert McNamara as founding members. This consultative body will increase Technoserve's visibility and impact. It will also serve the cause of development at large through the convening of special conferences on improvement of world agriculture.

2.4.0. KEY ACHIEVEMENTS OF THE PARTNERSHIP GRANT DURING THE FIRST YEAR: 1986-87

- Commencement of new country investigations in several key countries. These included: Tanzania, Uganda, Bolivia.
- Emergence of Technoserve's program in Costa Rica as one of the better models of a cost-effective program. Moreover, Costa Rica proves to be a model of development-receptive environment.
- Resurgence of the economic life in Ghana, and a corresponding burst of activity by Technoserve/Ghana in the promotion of an agricultural support program that became nation-wide in 1986-87.
- Commodity (food crop) sector studies completed by Technoserve/Ghana in 1986 now act a basis for intensified program activity with appropriate staff augmentation.
- A two-year Technoserve effort to "nationalize" the Technoserve program culminated in the appointment of a Panamanian Country Program Director in May 1987.

- In Panama - as in Ghana - Technoserve's commodity sector emphasis was asserted in the area of vegetable and fruit cultivation with ramifications in the area of institutional support activities, chiefly in the area of extension services and credit management.
- Technoserve program for the Kordofan Region of the Sudan (originally scheduled as a "new country" initiative in Technoserve's proposal of 1985) commenced operation in December 1986 under an AID-funded cooperative agreement following a delay in start-up caused by political events. The survey/base-line data stage has now been a base-line data stage completed as groundwork for this program to provide agricultural credit to small farmers.
- Replication and Dissemination came into its own during the year, demonstrating - through a program combining publishing and conference activities that the rationale for this program is on target. Receptivity and response to the output of R&D indicate Technoserve has begun to generate a dialogue - both internally and externally - that can have a long term pay-off in more focused and responsive development programs.
- BEST (Belize Enterprise for Sustained Technology), co-sponsored by Technoserve as its first affiliate established itself during the year as one of the principal development assistance organizations in that country. One side effect is the emergence of co-sponsoring Katalysis Foundation as an American "enterprise" PVO.
- Publication of new project evaluation studies and continued regional training seminars reflect Technoserve's ongoing efforts to continuing use (and refinement) of the agency's participation methodology.
- AID Mission Partnership mission contribution dialogue initiated at the country program level, specifically in Kenya, Panama, Costa Rica and Zaire.
- Technoserve initiated and actively explored new models for funding and promotion of development of community-based enterprises: among these the formation of charitable trusts in Kenya and Ghana. Technoserve has also commenced dialogue with the international banking community in an attempt to define LDC debt conversion as a means of financing international development programs.
- Formation of the Technoserve World Harvest Council.

2.5.0. OUTPUT INDICATORS - July 1986-June 1987

Technoserve's project information systems provide the data by which the organization tracks performance and makes comparisons to goals set forth and quantified in the Logical Framework appended to its Partnership Grant Proposal (September 1985) and as restated in the Grant Letter of Agreement dated September 26, 1986. These indicators for the year July 1986-June 1987 are summarized in the chart below.

2.5.1. DEFINITION OF OUTPUTS/RESULTS

- (i) Major Enterprises/Projects Assisted: The number of "major" enterprises assisted during the report period. Major enterprises are those that are expected to exert measurable impact on the enterprise/community as a result of Technoserve's assistance. As defined by Technoserve, major enterprises are those with a minimum of 25 active members, and a total membership of no less than 40 persons; they have an annual gross revenue of more than \$25,000, and more than \$25,000 in total assets (\$10,000 in assets/sales in certain low-income African countries). All major enterprises and projects have signed agreements on file with Technoserve and are tracked by quarterly operating reports from the field. The concept of "major" enterprises is one that has evolved over a period of years to reach its present form in 1987.
- (ii) Major Institutions Assisted: The number of major institutions assisted during the report period. This includes local PVO's, community organizations, host country government agencies and para-statal organizations, as well as local offices of international development agencies. All major institutions assisted have signed agreements with Technoserve and are monitored through the quarterly operating report system.
- (iii) Total Projects Assisted: The total number of projects at all stages of development assisted during the grant period. Short-term consultations are included in this category. Assistance given to long-term projects are covered by formal agreements; to short-term projects by letter of understanding.
- (iv) Project Requests Investigated: The number of project requests which Technoserve investigates or pre-screens during the report period. These are documented by records of requests and staff investigations.
- (v) Project Analyses: The number of economic, institutional, or social project analyses completed during the report period, documented and on file.
- (vi) Project Plans: The number of economic, institutional or social plans developed to guide the implementation or operation of projects. To qualify, each plan must be complete and in written form.
- (vii) Project Agreements: The number of formal long-term agreements signed within the report period.

2.5.2. Definitions of Outputs/Results for Other Activities

These outputs relate to new country initiatives, staff training; evaluation seminars and evaluation studies, R&D papers, case studies and seminars; staff development; and financial growth.

2.5.3. Achievement Indicators

<u>2.5.3.1. Project Outputs</u>	<u>Goal 86-87</u>	<u>Actual 86-87</u>
Project Investigations	150	201
Project Analyses	150	136
Project Plans	75	80
Project Agreements	75	135
Total Projects Assisted	100	180
Major Enterprises Assisted	-	60
Major Institutions Assisted	-	12
<u>2.5.3.2. Other Activities</u>	<u>Goal 86-87</u>	<u>Actual 86-87</u>
New Country Programs		
Investigation Activity	4-5	5
Start-ups	1	0
Eval./Staff Training Seminars	4	8
Evaluation/Studies	4	6
R&D Activities:		
Seminars	2	4
Position papers & Case Studies	7	9
Replication of Programs	1	1
<u>2.5.3.3. Staffing</u>	<u>Goal 86-87</u>	<u>Actual 86-87</u>
Salaried Officers	5	4
Country Program Directors	9	9
Program & Project Officers & Advisors	80	81
R&D	3	2
Fiscal, Legal & Marketing	8	8
Administrative & Clerical	55	59
	160	163

III - REVIEW AND ANALYSIS OF PROGRAM RESULTS BY COUNTRY

3.1.0. AFRICA DIVISION

For Technoserve's Africa Division the first year of Partnership Grant activity was distinguished by several key developments, each one a major step toward the achievement of the critical mass and geographic expansion we are striving to attain over the five year period. Specifically, these steps included 1) the introduction of innovative enterprise promotion and investment models, 2) the initiation of extended project activity based on indepth commodity sector surveys; 3) new country investigations and 4) professional staff expansion in all countries.

The effort to redefine and sharpen our program focus on specific commodity sectors, expand our services and test new project models are broadly characteristic of the entire Africa dynamic, and have not been confined to Ghana - which is currently the single "primary" country program being assisted through the Partnership Grant. This effort extends to other or "secondary" country programs, specifically Kenya and Zaire. Technoserve's regard for Kenya as a "primary" country was reinforced by developments in that program during the year.

Key developments in the Africa Division during the grant period July 1986-June 1987 are these:

- In Kenya and Ghana, Technoserve has established the CEPIS (Community Enterprise Promotion and Investment Service) a form of charitable trust to facilitate investment in community-based enterprises. In addition to the legal groundwork, several feasibility studies were completed and the work commenced on the first - or pilot - enterprises during the year.
- Commodity sector surveys completed in 1986 provided the basis for project initiation of extensive service programs in rice and palm oil cultivation and processing in Ghana.
- In accordance with the long-term divisional goals, short-term "business advisory services" programs got into full-gear in the report period in four of the five Africa programs: Ghana, Kenya, Zaire and Rwanda.
- In Rwanda, a new (neither primary nor secondary) country, Technoserve completed a review of agro-processing technologies appropriate to the country and laid the foundation for an Enterprise Promotion initiative which will stimulate the growth of agro-processing enterprises in Rwandan communities.
- New country investigations commenced in Uganda, Tanzania, Somalia and Mali.

3.1.1.0. PRIMARY COUNTRIES

3.1.1.1. GHANA

Agricultural pilot projects with potential for wider impact and regional replication; an emphasis on support programs for local church and voluntary organizations; commodity sector specialization; and expansion of services on a broader

national scale - these program components were vigorously pursued during the first year of the Partnership Grant in Ghana.

As noted in the introduction, the an economic resurgence in Ghana is providing a highly favorable environment for expansion of Technoserve activity in that country. Agriculture, of course, is a major factor in this improved situation and the government of Ghana is currently attempting to improve road and rail systems to facilitate transportation of agricultural as well as mineral and industrial products. Heavy rains during the 1987 planting season and the subsequent dry period with its threat of drought have not hindered Technoserve's program activity and the present emphasis on rice and oil palm as the first priority commodity sectors. Indepth studies surveying rice and oil palm cultivation were completed by Technoserve advisors early in the grant year, laying the groundwork for enterprise promotion projects now in process.

The "commodity-sector" strategy which has now become a major component of Technoserve's overall agency strategy was defined and tested first by the Africa Division with Ghana functioning as the workshop and laboratory for the concept. As noted, sector studies on rice and oil palm completed in 1986 by Technoserve/Ghana are the basis for the extensive technical assistance program to Ghanaian farmers in those crops. In addition, Technoserve advisors have been actively engaged in preliminary research on other basic crops. Probable candidates include maize, groundnuts, ginger, tomato and other vegetable processing and drying operations.

Of the two commodities currently being promoted on a long range basis - rice and oil palm - the oil palm effort has made most progress. During 1986, Technoserve staff had identified 11 oil palm cooperatives as potential CBE's, and ultimately refined that group to a basic few. Currently working with three - Ntinanko, Prestea and Aboso - Technoserve plans to extend the program to 5 processing centers accessible to a larger number of small producers.

The rice promotion effort has been less successful in that one of the principal cooperatives developed "structural" strains; while the rice production at Asutsuare Cooperative increased dramatically, members wanted to overcommit the cooperative in financial loans, and Technoserve, not concurring, withdrew at the conclusion of the agreement. A second rice farming cooperative is doing better. This is the farmer's cooperative at Lolobi, 200 miles north of Accra, where 60 families are engaged in producing paddy rice on a 200 acre parcel. Yields have increased substantially and are expected to double by the end of 1987. A neighboring cooperative has asked for admission to Lolobi.

During the course of the year, significant personnel changes were made in terms of the Ghanaian as well as expatriate staff as part of the new effort to upgrade the program's technical service capabilities and to achieve program activity on a wider national basis. John Doku - Country Program Director since - 1979 and one of Technoserve's long-term employees - retired in 1986. He was replaced by Paul Warmka - American farmer, livestock specialist and veteran of Technoserve's Kenya program. By the end of the first year, the Ghana staff stood at 15 was engaged in project activities that had expanded beyond our traditional range of

operations in the Greater Accra and Central Regions to include projects in Ashanti, Western and Volta regions. Technoserve expects to place two additional expatriate advisors in the field by Fall 1987, and reach a total staff of 20 persons within the balance of the grant period.

Because of unexpected staff losses during the year - two of Technoserve's most valuable expatriate advisors had to leave Ghana for reasons of health - Technoserve's efforts to reach critical mass in Ghana were retarded and the program did not quite achieve the momentum sought for the year. Nevertheless, the program is on track with a good balance between short and long-term advisory services to institutions as well as community-based enterprises on the rise.

Technoserve/Ghana is actively promoting its BASIG - Business Advisory Services/Ghana short-term service component. This includes advertising the program in Ghana's newspapers in an effort to attract more farm groups with long-term potential. In Ghana, the BASIG program has routinely provided short-term services to local and international PVOs and church projects, with roughly the same clientele returning with new problems. Through the promotional effort, Technoserve hopes to emulate the BASIZ program and identify community-based enterprises. Formerly, in Ghana, this activity was served through referrals from government extension agents, and village-based TNS extension agents.

Ghana was the focus of R&D investigation with that department completing indepth field research and publishing two in-depth "Case Studies in International Development". These studies - which were written by R&D Director Thomas W. Dichter - are:

- AHK LTD. COMMERCIAL RABBITRY, GHANA:
Starting a High Risk Enterprise in a Troubled Economy

and - BUSINESS ADVISORY SERVICES TO SMALL ENTERPRISES AND LOCAL
NGOs IN AFRICA - Pluses and Minuses

Ghana expenses for the grant year 1986-87 totalled \$385,000 slightly higher, but in line, with the budget projection as presently revised (7/27/87). It is important to note here that Ghana is proving to be extremely attractive focus for all private donors with substantial grants coming from US corporations, foundations and church agencies for BASIG and commodity sector promotion.

3.1.2.0. NEW COUNTRY START-UPS AND INVESTIGATIONS

3.1.2.1. SUDAN. Technoserve commenced work in the Sudan in December 1986 following a delay in start-up of this program, originally included as part of the new country start-ups. Our staff will work with the Agricultural Bank of Sudan to establish a program to provide agricultural credit to smallholder farmers in Western Sudan's Kordofan Province. While this work is 100% funded through a USAID/Sudan Cooperative Agreement, Technoserve expects to develop a parallel program to provide direct technical services to farmer cooperatives drawing on grants from private foundations and church agencies.

3.1.2.2. INVESTIGATIONS. New country initiatives were a divisional effort during the grant year, involving research and consultation at national and divisional headquarters, and active field investigations conducted by both the Vice-President/Africa Division and senior field and staff officers. Field investigations were conducted in Mali, Tanzania, Uganda and Somalia.

- Following field investigations in Uganda, in February 1987, Technoserve submitted a technical assistance proposal to REDSO for the Uganda Rural Economic Recovery Program. Although Technoserve's proposal did not win the cooperative agreement, it provided Technoserve with its own rationale for a possible future program in that country. Uganda remains high on Technoserve's list of new country prospects.

- Technoserve investigations in Mali provided the agency with a good feel for the potential in that country, particularly in the promotion of medium-scale enterprises. Large-scale agricultural enterprises are badly in need of direct management assistance. Technoserve advisors also detected a considerable need for technical assistance on the part of PVO's active in the country.

- Somalia has been under active investigation during the past year with field visits by divisional staff taking place in 1986 and early 1987. Technoserve is interested in the potential for promotion of rural enterprises with groups involved in the Lower Shebelli Irrigation Rehabilitation Project and also in provision of technical assistance to MUST - Management Unit for Support and Training - in conjunction with PACT.

- Since June 1986, Technoserve has been investigating program potential in Tanzania. Preliminary investigations carried out in 1986 have led to field assessment currently in process in Tanzania by special consultant. Technoserve is particularly interested in rehabilitation of agricultural activity and rural cooperatives in the Arusha District.

3.1.3.0. SECONDARY COUNTRIES

Under the terms of the Partnership Grant, several Technoserve country programs have been recognized as "secondary" countries. Secondary countries are defined as those new or ongoing programs in which private funding - provided by Technoserve from its private donors or reserve funds - is countable toward Technoserve's match obligation. Secondary countries are - Peru, Kenya and Zaire. Summaries of secondary countries in the Africa context follow.

3.1.3.1. KENYA

The year 1986 ended with several events with long-term implications for Technoserve's program in Kenya. The successful negotiation and award of the Cooperative Management Improvement Project (CMIP) is an achievement that indicates that Technoserve/Kenya has in fact arrived at the policy influencing stage that we seek to attain in all country programs. This is a project of the Kenya Ministry of Cooperative Development in which Technoserve's main role will be to address the management deficiencies in 28 major cooperatives and provide recommendations

for training and remedial action to improve their overall performance. The project also assists the MOCD in increasing its capability to assess the management requirements of individual cooperatives. The results of this Technoserve consultancy will be used in the preparation of a long term program focused on improving cooperative management throughout the country. This program component has been put forward to the AID Mission as a concept for Mission contribution under the terms of the Partnership Grant.

Another major event was the launching - late in 1986 - of CEPIS - Community Enterprise Promotion and Investment Service Trust. Technoserve is developing this trust as a new model as more aggressive vehicle for enterprise promotion. A prototype enterprise - the first to receive assistance under CEPIS - is the Mala Milk Project, an effort to help small farm milk production with collection and marketing services.

Other programs under CEPIS will include a wool processing facility whereby individual sheep farmers will be able to deliver wool for spinning and then have it sent to nearby cities for sale. Technoserve will provide management assistance in the acquisition of the wool spinning machinery and in the design of a marketing plan. Another is a cheddar cheese manufacturing operation which is being designed with Technoserve's assistance. In all of these CEPIS projects, Technoserve will be purchasing share equity in the businesses - all cooperatives - in order to help the groups qualify for loans with local banks. Technoserve will also - in most cases - assume a leading management role until the project staff is fully trained and on the job. Technoserve's share capital - when redeemed by the cooperatives - will be recycled into the Trust to assist other similar projects.

Technoserve/Kenya also plays an important role in regional investigations related to new projects and new country investigations. Logistical support has been also provided to our Rwanda program, and training assistance is being provided accountant trainees under Rwanda's Training and Institutional Development Program.

Finally, the Business Advisory Services-Kenya (BASIK) component continued under demand by community groups, national and international PVOs. During this period, BASIK has been especially useful in providing short-term management assistance to a number of women's projects.

Budgetary constraints have forced a reduction in size of the Kenyan staff which totals 17, down 6 in the twelve month grant period. Budget level is currently \$516,000, and is funded entirely by private contributions and grants from US donors.

3.1.3.2. ZAIRE

We are finding that Zaire is proving to be an increasingly fertile country for the Technoserve kind of program. The ambitious 1986-1990 development plan adopted by the Government of Zaire in 1986 has three primary thrusts that should improve this atmosphere: these are 1) economic liberalism, 2) the encouragement of private initiatives, and 3) economic decentralization. Of particular

national economic significance was the introduction of a new and more liberal foreign investment code.

Overcoming the agronomic, marketing and management constraints to low-income farmer productivity is the primary objective of Technoserve/Zaire. Requests for our assistance almost doubled during 1986-87 and services were generally expanded and intensified. In this regard, Technoserve assistance is being extended to more distant parts of the country, including Basankusu and Bandundu and to near Lake Kivu and Rwanda.

While continuing to serve the needs of both international and indigenous PVOs, over 2/3 of all projects assisted relate to problems and needs of local agricultural enterprises and most of these are focused on fruit, and vegetable production and livestock development. Of course, an enormous problem - met almost on each occasion in Zaire - is that of logistics, getting the farmers' and co-ops produce to market. In one typical case, Technoserve assisted a banana growers' cooperative to reach Kinshasa markets for the first time in six years. Perhaps even more important that the immediate net profit realized was the restoration of member confidence in their cooperative.

Technoserve's long-term assistance program to the Family Fishpond Project (PPF) of the Ministry of Agriculture - now entering its final phase - has brought Technoserve into discussions with other Government agencies seeking similar assistance for their own management systems. Additional work on the ministerial level will add to Technoserve's institutional support component and position the agency for positive action in the area of policy dialogue and development. We view this program as a possible candidate for mission contribution under the Partnership Grant.

Technoserve/Zaire has attained a staff level of 17, and current budget level of \$425,000.

3.2.0. LATIN AMERICA DIVISION

The past year was one in which key new elements of Technoserve's long-term plan were begun by the Latin-America Division. These elements focus on:

- Improved ways to lift rural community enterprises about the struggle for survival and help them toward a dynamic, self-sustained, profitable level of operation;

- Forging strong, operational links with local institutions which allow Technoserve to extend its reach beyond the relatively small number of enterprises it can assist directly;

- Formation and orientation of local support groups of prestigious people in each Technoserve country. We call these groups, "Amigos de Technoserve."

These above key elements were central to Technoserve's activity in Panama, and Costa Rica - the division's "primary countries" under the Partnership Grant as they were in Peru, a "secondary country".

As the true potential of Technoserve's work becomes more evident in the success of the enterprises assisted, it also becomes increasingly clear that Technoserve cannot work alone. By enlisting the participation and support of prestigious local leaders, the Latin America Division are hoping to find new ways of extending Technoserve's impact as finding an increasing local support base for our mature and maturing programs.

During the past year, we discovered that "replication" is also a by-product of success; that word of successful projects does spread rapidly through the communities providing us with numerous opportunities to share our experiences and to replicate our projects with others. This experience was shared by the program in Peru as in Panama and Costa Rica. For some time, he has also been one of the dominant features of our program in El Salvador.

BEST (Belize Enterprise for Sustained Technology) Technoserve's first replication effort made considerable progress during the year. By sponsoring BEST, Technoserve has participated in the creation of a entity which uses Technoserve's successful participation methodology. Our presence on the Board of Directors gives Technoserve leverage for quality control and - once our direct technical assistance is phased out - opportunity for future input.

At the end of 1986, Technoserve signed a formal agreement with the Agricultural Development Bank of Panama which will integrate two of their technicians into Technoserve's Panama staff. Similar arrangements have been formalized recently in both Peru and El Salvador. These kinds of institutional linkages offer the potential for greatly expanding the lessons we have learned and the methods we have developed.

3.2.1.0. PRIMARY COUNTRIES

3.2.1.1. PANAMA

Consistent with its five year plan for Panama (which calls for long-term support to 10-12 producer cooperatives), Technoserve work with 8 major cooperatives during the grant period. This is the momentum Technoserve is striving to achieve in order to impact on the country's agricultural sector which comprises 50% of the country's population, but only 10% of its gross domestic product. Our field experience in Panama continue to bear out the dramatic gap which exists between the urban and rural sector of Panama's economy. Most of Technoserve's rural beneficiaries have annual per capita incomes of under \$300, in great contrast to the national average of \$2,000.

Currently, Technoserve's enterprise development program has focused on the farmers and fishermen in the provinces of Chiriqui, Cocle, and Veraguas. During 1986-87, Partnership Grant funds made it possible to strengthen our comprehensive services programs to cooperatives that are multi-service in character and whose members are engaged in cultivation of vegetables, basic grains, coffee and fishing. All of these groups, we find, share the same set of problems: indifferent or reduced member participation; decline in productivity; marketing obstacles and a complicated array of credit problems. Here, in these situations, Technoserve's participation methodology has proven its versatility; and utility as a

vehicle for involving the membership more fully, teaching them to share information and above all responsibility on a broader scale. During the past year, Technoserve advisors have made varied use of utilized the workshop as an intrinsic component of our methodology. Cooperatives assisted participated in workshops to evaluate experimental vegetable and fruit plots; conducted village seminars in cooperative participation and management; and formed "education" committees for ongoing training and planning purposes.

Veraguas Province - with the highest poverty rate in Panama - has been a major focus for Technoserve. During 1986, Technoserve completed its work with the John XXIII Cooperative, a multi-service cooperative with 1200 members. This program lead to requests for our assistance from others in the province La Esperanza de los Campesinos and Despertar Campesino which are indicative of the social and agricultural contrasts these rough and mountainous province presents. Cultivation programs for members of La Esperanza were re-organized in order to complement the members' traditional small coffee production with vegetable and fruit cultivation, a hedge against fluctuating coffee prices and the resultant effect on small producers. We studied development opportunities at the El Despertar Campesino Cooperative whose membership is among the neediest in the province, probably in all Panama, and present an enormous challenge to Technoserve.

In 1986, several major Panamanian institutions involved in rural development expressed in drawing on Technoserve's experience in working with cooperatives.

During the year, we launched our institutional development component by signing an agreement with the Agricultural Development Bank (BDA) to provide on-the-job training to BDA technicians. Two technicians were assigned to work in our Panama office and receive training in Technoserve's field methodology. The BDA is contributing a vehicle and an annual fee of \$11,000 for this training program which will result in greater expertise in extending credit to cooperatives and their low-income members. The Institute for Agronomic Experimentation has also approached Technoserve for replication of this type of training for members of its staff. The Technoserve training experience has produced a high degree of enthusiasm in the BDA - a reflection of the renewed enthusiasm for their work exhibited by the trainees. This added dividend - we believe - will help to stimulate a zeal for development within the Bank and in other institutions as it continues.

There are two additional benefits will result from this program: First, we will be able to assist more enterprises because of this added manpower. Second, and perhaps more important, these technicians will become trained in Technoserve's methodology which they can then adapt when they return to their own jobs and to their own communities after two years with Technoserve.

Moreover, we have also ahead in the area of policy formation with the inauguration, in Fall 1986, of a Market Information System. Officers and managers of government agencies, banks and farmer cooperatives are the recipients of this quarterly bulletin. The Institute of Agricultural Marketing (IMA) has expressed interest in the bulletin and discussions are currently in progress to explore ways - and find the means - to transfer this activity to IMA. Funding constraints within Technoserve and the IMA are the main obstacles.

As in other programs within the Division, the formation of a "Amigos de Technoserve" support group was advanced with 8 prominent Panamanians willing to act together in forming this initial group.

Program Director Mario Ganuza has provided ongoing field support to BEST in Belize during this period. Plans to turn the Panama program over to local leadership have gone forward; in 1987 Technoserve recruited Jose Augustin Espino as Panama Program Director. Sr. Espino a former Vice-Minister of Agriculture in the Barletta government, assumes direct responsibility for the Panama program in September 1987. In addition to the CPD, the Panama staff now totals 10 persons. The budget which is on target at \$450,000 for the current year is being met by a 50-50 Partnership/Private match.

3.2.1.2. COSTA RICA

In 1983 Technoserve initiated full service program in Costa Rica under the direction of Silvio Baltodano, formerly director of Technoserve's program in Nicaragua. Program activity which commenced with services to agricultural cooperatives and development institutions received important recognition and seed funding from CINDE - the Costa Rican Coalition for Development Initiatives. As Technoserve's program has grown and diversified in the country, this basic partnership has continued through ACORDE. However, it is the Partnership Grant which is providing Technoserve with the core funding crucial to successful evolution of this new program. In accordance with the projections provided in our Partnership Proposal, the program has achieved its first year staffing level of 9 persons and the funding level of \$320,000; of PG funds provide approximately 50% of this budget level.

The Costa Rica program hit its stride in 1986-87 with assistance to nine projects, (seven community-based enterprises and two private non-governmental organizations). The cooperative clientele consists entirely of small farmer organization engaged in the production of food and cash crops. Increases in membership and increases in profitability are the primary results of our assistance programs to these groups. Here, as in our other programs, we are insisting on crop diversification programming as integral to the overall technical assistance activity.

Improvement of administrative and processing capabilities are correspondingly more sophisticated in Costa Rica where cooperatives have a higher level of productive activity (and membership) than its neighboring countries. Thus, Technoserve produced a series of administrative manuals for Coopechayote - a 100 member group engaged in production and marketing of chayote - were completed during the year and a computerized accounting system was installed - a first for cooperatives of Costa Rica. This cooperative also received Technoserve support in the agricultural diversification, using such mechanisms as demonstration plots and research facilities. Similarly a series of accounting manuals was prepared for Coopejibaye, a coffee growers' cooperative. And 1986, Technoserve commenced a long-term services program for Coopesuiza, the oldest - and one of the largest - coffee growers' cooperatives in Costa Rica. A natural adjunct, Technoserve is preparing a program of support for FEDECOOP, the Federation of Coffee Growers' Cooperatives.

Technoserve/Costa Rica has become an active member of the Federation of Voluntary Organizations - FOV. In fact, Country Program Director Silvio Baltodano has served as President of the Federation. During the grant period, Technoserve carried out service program for FOV to help it establish a monitoring and impact evaluation system. The principal result of this assistance helped the FOV more clearly see its prime function as coordinator of the countries' vast array of voluntary organizations.

In line with the five-year plan and the special Divisional objectives, we have assisted in the formation of an Amigos de Technoserve in Costa Rica. This 8 member group is headed by Dr. Carlos Marin, Rector of the National University of Costa Rica.

Technoserve staff took part in several divisional seminars on team building and participation methodology. Training activities were not confined to the members and employees. During the year, Technoserve/Costa Rica also provided additional in-country training for several members of the BEST Belize professional staff.

3.2.2.0. NEW COUNTRY START-UPS AND INVESTIGATIONS

Activity in this area was largely confined to divisional headquarters during the year, with the one exception - Bolivia. Investigations however did not lead to a cooperative agreement as hoped. Nevertheless, the country remains high on our list of candidates for the one new country program which the division will commence during the grant period.

In addition, Technoserve is looking at Honduras, Guatemala, Ecuador and the Dominican Republic as possible new countries.

3.2.3.0. SECONDARY COUNTRIES

3.2.3.1. PERU

There is nothing "secondary" about the quality of Technoserve's Peru program which has grown in an exemplary manner since its establishment (with Matching Grant support) in 1982. Since that year, Technoserve/Peru has assisted 21 agricultural cooperatives, 3 industrial cooperatives, 2 savings and loan cooperatives and 2 other organizations. The results of these assistance programs can be summarized as follows: Over 1500 cooperative members and employees have received training in agricultural production or managerial activities. Several of these enterprises have "graduated", i.e., have stabilized and/or expanded their activities and have begun to generate profits.

Technoserve/Peru is presently working in two priority areas: 1) support to agricultural cooperatives of the agrarian reform sector and 2) water management programs for agriculture. To carry out this program, Technoserve/Peru currently has a team of 11 full-time professionals, and 4 administrative staff. In addition to helping 1500 farm families, it is affecting over 5,000 hectares of land in cultivation. Our assistance to the Central Huaral Cooperative Federation, which represents 23 agrarian reform cooperatives, affects a membership of 2,500 families.

The training and assistance which Technoserve provides involves a high degree of farmer participation, especially in the preparation of evaluations. Carried out at the conclusion of specific project stages, or activity phases, these joint sessions - which have been documented by Technoserve - help to determine the actual situation in which the enterprise and the people find themselves, taking all factors into account - technical, economic, financial, administrative, social, health and education and to project on the basis of these findings the next goals and objectives, and the people's own perception of the effect of Technoserve's assistance on their cooperatives and their family lives.

Our six-year experience in Peru has given Technoserve/Peru a formidable knowledge of Peru's agricultural development, its linkages and commodities. Our special focus on the production and water resource problems of farmers in arid coastal valleys through our water users' pilot programs has led to our planning an expanded program to improve small farmer production in the Santa-Chimbote Valley of Peru. This program will involve 3000 farm families to start (18,000 people) and 16,400 hectares - with potential for expansion to include another 2,000 families and 10,000 hectares. The Ford, Kellogg and International Foundations and the Presbyterian Hunger Program are Technoserve's principal private contributors to this outstanding program.

With its staff of 14, Technoserve/Peru has been funded through a three-year Operational Program Grant from USAID. This grant - which has been threatened repeatedly by the application of the Brooke Amendment and other political/economic problems - will expire in Fall 1987 to be succeeded, we trust, with another OPG which will help support the expanded program in the Santa Valley. It is lamentable, however, that the political situation in Peru has resulted in a severe cutback of AID Mission funds. This poses a serious threat to future OPG funding even though the AID Mission strongly endorses Technoserve's program. Should OPG funding not be forthcoming, we would hope Partnership Grant application might be one way to relieve the situation on a temporary basis.

3.2.3.2. EL SALVADOR

While our El Salvador program is not among those countries designated as "secondary" within the terms of the Partnership Grant, certain aspects of the program are so important in terms of our overall goals that they merit citation here. These relate to critical mass in critical agricultural sectors and the comparative advantage that accrues to Technoserve in areas impacting on institutional programs, methodologies and policy decisions.

For several years, Technoserve/El Salvador services have focused providing services to cooperatives that have emerged from the agrarian reform program of 1980, in which large land holdings were transferred to peasants who assumed the responsibility, without the expertise, for administration and management. Since this process began, Technoserve has worked with several dozen of these cooperatives, and has helped to upgrade these groups' management capabilities and has assisted in making their business more efficient and profitable. Our staff uses Technoserve's comprehensive assistance approach to achieve these ends, whereby assistance is provided to all elements of the cooperative enterprise - adminis-

tration, accounting, crop production, cattle raising, capital improvements, diversification, marketing and particularly training of participants, managers and staff.

This activity led, in turn, to a Technoserve program for FESACORA - the Federation of Agrarian Reform Cooperatives - which has 208 cooperative member groups. Our program has addressed the development of the institution per se, and has included advisory as well as training in policy formation, operations and technical training of staff of this umbrella organization.

All of this, however, culminated in 1986-87 in special programs with the Agricultural Development Bank and the Ministry of Agriculture with services and training and services programs that impact on policy and the processes by which both institutions address the agrarian reform cooperatives in area of credit, and agricultural extension. In June 1987, Technoserve conducted a six-week training seminar in Technoserve's methodology for 90 professional staff members of the Rural Development Division of the Ministry of Agriculture. The Agricultural Development Bank has asked Technoserve for advice on how to structure its contracts with agricultural cooperatives, providing Technoserve with an opportunity to transfer its policies and its agreement formula and style for the Bank. These opportunities for shaping of policy and service programs are signs of a truly mature Technoserve program and a model of PVO impact potential at its best.

IV - REVIEW AND ANALYSIS OF SPECIAL PROGRAMS

4.1.1. REPLICATION AND DISSEMINATION

It is the rationale of this new program that Technoserve has something special and that it needs to study this something, document it, refine it and share it in order to benefit more people.

When it mandated the R&D program in 1982, our Board of Directors did so out of a concern that the organization needed to think ahead towards more strategic applications of its role in development, rather than simply continuing on a linear course of slow but steady expansion in terms of country operations and staff size. Like many PVO's, Technoserve had concentrated its energies on operations. But we came to realize that Technoserve's 20 years of experience provided a unique field laboratory in which to examine some tough issues in development and to ask ourselves some basic questions as, for example: Are we doing what we say we are? If what we are doing is effective and good, can we explain why? Are there ways to achieve the same results at much lower cost? This was the genesis for the Replication and Dissemination Program when it was initiated in 1984. Basically a research operation, it commenced a program of solid investigation and documentation and it has come a long way with the support of AID Matching and Partnership Grant funding.

The research aspect is that part of the R&D potential that has evolved most clearly in the past 3 years and that has come to the fore most particularly in the past twelve months. Through our program of research, publications, seminars

and other forms of outreach, we began to generate a dialogue - initially within Technoserve - and externally with others in development, that will have a long term pay-off in more focused, thoughtful and responsive development programs.

For Technoserve, one of the most important functions of R&D is that it will help make sure that Technoserve's organizational "eye" is kept on the ball - that is on our basic purpose. By paying attention to self-imposed tighter standards, there is a built in discipline which keeps our activity "honest". The rule becomes one of not speaking out on a topic unless it is one that the organization has a contribution to make based on its own experience. Essentially this is the notion of comparative advantage applied to the market place of ideas.

A two-track approach was taken to the generation of products. First of all, we needed a vehicle for disseminating ideas, the results of our own self-examination. The FINDINGS series was the result, evolving initially from short papers written for internal circulation. Some of these "internal" discoveries seemed to us to have application for the development community at large and thus the FINDINGS series commenced. A 5 paper series "FINDING '86" has been succeeded by "FINDINGS'87". (Two of the latter have been published thus far this year.) These papers - which have been widely disseminated - constitute our first major step toward an effort to commence to share and to dialogue with our colleagues in development.

The publication of major studies, or case histories, has been our other major product. The first four of these studies, written in 1986, and published in the 1986 and 1987, focused on major rural enterprises assisted by Technoserve in Latin America and Africa and questioned the impact and cost-effectiveness of the short-term advisory services programs which have been widely replicated in our Africa program. We have also launched research on Technoserve's long experience in semi-arid cattle ranching, and savings and credit co-ops in Africa. These papers document the residual effect of our having been involved with a co-op or project, and are essential tools for self-assessment and improvement.

Dissemination of information is not development however; and so the R&D mandate also includes a strong commitment to replication. Technoserve expects to interpret this in two ways: 1) through traditional replication which is a linear model based mainly on adaptation and expansion, and 2) through non-traditional, exponential modes which carry out the goal of replication less directly. This non-traditional kind of replication can include everything from the overall effect of our research, documentation and dissemination to the spawning of indigenous PVO's or for spinning off our own programs into autonomous or semi-autonomous units. The case of BEST in Belize may be regarded as our pilot effort in the category of indigenous PVO. (See 4.1.2.)

Technoserve as a teacher or as providing a training ground are other forms of R&D activity. R&D staff have been actively contributing to and participating in development dialogues within the PVO and academic communities, and have contributed to several seminars on topics such as policy dialogue, middle-scale development and sustainable development. R&D has also begun to offer seminars

and workshops with seminars for the Peace Corps, World Bank and USAID (Africa Bureau) currently in the discussion stage. As part of its self-evaluation responsibility, R&D organized Technoserve's first staff "retreat" - a three day meeting to reflect on the implications of our growth and maturation.

Anthropologist Thomas W. Dichter, heads Technoserve's R&D and has the chief responsibility for the activities of this special programs department. Dr. Chet Lancaster, one of the first to join Tom's staff - and author of two of the major case studies - died of cancer in 1986.

4.1.2. ORGANIZATIONAL REPLICATION: THE AFFILIATE MODEL.

The product of the collaborative venture between Technoserve and the Katalysis Foundation of California, the Belize Enterprise for Sustained Technology, or BEST, was inaugurated in 1985 as the first experiment in establishing a Technoserve "clone". For the past two years, Technoserve Latin-America advisors have provided on-site consultation in the organization, registration, and programming of this fledgling technical assistance agency which has been organized along Technoserve's lines and with similar development goals.

This replication effort is referred to within Technoserve as the "affiliate" model. As such, it calls for a partnership arrangement between Technoserve and a local non-profit which - in this instance - has been in turn established by a California foundation - the Katalysis Foundation. This local Belizean entity closely resemble the Technoserve programs now operating in other Latin American countries (our branch offices) but it will remain legally independent, and most importantly, will not require Technoserve funding. Technoserve's cash contribution comes in the form of the costs of its own advisory services - now being charged to the Partnership Grant - which in its initial 24 months ran at about 16% of BEST's startup budget. In 1986, BEST was awarded a three-year Operational Program Grant by the local AID mission. It's other major contributor - apart from USAID - remains the Katalysis Foundation.

A member of BEST's Board of Directors, Technoserve has been able to have an organic relationship as it has provided on-site guidance through the visits of its divisional staff - through the organization and now implementation phases.

R&D department commenced a research project in 1987 to document and assess Technoserve's experience in replicating its program through the formation of BEST.

4.2.0. TRAINING AND EVALUATION

4.2.1. STAFF TRAINING

In addition to the case study series - evaluative in nature - of Technoserve's R&D department, Technoserve's operational divisions maintain a commitment to evaluation. Within the context of field operations, this activity is reflected to three forms: regional staff meetings - held once each year; in special regional - or country-focused - staff seminars, held periodically; and through project evaluations. The latter are termed summative evaluations and they are collaborative in nature, involving Technoserve staff with project participants/

beneficiaries in a mutual exercise to assess project impact and Technoserve's effectiveness at the conclusion of specific phases in the implementation process and at project termination.

Technoserve's collaborative approach to project evaluation, a process that has had a slow, careful evolution, has been adopted in order to: 1) promote beneficiary ownership of problems and achievements that the evaluation may have identified, encourage beneficiaries to make informed decisions about their projects based on the evaluation they have helped to produce, and use these decisions to direct their enterprises; 2) provide Technoserve with project-based information that will allow it to improve the delivery of its services; 3) help Technoserve - and others - to draw inferences about the impacts of the project on the beneficiaries and their communities.

In all, during the past year six evaluation studies have been completed and published. (A total of 15 have been published since 1983.) The six are:

- La Libertad Cooperative (Report No.2), Panama (1986)
- Villa Hermosa Agrarian Reform Cooperative, Peru (1986)
- Plan de Amayo Cooperative, El Salvador (1986)
- FESACORA Institution Building Project, El Salvador (1986)
- Coopejibaye, Costa Rica (1987)
- Herbay Agrarian Reform Cooperative, Peru (1987)

(Copies are enclosed with the Appendix to this Report.)

Also during the past year, two divisional staff seminars were convened, one (for the Latin America Division) occurred in Miami and the second in Nairobi. Staff building seminars were conducted in each program in Latin America in addition to project evaluation seminars which took place in Peru, El Salvador and Panama. In Panama, a workshop on team productivity also produced guidelines for increasing team and individual productivity.

4.2.2. AID EVALUATIONS

Within the context of the Partnership Grant Agreement, Technoserve must participate in an AID-sponsored "threshold" evaluation. The process of IQC consultant selection is now in progress for this evaluation which is currently projected to take place in the Fall 1987.

V - REVIEW OF HEADQUARTERS SUPPORT FUNCTIONS

5.1.0. OVERSIGHT

Technoserve's Marketing Division carries the responsibility for managing the Partnership Grant Program and overseeing its implementation and reporting, maintaining communications and liaison with AID/FVA/PVC and other offices in Washington. Technoserve's Regional Divisions are responsible for implementation of the program at country and regional levels including R&D regional initiatives. R&D carries responsibility for internal and external research and documentation and institutional outreach with respect to dissemination and "strategic" replication.

With a professional staff of 4, Technoserve's Marketing Division works closely with divisional staff and country program staff to insure well-coordinated forward movement over the 5 year term of the grant. The traditional Technoserve operations provide the basis for information flow:

- general business plans and management plans
- financial analyses
- feasibility studies, social impact analyses and evaluations;
- market analyses;
- training seminars, programs and reports
- monthly management reports; quarterly operating reports;
- evaluation studies; case studies; project termination reports
- replication documents
- financial reports

5.2.0. MARKETING AND FUNDRAISING

In addition to general oversight and monitoring of the Partnership Grant, the Marketing Division is also responsible for communications, fundraising, public relations and relationships with Technoserve's corporate membership. It is from this membership that Technoserve recruits its Board of Directors and its officers. Both membership and Board were strengthened during the past year with the addition of several outstanding men and women, all prominent leaders in the fields of business, philanthropy, religion and academia. The marked growth in public recognition of Technoserve and also in the growth of our funding base - a base with an continuing annual increase of 40% - are in direct correlation to the increased involvement of this stronger Board.

This strong Board continued its role as a major component for success in the achievement of Technoserve's Five Year Plan. Their zeal and commitment has been reflected during the year in their reaching out to their respective communities to make Technoserve better known and appreciated. A landmark of their activity during the past twelve months - and a portent for the future - was the Board's initiative in the formation of Technoserve's World Harvest Council as a forum for action with the President Emeritus of Notre Dame, Reverend Theodore Hesburgh, as Chair and Dr. Norman Borlaug and Robert McNamara as founding members. This consultative body will increase Technoserve's visibility and impact. It will also serve the cause of development at large through the convening of special conferences on improvement of world agriculture.

VI - FINANCIAL REPORT

6.1.1. Overview

During 1986, Technoserve launched its World Harvest Campaign, a new and concerted effort involving staff as well as Board members to heighten Technoserve's visibility to the public in general as well as in philanthropic circles. As the name suggests, this program focuses on the positive aspects of development - as Technoserve has always done. All of our country programs and the individual "projects" fit this context and thus it has been possible for Technoserve to include all donor categories to increase grants and contributions to reach our 5 year goal. A World Harvest Council has been created by the Board of Directors. With Rev. Theodore Hesburgh, Dr. Norman Borlaug and Robert McNamara as charter members, the Council will serve as focal point for special events and meetings and - just as important as its educational purpose - will provide credibility and influence in the recruitment of major donors.

The World Harvest Campaign was undoubtedly a factor in the increase in individual contributions during the year. While Technoserve is still in the prospecting phase of a drive to build an individual donor base, the results of the past two campaigns (Fall 1986 and Spring 1987) have been especially productive in terms of numbers of donors and average gift size. More importantly, the direct mail campaign seems to be doing what it is supposed to do: helping Technoserve to find individuals who can be developed into major donors.

The bulk of Technoserve's private source - i.e. matching income - income comes in the form of grants for restricted (i.e. project specific) or general support purposes from corporations, foundations and religious organizations. During 1986-87 grant period, giving from corporations and foundations increased during with major sources such as Ford and Kellogg Foundations, IBM, General Electric Corporation providing substantially larger gifts. Income from religious organizations - on the decline during 1986 due to a post-Africa (famine) slump - is once again on an upward curve. For our Fiscal Year 1986, Technoserve recorded an increase in private income of 65% over 1985.

Nevertheless, Technoserve has continued to increase its private income, one of the few international nonprofit organizations to do so. With increasing outreach to all major donor categories outreach increasing in all major donor categories - and the growing positive response - we anticipate solid, broad growth of our donor base, a growth that keeps pace with our Partnership Grant obligations.

Expenditure statements for the report period July 1, 1986 to June 30, 1987 follow. These include Expenditures Statement, Comparison of Budget to Actual Statement and Budget for the Year July 1, 1986-June 30, 1987. It should be noted that the last is provided as part of the revised 5 Year Budget Schedule recently prepared for FVA/PVC in connection with incremental funding for Year 2 of the Partnership Grant.

TECHNOSERVE FINANCIAL REPORT
 AID/PARTNERSHIP GRANT # PDC-0280-A-00-6205-00
 FOR THE PERIOD OF 7/1/86 - 6/30/87 **
 EXPENDITURES STATEMENT

COST CATEGORY	TOTAL EXPENSES	PARTNERSHIP	TNS/MATCH	OTHER
PRIMARY COUNTRIES:				
GHANA	334731	188999	109907	35826
PANAMA	399671	252670	113879	33122
COSTA RICA	305750	145739	25730	134821
BELIZE	39904	39197	703	4
NEW COUNTRIES	63902	43006	20896	0
REPLICATION & DISSEMINATION	157671	131095	25667	909
SECONDARY COUNTRIES:				
KENYA	438619	0	347044	91575
ZAIRE	467469	0	32644	434825
PERU	521250	0	280529	240721
G & A OVERHEAD	519827	152523	182293	184470
TOTALS	3248794	953229	1139292	1156273

SOURCES OF FUNDS:

AID PARTNERSHIP GRANT	953229
PRIVATE CHURCHES	233200
PRIVATE CORPORATIONS	258044
PRIVATE FOUNDATIONS	337849
PRIVATE INDIVIDUALS	4627
PRIVATE UNRESTRICTED	399142
PACT FUNDS	235333
HOST GOVERNMENT	144713
PROJECT FEES	139011
OTHER INCOME	65918
OTHER AID GRANTS	477728
TOTAL	3248794

** INCLUDES ESTIMATES FOR THE PERIOD OF 1/1-6/30/87.

TECHNOSERVE FINANCIAL REPORT
 AID/PARTNERSHIP GRANT # PDC-0280-A-00-6205-00
 FOR THE PERIOD OF 7/1/86 - 6/30/87 **
 COMPARISON OF BUDGET TO ACTUAL

COST CATEGORY	PARTNERSHIP BUDGET	PARTNERSHIP ACTUAL	TNS/MATCH BUDGET	TNS/MATCH ACTUAL
PRIMARY COUNTRIES:				
GHANA	195000	188999	110000	109907
PANAMA	220000	252670	125000	113879
COSTA RICA	145000	145739	75000	25730
BELIZE	45000	39197	0	703
NEW COUNTRIES	95000	43006	0	20896
REPLICATION & DISSEMINATION	140000	131095	0	25667
SECONDARY COUNTRIES:				
KENYA	0	0	260000	347044
ZAIRE	0	0	50000	32644
PERU	0	0	260000	280529
S & A OVERHEAD	160000	152523	160000	182293
TOTALS	1000000	953229	1000000	1139292

** INCLUDES ESTIMATES FOR THE PERIOD OF 1/1-6/30/87.

(REVISED 7/27/87)

TECHNOSERVE BUDGET
AID PARTNERSHIP GRANT
(IN \$ THOUSANDS)

COST CATEGORY	YEAR ONE 7/1/86 TO 6/30/87			YEAR TWO 7/1/87 TO 6/30/88 *			YEARS 3-5 7/1/88 TO 6/30/91			TOTAL 5-YEAR BUDGET		
	PVC	TNS	MISSION	PVC	TNS	MISSION	PVC	TNS	MISSION	PVC	TNS	MISSION
PRIMARY COUNTRIES:												
GHANA	195	110		165	95		395	300		755	505	
COSTA RICA	145	35		130			360			635	35	
PANAMA	220	125		165	155		395	610		780	890	
BELIZE	45			70			240			355		
NEW COUNTRIES	95			100	40	125	400	345	1030	595	385	1155
REPLICATION & DISSEMINATION EVALUATION	140			135	35		430			705	35	
				25						25		
SECONDARY COUNTRIES: **												
KENYA		260			240			600	250		1180	250
ZAIRE		50			50			200			300	
PERU		260			200			500			960	
OVERHEAD	160	160		135	135	25	380	465	220	675	760	245
TOTAL	1000	1000	0	925	950	150	2600	3100	1500	4525	5050	1650

* NO PROCUREMENT CONTEMPLATED AT THIS TIME.

** SECONDARY COUNTRIES ARE INCLUDED AS PART OF OVERALL R & D PROGRAM FOCUS.

VII - LESSONS LEARNED

On June 30, 1987, Technoserve reached the end of Year 1 under the Partnership Grant. Our monitoring procedures have provided us with data, benchmarks and indicators on the year's activities and these have been incorporated into the preceding pages. However, while it is still much too early in the grant process for us to reach specific judgements about our long term goals, we been able to make certain observations about the grant and its effect on our total program. While these lessons are few in number, they "good" in general, and we are pleased to provide them as a conclusion to this report.

- i) To summarize the effect of the Partnership Grant at the conclusion of its first year of operation, we can only emphasize that it is the most strategic component in our entire program. Although it represents only 20% of our total program funding, the Partnership Grant is the most critical element in our funding picture. It helps us fit all the pieces of our varied and growing world program together.
- ii) Without doubt, the Partnership Grant is a mark of distinction for Technoserve in that the grant is one of three and is essentially an experiment. It sets us apart and intensifies our own sense of mission.
- iii) While it is still too early to measure the effect of the Partnership Grant in concrete terms, we would state emphatically that the overall impact of Technoserve world-wide has been much enhanced by the Grant.
- iv) We have made done well in terms of our long term goals. Our CEPIS business trusts in Kenya and Ghana we think are the right kind of response and innovation that the situations in these countries require.
- v) We see an increased interest and willingness on the part of governments in Latin-America to learn from Technoserve and we are - in effect - enabling development institutions and government agencies to do what we do.
- vi) Moreover, our programs are beginning to have a ripple effect within certain countries: this is true of our programs in El Salvador, Panama, Peru and Rwanda where institutions and ministries are employing our methodologies and are collaborating in broad and multi-faceted agricultural programs as in Peru, El Salvador, Rwanda and Kenya.
- vii) Multi-national institutions are now interested in learning from Technoserve. Seminars for World Bank and Peace Corps staff and members are probable in the next year.
- viii) We have seen that the "affiliate" model is viable, an encouraging sign for in our search for innovative ways to share and replicate in order to achieve wider impact.
- ix) Highly-skilled, experience and motivated professionals are seeking employment with Technoserve. Clearly, in terms of personnel, our long term goals will not suffer.
- x) USAID missions are responsive to the concept of "mission contributions" within the context of the Partnership Grant.

VII APPENDIX

1. COUNTRY DATA SHEETS
2. ORIGINAL LOGICAL FRAMEWORK and IMPLEMENTATION SCHEDULE
3. TECHNOSERVE "NEXT STEPS" PAPER
4. R&D FINDINGS, CASE STUDIES, ARTICLES
5. EVALUATION SERIES

**PVO PROJECT REPORTING INFORMATION
ON AID SUPPORTED PVO PROJECTS**

OMB No. 0412-0530
Expiration Date: 03/31/89.

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FOR OFFICIAL USE ONLY

PVO Type	Project Number	
Appropriation	Level	
Country Code	Fund Type	Technical Code
Project Officer	Key 1	Key 2

PROJECT INFORMATION (PRIMARY)

Name of Organization TECHNO SERVE, INC.		Grant/Contract Number PDC-0280-A-00-6205-00
Start Date (MM/DD/YY) 7/1/86	End Date (MM/DD/YY) 6/30/91	AID Project Officer's Name Shane McCarthy

AID OBLIGATION BY AID-FY (\$000)

FY	AMOUNT	FY	AMOUNT

Activity Description

This Partnership Grant is intended in part to enable Technoserve to strengthen the capability of its program to provide direct assistance to agricultural, community-based enterprises and thereby stimulate regions. Emphasis will be given to bringing women into the process. Effort will be made to affect policy reform by systematically dialoguing with host-country decision-makers. Business advisory services will be provided to related for-profit and service institutions.

Status

Funding began 7/1/86. Second-year funding has been approved. An AID/W evaluation is scheduled for the second half of 1987. Technoserve will report to AID/W on its first-year use of the grant in August, 1987.

Technoserve/Panama currently has a staff of 10 employees and is assisting enterprises involved in vegetable, fruit and coffee production, the implementation of agro industrial activities, and is assisting a fishing cooperative.

COUNTRY INFORMATION (SECONDARY)

Country PANAMA	Location in Country (Region, District, Village) Office in Panama City, with operations throughout Panama.
PVO Representative's Name Bill Farren, Norwalk, CT Headquarters	Local Counterpart/Host Country Agency Agricultural Development Bank

COUNTRY FUNDING INFORMATION (\$000)

YEAR	1986	1987	1988	1989	1990	1991
AID \$	157	293	165	140	115	55
PVO \$	59	211	345	390	420	225
INKIND						
LOCAL		20	40	50	75	40
TOTAL	216	524	550	580	610	320

**PVO PROJECT REPORTING INFORMATION
ON AID SUPPORTED PVO PROJECTS**

OMB No. 0412-0530
Expiration Date: 03/31/89.

FOR OFFICIAL USE ONLY

PVO Type	Project Number	
Appropriation	Level	
Country Code	Fund Type	Technical Code
Project Officer	Key 1	Key 2

PROJECT INFORMATION (PRIMARY)

Name of Organization TECHNOSERVE, INC.		Grant/Contract Number PDC-0280-A-00-6205-00
Start Date (MM/DD/YY) 7/1/86	End Date (MM/DD/YY) 6/30/91	AID Project Officer's Name Shane McCarthy

AID OBLIGATION BY AID-FY (\$000)

FY	AMOUNT	FY	AMOUNT
LOP			

Activity Description

This Partnership Grant is intended in part to enable Technoserve to strengthen the capability of its program to provide direct assistance to agricultural, community-based enterprises and thereby stimulate regions. Emphasis will be given to bringing women into the process. Effort will be made to affect policy reform by systematically dialoguing with host-country decision-makers. Business advisory services will be provided to related for-profit and service institutions.

Status

Funding began 7/1/86. Second-year funding has been approved. An AID/W evaluation is scheduled for the second half of 1987. Technoserve will report to AID/W on its first-year use of the grant in August, 1987.

Technoserve/Costa Rica currently has a staff of 9 employees and is assisting various enterprises in the production of vegetable, milk, coffee and cacao.

COUNTRY INFORMATION (SECONDARY)

Country COSTA RICA	Location in Country (Region, District, Village) Office in San Jose, with operations throughout Costa Rica.
PVO Representative's Name Bill Farren, Norwalk, CT Headquarters	Local Counterpart/Host Country Agency None

COUNTRY FUNDING INFORMATION (\$000)

YEAR	1986	1987	1988	1989	1990	1991
AID \$	100	151	150	150	150	75
PVO \$	44	149	166	166	187	105
INKIND						
LOCAL	47	77	80			
TOTAL	191	377	396	416	437	230

**PVO PROJECT REPORTING INFORMATION
ON AID SUPPORTED PVO PROJECTS**

OMB No. 0412-0530
Expiration Date: 03/31/89

FOR OFFICIAL USE ONLY

PVO Type	Project Number	
Appropriation	Level	
Country Code	Fund Type	Technical Code
Project Officer	Key 1	Key 2

PROJECT INFORMATION (PRIMARY)

Name of Organization TECHNO SERVE, INC.		Grant/Contract Number PDC-0280-A-00-6205-00
Start Date (MM/DD/YY) 7/1/86	End Date (MM/DD/YY) 6/30/91	AID Project Officer's Name Shane McCarthy

AID OBLIGATION BY AID-FY (\$000)

FY	AMOUNT	FY	AMOUNT
LOP			

Activity Description

This Partnership Grant is intended in part to enable Technoserve to strengthen and expand the capability to conduct specific evaluations and replicate Technoserve's methodology by:

- producing and disseminating in-depth case studies, "how-to" manuals, papers and major articles
- conducting one to two major development seminars to share the Technoserve methodology within the development community
- holding two to four staff training workshops per year to ensure that this information is thoroughly transmitted internally.

To replicate program and assistance packages at lower cost, both financially and in terms of staff time. See 1550-11 on Belize.

Status

Funding began 7/1/86. Second-year funding has been approved. An AID/W evaluation is scheduled for the second half of 1987. Technoserve will report to AID/W on its first-year use of the grant in August, 1987.

The Replication & Dissemination department has been staffed and organized. Numerous case studies, papers and major articles have been written and made available to the development community, including AID. Development seminars have been conducted, and others addressed.

COUNTRY INFORMATION (SECONDARY)

Country USA - Replication & Dissemination	Location in Country (Region, District, Village) Norwalk, CT
PVO Representative's Name Bill Farren, Norwalk, CT Headquarters	Local Counterpart/Host Country Agency N/A

COUNTRY FUNDING INFORMATION (\$000)

YEAR	1986	1987	1988	1989	1990	1991
AID \$	67	192	150	150	175	90
PVO \$	31	24	80	100	90	50
INKIND						
LOCAL						
TOTAL	98	216	230	250	265	140

**PVO PROJECT REPORTING INFORMATION
ON AID SUPPORTED PVO PROJECTS**

OMB No. 0412-0530
Expiration Date: 03/31/89.

FOR OFFICIAL USE ONLY

PVO Type	Project Number	
Appropriation	Level	
Country Code	Fund Type	Technical Code
Project Officer	Key 1	Key 2

PROJECT INFORMATION (PRIMARY)

Name of Organization TECHNOSERVE, INC.		Grant/Contract Number PDC-0280-A-00-6205-00
Start Date (MM/DD/YY) 7/1/86	End Date (MM/DD/YY) 6/30/91	AID Project Officer's Name Shane McCarthy

AID OBLIGATION BY AID-FY (\$000)

FY	AMOUNT	FY	AMOUNT
LOP			

Activity Description

This Partnership Grant is intended in part to enable Technoserve to attempt to transfer its methodology, and approach to another entity, in this case Belize Enterprise for Sustained Technology, a local PVO dedicated to improving agricultural productivity and enterprise.

Status

Funding began 7/1/86. Second-year funding has been approved. An AID/W evaluation is scheduled for the second half of 1987. Technoserve will report to AID/W on its first-year use of the grant in August, 1987.

BEST is incorporated and functioning, and has itself received an OPG from USAID/Belize.

COUNTRY INFORMATION (SECONDARY)

Country BELIZE	Location in Country (Region, District, Village) Belmopan
PVO Representative's Name Bill Farren, Norwalk, CT Headquarters	Local Counterpart/Host Country Agency BEST (see above).

COUNTRY FUNDING INFORMATION (\$000)

YEAR	1986	1987	1988	1989	1990	1991
AID \$	24	64	75	85	90	45
PVO \$	1					
INKIND						
LOCAL						
TOTAL	25	64	75	85	90	45

**PVO PROJECT REPORTING INFORMATION
ON AID SUPPORTED PVO PROJECTS**

OMB No. 0412-0533
Expiration Date: 03/31/89.

FOR OFFICIAL USE ONLY

PVO Type		Project Number	
Appropriation		Level	
Country Code		Fund Type	Technical Code
Project Officer		Key 1	Key 2

PROJECT INFORMATION (PRIMARY)

Name of Organization TECHNOSERVE, INC.		Grant/Contract Number PDC-0280-A-00-6205-00	
Start Date (MM/DD/YY) 7/1/86	End Date (MM/DD/YY) 6/30/91	AID Project Officer's Name Shane McCarthy	

AID OBLIGATION BY AID-FY (\$000)

FY	AMOUNT	FY	AMOUNT

Activity Description

This Partnership Grant is intended in part to enable Technoserve to expand its operations into 3-4 new countries, with most of this expansion taking place in sub-Saharan Africa.

Status

Funding began 7/1/86. Second-year funding has been approved. An AID/W evaluation is scheduled for the second half of 1987. Technoserve will report to AID/W on its first-year use of the grant in August, 1987.

Technoserve has used Partnership Grant funding to explore program possibilities in Bolivia, Guatemala, Uganda and Tanzania.

COUNTRY INFORMATION (SECONDARY)

Country New Country Start-Ups in Africa & Latin America - exact countries not yet determined.	Location in Country (Region, District, Village) N/A
PVO Representative's Name Bill Farren, Norwalk, CT Headquarters.	Local Counterpart/Host Country Agency N/A

COUNTRY FUNDING INFORMATION (\$000)

YEAR	1986	1987	1988	1989	1990	1991
AID \$	27	113	573	650	650	300
PVO \$	25		50	100	100	50
INKIND						
LOCAL						
TOTAL	52	113	623	750	750	350

**PVO PROJECT REPORTING INFORMATION
ON AID SUPPORTED PVO PROJECTS**

OMB No. 0412-0530
Expiration Date: 03/31/89.

FOR OFFICIAL USE ONLY

PVO Type	Project Number	
Appropriation	Level	
Country Code	Fund Type	Technical Code
Project Officer	Key 1	Key 2

PROJECT INFORMATION (PRIMARY)

Name of Organization TECHNOSERVE, INC.	Grant/Contract Number PDC-0201-G-SS-3070-00
Start Date (MM/DD/YY) 1/1/83	End Date (MM/DD/YY) 6/30/86
AID Project Officer's Name Shane McCarthy	

AID OBLIGATION BY AID-FY (\$000)

FY	AMOUNT	FY	AMOUNT

LOP

Activity Description

Matching Grant to strengthen and expand the capability to conduct specific evaluations and replicate Technoserve's methodology by:

- producing and disseminating in-depth case studies, "how-to" manuals, papers and major articles
- conducting one to two major development seminars to share the Technoserve methodology within the development community
- holding two to four staff training workshops per year to ensure that this information is thoroughly transmitted internally.

To replicate program and assistance packages at lower cost, both financially and in terms of staff time. See 1550-11 on Belize.

Status

The Replication and Dissemination department has been staffed and organized. Numerous case studies, papers and major articles have been written and made available to the development community, including AID. Development seminars have been conducted, and others addressed. AID/W plans evaluation in second half of 1987.

Matching Grant funding ended 6/30/86.

COUNTRY INFORMATION (SECONDARY)

Country USA - Replication & Dissemination	Location in Country (Region, District, Village) Norwalk, CT
Country Representative's Name Bill Farren, Norwalk, CT. Headquarters.	Local Counterpart/Host Country Agency N/A

COUNTRY FUNDING INFORMATION (\$000)

YEAR	1984	1985	1986
AID \$	40	130	106
PVO \$	2	11	
INKIND			
LOCAL			
TOTAL	42	141	106

**PVO PROJECT REPORTING INFORMATION
ON AID SUPPORTED PVO PROJECTS**

OMB No. 0412-0530
Expiration Date: 03/31/89.

FOR OFFICIAL USE ONLY		
PVO Type	Project Number	
Appropriation	Level	
Country Code	Fund Type	Technical Code
Project Officer	Key 1	Key 2

PROJECT INFORMATION (PRIMARY)		
Name of Organization TECHNO SERVE, INC.	Grant/Contract Number PDC-0201-G-SS-3070-00	
Start Date (MM/DD/YY) 1/1/83	End Date (MM/DD/YY) 6/30/86	AID Project Officer's Name Shane McCarthy

AID OBLIGATION BY AID-FY (\$000)			
FY	AMOUNT	FY	AMOUNT
LOP			

Activity Description

Matching Grant provided funding which enabled Technoserve to initiate enterprise-development activities in Rwanda.

Status

Technoserve has received AID Coop Agreement 696-0121-A-00-4011-00 to carry out activities described on that grant's 1550-11.

Matching Grant funding ended 6/30/86.

COUNTRY INFORMATION (SECONDARY)	
Country Rwanda	Location in Country (Region, District, Village) Office in Kigali, with operations throughout Rwanda.
PVO Representative's Name Bill Farren, Norwalk, CT Headquarters	Local Counterpart/Host Country Agency Minimart

COUNTRY FUNDING INFORMATION (\$000)				
YEAR	1984			
AID \$	51			
PVO \$				
IN KIND				
LOCAL				
TOTAL	51			

**PVO PROJECT REPORTING INFORMATION
ON AID SUPPORTED PVO PROJECTS**

CMB No. 0412-0530
Expiration Date: 03/31/89.

FOR OFFICIAL USE ONLY

PVO Type	Project Number	
Appropriation	Level	
Country Code	Fund Type	Technical Code
Project Officer	Key 1	Key 2

PROJECT INFORMATION (PRIMARY)

Name of Organization TECHNOSERVE, INC.	Grant/Contract Number PDC-0201-G-SS-3070-00-
Start Date (MM/DD/YY) 1/1/83	End Date (MM/DD/YY) 6/30/86
AID Project Officer's Name Shane McCarthy	

AID OBLIGATION BY AID-FY (\$000)

FY	AMOUNT	FY	AMOUNT
LOP			

Activity Description

Matching Grant provided funding which enabled Technoserve to initiate and carry out enterprise-development activities in Peru.

Status

Technoserve has received OPG 527-0293-G-00-6768-00 from USAID/Peru to carry out activities described on that grant's 1550-11.

Matching Grant funding ended 6/30/86.

COUNTRY INFORMATION (SECONDARY)

Country PERU	Location in Country (Region, District, Village) Offices in Lima; operations throughout Peru.
VO Representative's Name Bill Farren, Norwalk, CT Headquarters	Local Counterpart/Host Country Agency None

COUNTRY FUNDING INFORMATION (\$000)

YEAR	1983	1984	1985	1986
AID \$	168	248	101	30
PVO \$	100	106	72	45
INKIND	1	1		
LOCAL	11			
TOTAL	280	355	173	75

**PVO PROJECT REPORTING INFORMATION
ON AID SUPPORTED PVO PROJECTS**

OMB No. 0412-0530
Expiration Date: 03/31/89.

FOR OFFICIAL USE ONLY		
PVO Type	Project Number	
Appropriation	Level	
Country Code	Fund Type	Technical Code
Project Officer	Key 1	Key 2

PROJECT INFORMATION (PRIMARY)		
Name of Organization TECHNOSERVE, INC.		Grant/Contract Number PDC-0201-G-SS-3070-00
Start Date (MM/DD/YY) 1/1/83	End Date (MM/DD/YY) 6/30/86	AID Project Officer's Name Shane McCarthy

AID OBLIGATION BY AID-FY (\$000)			
FY	AMOUNT	FY	AMOUNT
LOP			

Activity Description

Matching Grant provided funding which enabled Technoserve to initiate enterprise-development activities in Zaire.

Status

Technoserve has received AID OPG 660-0113 from USAID/Zaire to carry out activities described on that grant's 1550-11.

Matching Grant funding ended 6/30/86.

COUNTRY INFORMATION (SECONDARY)	
Country Zaire	Location in Country (Region, District, Village) Office in Kinshasa, with operations throughout Zaire.
PVO Representative's Name Bill Farren, Norwalk, CT Headquarters	Local Counterpart/Host Country Agency Government of Zaire (funding)

COUNTRY FUNDING INFORMATION (\$000)			
YEAR	1983	1984	
AID \$	228	236	
PVO \$	106		
INKIND	2		
LOCAL	2	4	
TOTAL	338	240	

**PVO PROJECT REPORTING INFORMATION
ON AID SUPPORTED PVO PROJECTS**

OMB No. 0412-0530
Expiration Date: 03/31/89.

FOR OFFICIAL USE ONLY		
PVO Type	Project Number	
Appropriation	Level	
Country Code	Fund Type	Technical Code
Project Officer	Key 1	Key 2

PROJECT INFORMATION (PRIMARY)		
Name of Organization TECHNO SERVE, INC.		Grant/Contract Number PDC-0201-G-SS-3070-00..
Start Date (MM/DD/YY) 1/1/83	End Date (MM/DD/YY) 6/30/86	AID Project Officer's Name Shane McCarthy

AID OBLIGATION BY AID-FY (\$000)			
FY	AMOUNT	FY	AMOUNT
LOP			

Activity Description

Technoserve was and is engaged in enterprise-development work in El Salvador.

Status
Technoserve has received and receives substantial funding from OPG 519-0286-G-00-2051-00 and Coop Agreement 519-0312-A-00-6376-00, as described on those grants' 1550-11 reports.

COUNTRY INFORMATION (SECONDARY)	
Country EL SALVADOR	Location in Country (Region, District, Village) Office in San Salvador; operations throughout El Salvador.
VO Representative's Name Bill Farren, Norwalk, CT Headquarters	Local Counterpart/Host Country Agency MIPLAN

COUNTRY FUNDING INFORMATION (\$000)				
YEAR	1984			
AID \$	10			
PVO \$				
INKIND				
LOCAL				
TOTAL	10			

**PVO PROJECT REPORTING INFORMATION
ON AID SUPPORTED PVO PROJECTS**

OMB No. 0412-0530
Expiration Date: 02/31/89.

FOR OFFICIAL USE ONLY		
PVO Type	Project Number	
Appropriation	Level	
Country Code	Fund Type	Technical Code
Project Officer	Key 1	Key 2

PROJECT INFORMATION (PRIMARY)		
Name of Organization TECHNOSERVE, INC.		Grant/Contract Number PDC-0201-G-SS-3070-00
Start Date (MM/DD/YY) 1/1/83	End Date (MM/DD/YY) 6/30/86	AID Project Officer's Name Shane McCarthy

AID OBLIGATION BY AID-FY (\$000)			
FY	AMOUNT	FY	AMOUNT
LOP			

Activity Description

Matching Grant provided funding to investigate enterprise-development possibilities in various countries, including Mali, Sudan, Rwanda and Zaire.

Status
See separate 1550-11 reports on this grant's use in Sudan, Rwanda and Zaire.
Matching Grant funding ended 6/30/86.

COUNTRY INFORMATION (SECONDARY)	
Country New Country Investigations - Various African Countries	Location in Country (Region, District, Village) N/A
PVO Representative's Name Bill Farren, Norwalk, CT Headquarters	Local Counterpart/Host Country Agency N/A

COUNTRY FUNDING INFORMATION (\$000)				
YEAR	1984	1985	1986	
AID \$	17	25	23	
PVO \$		30	2	
INKIND				
LOCAL			1	
TOTAL	17	55	26	

**PVO PROJECT REPORTING INFORMATION
ON AID SUPPORTED PVO PROJECTS**

OMB No. 0412-0530
Expiration Date: 03/31/89

FOR OFFICIAL USE ONLY

PVO Type		Project Number	
Appropriation		Level	
Country Code		Fund Type	Technical Code
Project Officer		Key 1	Key 2

PROJECT INFORMATION (PRIMARY)

Name of Organization TECHNO SERVE, INC.		Grant/Contract Number PDC-0201-G-SS-3070-00	
Start Date (MM/DD/YY) 1/1/83	End Date (MM/DD/YY) 6/30/86	AID Project Officer's Name Shane McCarthy	

AID OBLIGATION BY AID-FY (\$000)

FY	AMOUNT	FY	AMOUNT

LOP

Activity Description

Matching Grant and other funding sources enabled Technoserve to assist a variety of small enterprises, utilizing a staff of Ghanaian and expatriate business advisors.

Status

Program is ongoing, though Matching Grant funding ceased 6/30/86. AID/W has scheduled an evaluation for the second half of 1986. Enterprises assisted included ones involved in rabbit, charcoal, rice and palm-oil production.

COUNTRY INFORMATION (SECONDARY)

Country GHANA	Location in Country (Region, District, Village) Office in Accra, operations throughout Ghana.
PVO Representative's Name Bill Farren, Norwalk, CT Headquarters	Local Counterpart/Host Country Agency

COUNTRY FUNDING INFORMATION (\$000)

YEAR	1983	1985	1986
AID \$	15	17	15
PVO \$	118	173	157
INKIND			
LOCAL	2	2	
TOTAL	135	192	172

A-1 GOAL STATEMENT

- (a) To improve the economic & social well-being of low-income people in the developing countries through a process of enterprise development.
- (b) To achieve a self-sustaining process of enterprise development which creates more jobs, produces more food and helps people meet their basic needs and contribute to community growth and national prosperity.

B-1 PURPOSE

- To stimulate and strengthen rural community enterprises and local & national development institutions which support self-help enterprise development.
- To provide increased support in the agricultural sector to enterprises focused on food production marketing & processing and in sectors which impact on national development policy.
- To enhance capabilities of Technoserve programs in order to achieve greater impact in the rural sector in terms of production & institutional development.
- To extend these services to new countries through establishment of new resident programs.
- To achieve wider impact through sharing of Technoserve knowledge & processes and replicate projects & programs where possible.

C-1 OUTPUTS

- New countries investigated.
- New country programs established.
- Increased services to rural enterprises and increased numbers of enterprises assisted.
- Changes in national development policies.
- Staff training and evaluation seminars.
- Replication of programs and projects.
- Publication of major position papers, impact case studies.
- Convening of development seminars & training sessions for development students & professionals.

D-1 INPUTS

- Increased professional staff
- Refined & completed participatory project methodology.
- Improved evaluation systems.
- Increased private funding base.
- Capital leveraging capability.

A-2 MEASUREMENT OF GOAL ACHIEVEMENT

The impact of Technoserve assistance may be measured in terms of increased personal income, increased farm productivity, employment generation; changes in local & regional infrastructure; revitalized regional development changes in government policies affecting small farm production.

B-2 END OF PROJECT STATUS

- Enhanced & improved core country programs in good functional relationships with host country governments.
- Well established working & service relationships with development agencies & institutions.
- Increased numbers of major community-based rural enterprises assisted.
- Stabilized, major community-based enterprises working on a self-sustained basis.
- New countries in operation.
- Projects and country programs being replicated.

C-2 MAGNITUDE OF OUTPUTS

- 1 - 250 projects investigated annually.
- 200 projects receiving assistance each year by 1991.
- 500 enterprises assisted by 1991.
- 3 - 4 new country programs by 1989.
- 3 - 6 staff seminars (training, evaluation) per year.
- 1 - 2 major development seminars (R&D) each year.
- 1 - 3 country replications; & 5 project replications by end of 1990.
- Major development articles & position papers.

D-2 IMPLEMENTATION TARGETS

- Budget projections

CY 86	\$6,150,000
(Intermediate level)	CY 87 \$6,705,000
	CY 88 \$7,200,000
	CY 89 \$8,400,000
	CY 90 \$10,000,000
- Staff total: 225 by CY 1990.
- Methodology manuals published.
- Replication manuals published.

A-3 MEANS OF VERIFICATION

- Threshold Evaluation 1989-90
- Case Studies & impact evaluation exercises
- Project Termination Reports
- Post Program Evaluation
- Small Enterprise Evaluation Project

B-3 MEANS OF VERIFICATION

- Monthly & quarterly project monitoring reports
- X - Semi-annual country program reports
- Project "participation" evaluations
- Divisional field reports, including evaluational officers, R&D staff

C-3 MEANS OF VERIFICATION

- Project feasibility analyses
- Management & Executive Committee Memoranda
- Project agreement documents
- Monthly & quarterly project monitoring reports
- Staff training seminars documentation & reports
- Replication agreements & studies
- Seminar documentation & reports
- New country investigation studies & plans & government agreements.

D-3 MEANS OF VERIFICATION

- Technoserve financial records
- Annual audit
- Personnel records
- Technoserve publications list

A-4 BASIC ASSUMPTIONS FOR ACHIEVING GOAL

The self-help process of enterprise development is one of the most effective means of promoting social and economic growth with the greatest benefit to the greatest number.

B-4 ASSUMPTIONS FOR ACHIEVING PURPOSE

- Government and local development groups provide necessary support and referrals and recommendations.
- Availability of necessary equity and debt capital.
- Prioritization by AID and bilateral development institutions.

C-4 ASSUMPTIONS FOR ACHIEVING OUTPUTS

- Retention of effective Technoserve professional staff
- Sponsor groups (community enterprises) sustain cooperation with Technoserve to accomplish objectives
- Sponsor groups (enterprises) have continued freedom of operation
- Political stability of host country
- Absence of natural disasters
- Public and private institutions continue to have freedom of operation and sustain cooperation.

D-4 ASSUMPTIONS FOR PROVIDING INPUTS

- Availability of support from AID and other development institutions
- Continued support of private donors
- Availability of financial support from host country governments & development institutions
- Availability of motivated & qualified staff.

PROGRAM COMPONENT	YEAR 1 1986-87	YEAR 2 1987-88	YEAR 3 1988-89	YEAR 4 1989-90	YEAR 5 1990-91
Agricultural Production & Policy Development	<ul style="list-style-type: none"> - Hold 2 regional planning meetings & confirm 5 year agricultural strategy and schedule - Increase study & selection of rural enterprises with agricultural linkage potential - Increase rural extension services - Expand professional staff - Provide services to 100 rural enterprises - Confirm & commence implementation of policy area strategies 	<ul style="list-style-type: none"> - Continue focus on special commodity enterprises with institutional linkage - Staff expansion - Hold 2 regional planning & strategy review meetings - Provide services to 110-125 enterprises 	<ul style="list-style-type: none"> - Continue activity in special commodity areas & strengthen linkages to government & other development institutions. - Renew & expand OPG relationships - Provide services to 125-150 enterprises 	<ul style="list-style-type: none"> - Regional strategy conferences on policy - Expand OPG relationships - Strengthen linkage component in commodity sector projects - Provide services to 125-150 enterprises 	<ul style="list-style-type: none"> - Senior staff meeting on policy development - Provide services to 150-200 enterprises - Complete staff expansion
Institutions	<ul style="list-style-type: none"> - Enhance staff size and capability to provide long & short term services to local & national institutions - Commence BASIK programs in 1 new country - Adapt institutional strengthening programs (e.g. FESACAORA, BHDES) as models for ongoing country programs 	<ul style="list-style-type: none"> - Continue services to institutions both long & short term - Emphasize government consultations & building of institutions. 	<ul style="list-style-type: none"> - Develop new institutional linkages & initiate component in new countries 	<ul style="list-style-type: none"> - Provide services to 5 major institutions - Phase short-term BASIK services into long-term projects - Broaden, strengthen long-term service to institutions 	<ul style="list-style-type: none"> - Provide services strengthening 5-6 major institutions - Sustain long-term services component to local and national institutions - Continue short-term services component on reduced basis
New Countries	<ul style="list-style-type: none"> - Complete 4-5 new country investigations & begin 1st new program in Africa. 	<ul style="list-style-type: none"> - Commence program activity in 2nd African country - Begin investigations in Latin America 	<ul style="list-style-type: none"> - Strengthen and expand 2 African countries - Commence a new country 	<ul style="list-style-type: none"> - Strengthen 3 new country programs (2 Africa & 1 Latin America) - Commence 4th country start-up - Continue investigation & select 4th priority country. 	<ul style="list-style-type: none"> - 3-4 new countries up and running - Strengthen agricultural & institutional components
Replication and Dissemination; Evaluation and Training	<ul style="list-style-type: none"> - Conduct & publish four major case studies - Convene 2 development seminars - Publish articles & major papers - Focus on 1st country replication program (Belize). - Hold 4 staff seminars & training - Continue to refine participation methodology and commence adaptation in Africa - Publish divisional evaluation studies. 	<ul style="list-style-type: none"> - Publish major development paper - Conduct 4 case studies and publish - Select projects for replication - Participation in development conferences. - Convene 4 staff seminars - Publication of divisional studies - Publication of final completed "participatory" methodology. 	<ul style="list-style-type: none"> - Continue publication of special studies - Intensify "project" replication work - Initiate new country replication - Convene Senior Staff Meeting in Connecticut - Conduct mid-term long term strategy review 	<ul style="list-style-type: none"> - Produce 4 major development studies, including case histories - Work on 2nd country replication effort - Evaluate Belize replication - Promote project replication activity - Conduct 2 replication seminars (how-to) - Hold 4 staff seminars on evaluation methodology, including new countries - Publish divisional evaluation studies - Participate in "threshold evaluation" - THRESHOLD EVALUATION TO BE CARRIED OUT BY INDEPENDENT EVALUATOR IN 4th QUARTER. 	<ul style="list-style-type: none"> - 1-2 seminars for multi-national institutions - 1-2 seminars for universities - Begin case studies in new country programs - Publish Belize replication study - Participate in new country replication activity - Continue participation in "project" replication - Publish major articles and development papers - Hold Senior Staff meeting to review & evaluate 5 year program (3rd quarter) - CONDUCT END-OF-PROJECT EVALUATION PER GRANT AGREEMENT (4th QUARTER) AS INDICATED.

NEXT STEPS

TECHNOSERVE AND RURAL POVERTY

As we approach the final years of the twentieth century, it is a sad testimonial to our generation that every minute of every day 24 people (mostly children) die of hunger. In the 13 years remaining in this century, over 164 million people--more than the entire population of the United States in 1955--will starve to death -- unless things change.

If we ask ourselves why this problem persists, thirty years and hundreds of billions of dollars after foreign assistance programs began, we may come to the conclusion that many efforts to help needy people overseas are not working. The problems of poverty and hunger are getting more serious in Africa and parts of Latin America. If things don't change, our world may not be a very pleasant place for our children by the year 2000. By then, political unrest, economic instability, and mass migration to the cities will have reached potentially catastrophic dimensions.

We at Technoserve feel that it is time to change the way foreign assistance programs are carried out. *After nearly twenty years of fighting world poverty and hunger, we believe that we know what should be done.* We certainly do not have all the answers, but we submit that we may have something special to contribute to making foreign aid more effective.

We have learned several basic lessons which, if observed, would help foreign assistance to do its job. We feel that our experience points the way, but we must influence governments, multi-lateral and bilateral assistance agencies and private organizations to change their approach, to change the implementation of their aid. *Therefore, Technoserve must move to a new level of successful program activity to have this influence, to create the needed leverage.*



We must move beyond our modest \$6 million program with 165 employees in 10 countries. To extend our reach and achieve the necessary impact, we must....

- Significantly increase our income, reaching an annual funding level of \$18 million and a staff of 450 people
- Establish a "World Harvest Roundtable" made up of world leaders, and
- Continue to strengthen our Board of Directors

The problems of poverty and hunger are staggering. Our brothers and sisters in the third world are living in conditions "below any rational definition of human decency."

Technoserve has developed a unique process of rural agricultural enterprise development which can improve the lives of millions of these people. But we need significant help from knowledgeable and committed foundations, corporations, and individuals. We need your help.

We know that we are assuming a great deal and asking a great deal. How can we justify asking for these extraordinary human and financial resources? What is so special or unique about Technoserve that we feel we can ask you for this unusual commitment?

I. THE ORGANIZATION

The 165 dedicated, experienced people of Technoserve know how to help put an end to rural poverty. We help poor rural people develop viable agricultural enterprises. The training and management know how we provide make it possible for needy people to generate their own wealth rather than being forced to depend on handouts. We have single-mindedly focused on assisting medium-scale agricultural enterprises for 20 years-- enterprises which increase production, jobs and income.

A unique combination of three powerful components separates Technoserve from other international organizations: Our implementation skills, the intellectual basis of our programs, and our values.

The first distinguishing feature is:

A. SUCCESSFUL IMPLEMENTATION

Technoserve excels at implementation. We can take a floundering cooperative owned and operated by 150 poor farmers in Zaire and make it a profitable enterprise.

The developing countries are awash in studies which attempt to define their problems and call for action to deal with them. Literally millions of pages of documents have been written by development agencies, banks, aid organizations--all with the best of intentions. The problem is that the farmer, faced with the task of surviving in a hostile environment, needs simple advice relating to what he or she should do next Monday. They are looking for pragmatic advice available on their farms, speaking their language, recognizing the realities of their lives. In short, what their *next steps* should be. Such advice is in very, very short supply, and that is what the people of Technoserve provide.

To Technoserve, a project is not simply a quick fix which relies on expatriates to give something to poor farmers. Rather, it is a commitment to provide on-the-job training over several years, using highly skilled and experienced local professionals. A project to Technoserve means a signed agreement with a farm organization outlining the duties and responsibilities of each party. It means a moral obligation to help people begin to take control of their own lives, to have choices, to act rather than react.

Technoserve has developed a cost-effective process of project implementation in Latin America. In Africa, where the challenges are extraordinarily difficult, we are making good progress with new forms of assistance to rural enterprises. We are currently operating in ten countries with an exceptionally capable overseas staff of over 130 people. **Our projects work, and work well.**

In the past five years, we have provided significant assistance to 90 major enterprises and institutions. The vast majority are agriculturally related.

A review of 36 major enterprises receiving significant assistance from Technoserve over the past two years reveals that over 72% of them were operating profitably, and that nearly 200,000 people benefitted directly or indirectly from these enterprises. The projects had assets of approximately \$30 million and over \$18 million annual gross revenues.

Technoserve has been equally successful in teaching host country governments and institutions how to improve the assistance they provide to a broad array of economic activities. This is part of our comprehensive two-pronged approach to ending poverty:

- Working at the grassroots with farm organizations in direct project implementation, and
- Working at the policy level with host country institutions, translating our field experience into policy guidelines.

This insistence on working at both levels provides enormous multiplier effects to Technoserve's projects, spreading the benefits far beyond the farm.

Behind our successful project implementation lies Technoserve's single-mindedness. We have worked for nearly twenty years to perfect the process by which we assist rural agricultural enterprises in Africa and Latin America, constantly training our own personnel so that they can better train others. We plan to continue this focused approach, resisting a multitude of opportunities to expand our scope of activity, in order to further sharpen our own skills in this one crucial area.

We are at the "cutting edge" of international development know-how. As we grow, our project selection will remain rigorous and focused, always seeking to improve our professionalism and cost effectiveness.

The second distinguishing feature is:

B. THE INTELLECTUAL COMPONENT

Our nuts and bolts implementation skills are not based on some wooly-headed concept of development. We have a good intellectual understanding of the role of rural enterprise development as a primary means of attacking poverty.

In 1981, the newly-appointed Administrator of the U.S. Agency for International Development ordered a review of the results of American foreign aid. He did this for the purpose of setting the criteria under which U.S. foreign assistance would be implemented. Four key elements emerged as the centerpieces around which all foreign assistance programs have been designed over the past six years. They are:

- a) support of the private sector;
- b) transfer of technology and skills;
- c) strengthening of indigenous institutions; and
- d) improvement of local policy environment to make it more receptive to development.

We are pleased with these criteria, as they are consistent with what Technoserve had been advocating for a decade. This did not happen by accident. The people of Technoserve have spent considerable time analyzing and improving our development philosophy and methodology. There is a continuing process of experimentation, evaluation and refinement of our projects. It has been continually improved and fine-tuned for nearly 20 years as we learn from our overseas projects. Our enterprise development approach is inherently sound.

Our program is based on the following basic principles:

- People with whom we work overseas have their own values. Our assistance must recognize those values and build upon them, if it is to be truly effective.
- Foreign assistance based on simply giving food and money to poor people is futile. We must provide them the skills they need to generate wealth locally, rather than giving them our wealth.
- People in Africa and Latin America have much in the way of resources, both natural and human. What they ask for is help in managing these resources to increase their productivity.
- Professionals from the developing countries, experts in those disciplines of greatest need, are ultimately best suited to share appropriate skills and training with rural people.
- Economies of most developing countries are based upon agriculture, so assistance must also focus upon this most important rural activity.
- Aid to agriculture is too often devoted to solution of technical and credit problems. The real need is management assistance, so that technical advances can be used by those who need them in a profitable manner.

- Development activity is only truly effective if it is self-sustaining, i.e. can be managed profitably by the local farmers long after external assistance has ended.
- Effective assistance is expensive and takes time to be absorbed. Therefore, to be cost-effective, training must be made available to groups of people through economically viable enterprises, rather than to individual farmers.

The above form the foundation on which the unique Technoserve program is built. In short, the most effective aid, that which can truly get at the poverty problem in Africa and Latin America, is training and the transfer of skills to the owners and operators of agricultural enterprises. Technoserve has developed the concept of "community-based enterprises" to sum up this approach.

The third distinguishing feature is:

C. OUR VALUES

No organization can assume a leadership role without a solid foundation of values.

We created Technoserve nearly 20 years ago out of a strong personal conviction that we have an obligation to help our less fortunate brothers and sisters. Many of the people who started Technoserve are still with us. Their values are the foundation on which the company was built, and include a commitment to:

- Sharing our well being with others, especially the young
- Following our religious convictions
- Respecting the dignity, capability and self-worth of low-income people.

These values are shared by Technoserve's Board of Directors and staff. Each person in Technoserve may arrive at these values from a different background, but the shared concern for others is palpable. It is the "glue" which holds the organization together. It is taken very seriously.

We realize that we can claim no preeminent position solely because of the importance we attach to these values--thousands of other domestic, international and religious groups share them and are equally committed to them. Nevertheless, they are vital to Technoserve because they create the discipline and corporate culture necessary for a strong and well-directed organization.

II. THE NEED

To fully understand what makes Technoserve unique, we must finally review the need for our services and the environment in which we work.

There are a multitude of complex problems facing people in developing countries and we believe that most of them can be traced to one source: *POVERTY*.

It is poverty that causes most of the hunger in Latin America and Africa; people who need food can't afford to buy it.

It is poverty that makes the lives of women so grim; they must care for their families with few resources.

It is poverty that results in poor health; people who live in mud huts without water and sanitation will never be healthy.

It is poverty that stimulates rapid population growth; children are the social security of the elderly poor.

And it is poverty that forces farmers to destroy their environment; preservation of their land is not possible for those on the edge of survival.

In 1980, the Brandt Commission put it this way:

"Few people in the North have any detailed conception of the extent of poverty in the Third World or of the forms that it takes. Many hundreds of millions of people in the poorer countries are preoccupied solely with survival and elementary needs. For them work is frequently not available or, when it is, pay is very low and conditions often barely tolerable. Homes are constructed of impermanent materials and have neither piped water nor sanitation. Electricity is a luxury. Health services are thinly spread and in rural areas only rarely within walking distance.... Permanent insecurity is the condition of the poor. There are no public systems of social security in the event of unemployment, sickness or death of a wage-earner in the family. Flood, drought or disease affecting people or livestock can destroy livelihoods without hope of compensation.... It is a condition of life so limited as to be, in the words of the President of the World Bank, "below any rational definition of human decency."

III. CONCLUSION

Our values. The intellectual component. Implementation skills. These are the three cornerstones upon which Technoserve has built a pyramid of success in Africa and Latin America and which, in combination, make Technoserve unique.

Given the facts of poverty, we have demonstrated many times over that we know how to help end it. What we can bring to the solution of rural poverty is of extraordinary value. The demand for Technoserve's program is virtually inexhaustible. The opportunity, therefore, is to achieve that which is achievable: to make a difference with one of the fundamental global issues that underlies our existence.

Technoserve's values are sound and shared by many. Our intellectual understanding of development is deep and based on the reality of 20 years' experience. Our rigorous, professional approach to the implementation of successful projects and programs is solid.

Across sub-Saharan Africa, and throughout South and Central America, there are countless millions of men and women who ask only for an opportunity to take control of their lives. These men and women can make a difference in their villages and ultimately, in the lives of their nations. They are the people who will lead their communities out of poverty and misery. They are the people who can make the world a better place in which to live by the year 2000.

They ask for help from Technoserve, and we in turn ask for help from you. Without you, we cannot help them.

Technoserve is uniquely equipped to point the way to new and more effective development programs. Our values, intellectual basis, and implementation skills justify our moving to a new level of program activity which can benefit millions of needy people.

We ask you to join us in this effort.

Edward P. Bullard
Founder and President
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