

PD-ABZ-724



**TECHNO SERVE**  
*Business Solutions to Rural Poverty*

**TechnoServe Matching Grant  
Extending Globalization's Opportunities to the Rural Poor  
Year 2 Performance Report and Annual Report:  
October 2002-September 2003**

Cooperative Agreement No. HFP-A-00-01-00022-00  
Beginning October 1, 2001 and Ending September 30, 2006

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**Summary of Program, Administrative, and Financial Status**

During Year 2 of TechnoServe's Matching Grant, "Extending Globalization's Opportunities to the Rural Poor," almost all activities were carried out according to the plan. The following table summarizes the major in-country activities for Year 2.

	Volunteer Consultants	Competitiveness Seminar	NFTE	Business Plan Competition	ALI/CALI
Nicaragua	2	Cup of Excellence®	N/A	N/A	N/A
El Salvador	1	Dairy; Cup of Excellence®	In-school program reaching 1355 students	1	N/A
Peru	3	Grape Industry	N/A	N/A	N/A
Tanzania	3	Specialty Coffee Industry	Trained teachers; 1 out-of-school and 3 in-school programs reaching 83 students	N/A	Held E. Africa Executive Seminar
Mozambique	5	N/A	N/A	N/A	Launched class of Fellows
Kenya	2	N/A	N/A	N/A	Participated in E. Africa Seminar

Competitiveness Seminars that were planned for Mozambique and Kenya were not held. We expect that both of these countries will hold such seminars in Year 3. Kenya will also begin exploring the possibilities of establishing a Youth Entrepreneurship Program during Year 3.

The program's financial status is healthy. TechnoServe's financial status continues to remain strong with 2003 year-end projections exceeding \$16.5 million in revenue and expenses. As of September 30, 2003, TechnoServe's match exceeded the federal share by \$464,713. By the end of the grant term, we expect to meet or exceed our match requirement for the grant.

**I. Background to Grant and Project Context**

*Globalization.* Frightening to some. An opportunity for many. Developing countries cannot hide from globalization – they must face it head on. Our goal at TechnoServe is to see that the hard-working rural poor of the developing world get the skills and services they need to harness the forces of the global marketplace to their own advantage.

What do they need to do this? Business skills that are equal to the complexities of the world marketplace. Partners and mentors that can help drive rural economic growth. Access to timely market information to make production and marketing decisions. With these tools, the rural poor can build solid businesses producing quality products for clearly targeted markets. And they can do more than survive – they can *prosper* in the global economy. With this Matching Grant from USAID, TechnoServe is going a long way to not only introducing many of the tools that businesses in developing countries need in order to succeed, but also to institutionalizing them at the local level.

We believe that this Matching Grant program dovetails nicely with PVC's new directions, as well as those of TechnoServe. From PVC's point of view, the program:

- Works closely with local NGOs who, like TechnoServe, believe that business can be a powerful force for social change (e.g., local chambers of commerce, industry and exporter associations)
- Brings new, non-traditional PVOs into the development agenda (e.g., NFTE and the Aspen Institute)
- Harnesses the energy and resources of the U.S. private sector by forming strategic alliances with world-class companies (e.g., McKinsey & Company, Peet's Coffee and Tea, Cargill, Monsanto, General Mills, Young & Rubicam)

From TechnoServe's point of view, the program touches each area of TechnoServe's strategic plan, in the following ways:

- Vastly expanding our range of clients to include entrepreneurial youth, dormant entrepreneurs in need of mentoring, and successful business leaders with the capacity to devote significant resources to rural economic development
- Giving us new opportunities to expand our network of partners to include world-class global companies, local business leaders and industry associations
- Improving the business skills of our staff, providing TechnoServe with greater capacity and a new set of tools to respond to the needs of TechnoServe's client businesses
- Providing opportunities to tap into new sources of funding
- And, ultimately, enabling us to better help our clients to create economic growth and social impact in rural areas of Latin America and Africa

TechnoServe's objectives for the Matching Grant program are to enhance our capacity, effort and impact in four key areas:

- Entrepreneurship – expanding our capacity to develop, support and promote entrepreneurship
- Business planning, management and competitiveness – increasing the use of sound business analysis and management principles by local businesses and promoting improved business and industry competitiveness
- Social responsibility and values-based leadership – promoting social reinvestment, community and civic participation among business leaders
- Internal strategy and management skills – enhancing TechnoServe capacity to serve its clients and benefit the rural poor

TechnoServe's Matching Grant started on October 1, 2001, and will end on September 30, 2006. The total amount awarded by USAID is \$3.75 million, to be matched dollar-for-dollar by TechnoServe, for a grand total of \$7.5 million over the five-year life of the program. This grant supports activities in six countries: El Salvador, Nicaragua, Peru, Kenya, Tanzania and Mozambique. These activities are outlined below.

<b>Activity</b>	<b>Purpose</b>	<b>Key Partners</b>
Business Plan Competition	Promote entrepreneurship, provide skills to up-and-coming entrepreneurs	FUNDEMAS (Business for Social Responsibility), FUSADES, CONAMYPE, local private companies
Youth Entrepreneurship	Promote entrepreneurship, provide options and opportunities for employment to youth in rural areas	National Foundation for Teaching Entrepreneurship, local secondary schools, vocational schools, and universities
Africa Leadership Initiative/ Central America Leadership Initiative	Identify a new generation of community-spirited business leaders, promote values-based leadership	Aspen Institute, local "champions" in each country
Volunteer Consultant Program	Provide world-class expertise that would otherwise be unavailable to TechnoServe clients	McKinsey & Company, Bain & Company, Banking Firms, Business Schools
Competitiveness Seminars	Increase awareness of competitiveness issues, expand opportunities for public-private sector dialogue	Local industry associations

## II. Project Methodology

*Goal:* Extend globalization's opportunities to the rural poor

*Purpose:* Support strategic activities that will support TechnoServe's efforts to assist entrepreneurs and build businesses in rural areas of Africa and Latin America

*Objectives:*

- Stimulate the environment for entrepreneurship and business development
- Increase local business use of sound business analysis and management principles to improve business and industry competitiveness
- Promote social reinvestment, community and civic participation among business leaders
- Strengthen internal strategy and management skills

*Methodology/Approach:*

A. Business Plan Competition

- Recruit local partners and sponsors who can add value or make monetary contributions to the program
- Run a major public relations campaign to publicize the competition and solicit business ideas
- Evaluate business ideas and entrepreneurs, select those that will proceed to Phase II
- Provide training on entrepreneurship and business plan development through workshops, lectures, and mentors
- Evaluate full business plans to select finalists
- Help finalists to polish their plans
- Evaluate oral and written plans to determine winners
- Provide additional support to winners (e.g., access to consultants, financing, etc.)

B. Youth Entrepreneurship Program

- Recruit local partners (secondary and/or vocational/technical schools)
- Run a pilot program (e.g., BizCamp)
- Adapt curriculum to local setting
- Run teacher training programs
- Provide support to teachers (e.g., lesson plans, guest speakers, field trips, business plan competitions, etc.)

C. Africa Leadership Initiative/Central America Leadership Initiative

- Run pilot seminar
- Recruit local "champion"
- Select candidates to become Fellows
- Launch 36-month Fellowship program
- Manage program logistics

D. Volunteer Consultant Program

- Recruit volunteers through web site, word of mouth, and publicizing opportunities with corporations and business schools
- Match candidates to country program needs
- Manage program logistics
- Incorporate feedback from country directors and volunteers
- Develop network of volunteer "alumni"

E. Competitiveness Seminars

- Identify topic
- Recruit local partners (e.g., industry associations)
- Conduct relevant studies/analyses
- Develop invitation list including key players from all sectors

- Organize and hold seminar
- Follow up on next steps identified

*Strategy:*

TechnoServe's strategy is based on some sobering facts:

- Despite the best efforts of international assistance agencies, in real terms, the average person in the developing world is, at best, only moderately better off than he or she was in 1960.
- At the dawn of a new millennium, there are still 1.2 billion men and women living on less than \$1 per day; nearly 3 billion living on less than \$2 per day.

TechnoServe's strategy for generating rural economic growth is based on a market-driven, business-oriented approach. TechnoServe's strategic management and marketing services include market research, market linkages, business plan development, financial and commercial linkages, supply chain management and operational consulting. The activities funded by the Matching Grant, outlined above, are designed to complement TechnoServe's traditional business building work.

*Key Inputs:* Funding, partners (including supply of volunteer candidates), in-country networking capability to identify participants for activities

*Target Groups:*

- Entrepreneurs who need help developing their business plans and obtaining seed capital for their businesses
- Businesses that will be able to take advantage of world-class consulting resources that they would normally never have been able to access
- Bright young adults who want to start their own businesses
- Entire industries that will be able to cooperate on issues that will improve their global competitiveness
- Established business leaders who will identify new ways in which they can become community leaders
- And the small-scale rural producers that are at the heart of every TechnoServe initiative

*Expected Outputs & Product:* See DIP planning matrix.

*Gender Equity Issues:*

TechnoServe always strives to achieve an appropriate balance of men and women in all of its activities. Since men and women are equally capable of participating in all of TechnoServe's Matching Grant activities, we try to promote and encourage the participation of women as much as possible.

Overall, TechnoServe is on track to meet the targets originally proposed in the DIP. Please see Section IV for details and a comparison of actual accomplishments with the original targets.

**III. Monitoring and Evaluation**

There have been minor refinements to the DIP planning matrix over the last year. (Please see attached planning matrix.) Most of these changes have been in the area of refining and improving the definitions of the indicators. This work has been done with support from TechnoServe’s monitoring and evaluation experts in El Salvador and Ghana. In addition, a standardized spreadsheet has been developed for tracking indicators, which will be tested and rolled out over the next six months.

The baselines and targets – as well as the monitoring and evaluation plan – remain basically the same. A mid-term evaluation will be conducted during the first half of 2004.

**IV. Review and Analysis of Project Results by Country**

NOTE: See Year 1 Report for background information on local partners and descriptions of relationships with them.

**A. Business Plan Competition**

Indicator	Mid-Term Target	Year 2 Actual (cumulative)
Number of Phase II participants from rural areas	85	85
Number of business plans created	250	165 plans received by deadline
Number of business plans approved for financing from a formal lending institution or private investor	10	These indicators will be updated in early 2004 when TechnoServe completes follow-up surveys with participants from both competitions
Number of businesses created	40	
Number of existing businesses expanded	10	
Number of jobs created	100	
Amount of sales generated	\$600,000 per year	
Number of Phase II participants with increased business capacity	Average increase in “yes” answers by at least 50%	This year, TechnoServe will use the FUNDEMAS follow-up survey to gauge increased business capacity (to be completed in December)

i. *El Salvador*

The second ¡Emprende tu Idea! (ETI) business plan competition was successfully launched on November 15, 2002 with a press conference attended by media representatives and all of our co-organizers, sponsors and mentor institutions. (Please see Year 1 report for details on local partners.)

One of the lessons learned from the first ETI competition was that more needed to be done to promote rural participation and encourage the submission of business concepts that would have impact in rural areas. Accordingly, the five \$12,000 awards in the second competition were divided into three categories: two for the best plans at the national level, two for the best plans in agricultural innovation, and one for the best plan submitted by a resident from the eastern (rural) region of El Salvador, one of the poorest in the country. Thus, we ensured that at least three of the five ETI 2003 awards would go towards improving rural economic conditions

The core group of co-organizers, sponsors and mentors from ETI 2002 – including TELECOM, Shell, Signo Publicidad, and Radisson – continued to support the competition in 2003. New sponsors included Royal Executive Offices, which donated the use of five offices, the Foundation for Technological Innovation in Agriculture (FLAGRO), which donated \$18,000, as well as Citibank and the National Association of Banks (ABANSA), which made cash donations. FLAGRO's contribution was used to fund the seed capital awards for the best two agriculturally-based plans. New mentors also joined our efforts, including ESEN's alumni association and the Romero, Pineda & Asociados law firm.

By the end of the registration period on January 17, 2003, a total of 258 entries had been received. Of these, 28 came from the eastern part of the country and 44 submitted agricultural plans. The rest competed for the two prizes to be awarded at the national level.

After the initial round of interviews and evaluations, 144 entrepreneurs were selected to proceed to Phase II, which provided participants with intensive training and coaching in entrepreneurship and business plan development. At the end of Phase II, 63% of the participants handed in completed business plans – a percentage comparable to that of the first competition. Of those 91 participants, 36 were selected to proceed to Phase III for additional training and coaching. Finally, all 36 finalists submitted their final business plans and made oral presentations before a panel of judges. On September 4, 2003, a final awards ceremony, attended by all the finalists, partners, consultants and judges, was held to honor all the participants and to announce the winners of the competition. The five winners were:

<b>Agricultural Sector</b>	1. Marco Antonio Zetino González, producer of organic material for agriculture. Mainly bocashi and an earthworm-based fertilizer.
	2. José Manuel Cuéllar Zometa, who developed a laboratory of genetically engineered seeds for improved produce.
<b>National Competition</b>	3. Marcos Antonio Sepulveda Veloso, with a company that exports Salvadoran products and handicrafts.
	4. Gustavo Ernesto Quijano Rodríguez, with a virtual real estate company catering to Salvadorans in the U.S. through an interactive website.

<b>Eastern Region</b>	5. Augusto Vasquez, with a plan to establish a tourist guide publication and a promotional calendar for the eastern region of El Salvador.
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Within one year, these businesses are expected to generate almost \$500,000 in revenue and more than 20 jobs. By 2008, they expect to have combined sales in excess of \$1.8 million and to employ over 60 people.

TechnoServe/El Salvador will be conducting a follow-up study on the participants from both ETI 2002 and ETI 2003, to be included in the upcoming mid-term evaluation. An initial assessment of the first competition shows that 23 businesses were created or expanded, 363 jobs were created, and \$2.2 million in additional revenue was generated.

*ii. Other*

Due to the success of the ETI competitions in El Salvador, TechnoServe has decided to conduct a feasibility study on a Central America-wide business plan competition. We expect this study to be completed by the end of 2003.

Other TechnoServe country programs have also taken notice of ETI's success. TechnoServe's programs in Ghana and Kenya are both actively exploring the possibilities of launching national business plan competitions in those countries in 2004.

**B. Youth Entrepreneurship Training**

<b>Indicator</b>	<b>Mid-Term Target</b>	<b>Year 2 Actual (cumulative)</b>
Number of students trained using NFTE curriculum	250	1497
Number of rural students trained using NFTE curriculum	125	1453
Number of business plans completed	200	*
Number of businesses created	9	*
Number of existing businesses expanded	6	*
Number of jobs created	15	*
Number of sites (secondary or vocational school classes/ organizations) teaching the NFTE curriculum	15	11

*\*Due to the school year in Tanzania and El Salvador, these numbers will be updated for the mid-term evaluation.*

*i. El Salvador*

In 2003, TechnoServe focused on moving from direct training of students to training teachers in El Salvador. Our partner, the National Foundation for Teaching Entrepreneurship (NFTE), has found that this is a much more cost-effective way of expanding the number of students we reach.

In El Salvador, TechnoServe decided to focus on students from technical trade schools and rural universities because they will be in need of employment in the near future and they already have some of the basic skills necessary to build a business.

In January 2003, TechnoServe and NFTE held a teacher training for 25 professors from 11 universities and technical institutes. Of these, seven institutions signed agreements with TechnoServe to implement the NFTE curriculum. These are:

- The Central American Technological Institute (ITCA), which has four campuses (Santa Tecla, San Miguel, Zacatecoluca and Santa Ana)
- The Eastern University (UNIVO) in San Miguel
- Don Bosco University in Soyapango
- Monica Herrera School of Communications in Santa Tecla

With the assistance and support of a new youth entrepreneurship program coordinator hired by TechnoServe/El Salvador, the teachers conducted their first NFTE courses – completed in November 2003 – and reached over 1,350 rural students through their classrooms. To capitalize on this success and further encourage these young entrepreneurs, TechnoServe then hosted a national-level business plan competition for the graduates of these NFTE courses. Local winners from each institute competed for cash prizes and the chance to participate in international competitions.

Additionally, TechnoServe has launched a Youth Entrepreneurship Network web site, [www.joveneslideres.com](http://www.joveneslideres.com), whose objectives are to: facilitate communications among young entrepreneurs at the national and regional levels; build strategic alliances for the continuity of the program at universities; and allow the sharing of experiences and best practices. The web site also houses a database of all participating students and teachers.

Finally, in August 2003, TechnoServe held the “First Meeting of Youth Entrepreneurs,” which was attended by 16 alumni from the 2001 and 2002 BizCamps. Victor Salama, Director of NFTE Program Partnerships, delivered a speech. Three of the participants have already set up their own businesses, and two of them employ at least three people. Six of the participants came from rural areas (Usulután, Cuscatancingo and Aguilares), which was encouraging and confirmed the interest shown by rural youth in entrepreneurship programs.

## *ii. Tanzania*

In Tanzania, TechnoServe hired a Program Coordinator in May 2002 to run the youth entrepreneurship program there. During the following months, he forged partnerships with local organizations and secondary schools, and organized a back-to-back teacher training and BizCamp, both held in the Southern Highlands region in December 2002.

Since the teacher training was the first of its kind held by TechnoServe, it was kept relatively small. A total of seven people were trained: four teachers from three local secondary schools, one representative from a local Chamber of Commerce, one vocational teacher, and a staff member from TechnoServe/Ghana. The teachers’ response was positive, but there were some challenges relating to the use of American English and American examples in the text. The

teachers unanimously agreed that entrepreneurship education is a positive step in the development of tomorrow's business leaders.

Four of the seven teachers then had the chance to see the NFTE methodology firsthand by assisting with instructing at the BizCamp. The BizCamp brought together 29 students from three secondary schools for a 10-day program. All participants expressed a strong desire to start and operate a successful business and believe that the knowledge gained will assist in their future pursuits. The students were given pre- and post-BizCamp tests to evaluate their business knowledge. On average, participants' scores increased 30% over the course of the program. All of the students said that they would recommend the BizCamp experience to their friends.

TechnoServe and NFTE then adapted the curriculum to the Tanzanian context, and supplied the revised version to three secondary school programs and an out-of-school program co-sponsored by a local chamber of commerce. These programs are reaching a total of 83 students in 2003. In 2004, with the training of 20 additional teachers, we expect to reach some 700 young people. TechnoServe/Tanzania also plans to help place over 50 young people in internship programs in 2004 in areas such as marketing and farm management.

### *iii. Other*

Based on the success of the youth entrepreneurship programs in El Salvador and Tanzania, TechnoServe has expanded these programs to other countries which are not covered by the Matching Grant. In July and August of 2003, TechnoServe held a teacher training and five BizCamps in rural areas of Ghana. In 2004, TechnoServe expects to launch a full youth entrepreneurship program in South Africa, funded in large part by a local institution, the Umsobomvu Youth Fund.

In addition, TechnoServe launched a Youth Entrepreneurship Practice Group to encourage the sharing of lessons learned and best practices across country programs. This cross-country and cross-functional group includes staff from the El Salvador, Tanzania and Ghana country programs, as well as TechnoServe's Strategic Initiatives, Marketing and Regional Divisions.

### C. Africa Leadership Initiative

<b>Indicator</b>	<b>Mid-Term Target</b>	<b>Year 2 Actual (cumulative)</b>
Development of curriculum for each of four seminars	2	2
Degree of Aspen involvement in program: number of moderators	N/A (Target: 4/year)	4
% of private sector participants who have worked with government/NGOs	50% (LOP)	N/A
Number of Africa Leadership Fellows who successfully complete a community leadership project	Overall, 75% of Fellows meet at least 60% of their projected targets for their Leadership Projects (LOP)	N/A (Projects begin in months 18-24 of 36-month Fellowship)

Indicator	Mid-Term Target	Year 2 Actual (cumulative)
Formation of steering committees: Number of meetings held	8 (LOP)	2
Number of in-country steering committees that commit to continuing the program	2 (LOP)	N/A

NOTE: Country indicators for the Africa Leadership Initiative refer to the Fellows' Community Leadership Projects, which TechnoServe believes will be the real impact of this program. The Community Leadership Projects will start 18 months before the final seminar, which will be held in 2005. TechnoServe will report on these projects upon completion in 2005.

*i. Mozambique*

The Africa Leadership Initiative/Mozambique was launched in December 2002 with the first class of Fellows and the first of four seminars. Fourteen Fellows met for five days on the island of Bazaruto to discuss "The Challenge of Leadership" – to figure out for themselves what good leadership is (and isn't), to examine some of their own challenges as leaders, and to identify specific aspects of their leadership to work on over the coming year. (These 14 will be joined by 5 more, who participated in a make-up seminar in South Africa in September 2003.)

In Mozambique, the first class of Africa Leadership Initiative Fellows now includes 12 men and seven women; thirteen Fellows are from the private sector, four from government and two from the non-profit sector. (See attached lists of Fellows.) Some of the companies and entities they represent include Deloitte Touche/Mozambique, Telecomunicações de Moçambique, LINK –an association of more than 200 NGOs in Mozambique, and the Health Authority of Province of Nampula.

The primary outputs were:

- A personalized leadership handbook for each Fellow
- Identification of each Fellow's specific leadership challenges
- Commitment to act on an array of these challenges over the coming 12 months

Once again, using the Aspen Institute's text-based methodology, the seminar began with a look at an array of political leaders – Gandhi, Lee Kwan Yew, Jean Monnet – and a discussion of the attributes that make each so widely recognized as effective. In each instance, that leader's vision was then applied to the local context to debate its relevance to the setting:

- Could Gandhi's tactics for prompting change work in modern-day Africa?
- Would Lee Kwan Yew's recipe for economic growth in Singapore apply in Mozambique?

The seminar then moved to a look at a variety of business leadership styles and philosophies, juxtaposing Milton Friedman's view that business people have no business using shareholders dollars for socially responsible acts with Howard Schultz' progressive management of Starbucks. We also compared Steve Jobs' visionary yet aggressive management of Macintosh-era Apple Computer with the philosophy of Machiavelli's *Prince*.

The first half of the seminar ended with three groups of participants assembling a “leadership handbook” based on the actions and attributes of those leaders studied over the prior 48 hours. In each handbook, they answered:

- What are the essential attributes of effective leaders?
- What do effective leaders *do*?
- What do effective leaders *not do*?

The Fellows then analyzed the actions of leaders in crisis. Through George Orwell, they explored the plight of the leader who acts only on the basis of what others expect of him. They analyzed Phil Knight’s (Nike) reactions as he grappled with accusations of using sweatshop labor in Asia. And they focused on the CEOs of the world’s major pharmaceutical companies as they grappled with activist demands for the lowering of patent protection for HIV/AIDS drugs in Africa.

Following these discussions, the participants identified three specific leadership challenges that they face in their day-to-day lives – how to improve competitiveness in Mozambique, how to fight corruption and how to raise awareness and prevent the spread of HIV/AIDS. They then worked in teams to develop practical ways to deal with these challenges, keeping in mind how great leaders apply their values in similar situations.

Finally, participants were asked to make a personal leadership statement about the specific actions they would commit themselves to in the coming 12 months as they relate to work, community and family. If everyone delivers, we will already have made great progress.

In addition to its intellectual content, a major objective of this seminar was to bond the Fellows into a cohesive whole and to get them thinking about their role as leaders in a society suffering from a virtual vacuum of values-driven leadership. By all measures, including a formal written evaluation, it was a success.

Almost all fellows agreed that, as a result of this seminar, they both gained a new sense of what it takes to be a great leader and identified specific areas where their own leadership styles can be improved. Some responses regarding what it takes to be a great leader:

- Authenticity
- Vision
- Courage
- Communication
- Confidence
- Commitment
- Integrity
- Humility
- Ability to inspire and motivate

Some examples of areas where Fellows saw a need for self-improvement:

- Recognize the achievements of others
- Promote more discussion
- Be more persistent
- Communicate more effectively
- Be a better listener
- Challenge staff members more

Almost all agreed that the Africa Leadership Initiative and the leaders participating in it will help to drive change in Mozambique.

In Mozambique, the local champion for the Africa Leadership Initiative is Romeu Rodrigues, Managing Director of CETA – Construção e Serviços SARL.

## ii. East Africa

From June 18-22, the East Africa Class of Africa Leadership Fellows gathered in Nanyuki, Kenya for the second in the series of four seminars – the *Executive Seminar*. The Fellows from Uganda, Tanzania and Kenya returned ready to share their accomplishments over the past year, tackle new issues and expand on their goals. In East Africa, the Initiative is a joint venture between TechnoServe, the Aspen Institute and Tanzania’s Infotech Investment Group, headed by the local ALI Champion, Ali Mufuruki.

The *Executive Seminar* is the “crown jewel” of the Aspen Institute, in use since 1950. It has been adapted for ALI but still focuses on the same theme – defining “the good society”. In East Africa, the seminar kicked off with a brainstorming session in which the Fellows named the attributes they deem essential for a “good society” – and set the stage for the remainder of the week. Among the attributes they listed were harmony, stability, unity, spirituality, diligence and tolerance.

This session was followed by the ALI “check-in” session, in which each Fellow updates the class on his or her accomplishments and challenges over the past year and shares what specific actions he or she has undertaken as a result of previous seminars. The following are some examples of the East Africa Fellows’ “check-in” reports:

- In the wake of recent elections in his country, one Fellow decided to team up with other members of civil society to advocate transparency in the setting of national goals. Through his organization, he also encouraged local business professionals to volunteer their time to various social and political causes, in part, to help them understand that the private sector can make unique and meaningful contributions to society.
- As a human resources executive, another Fellow, deeply touched by the last seminar’s discussion on HIV/AIDS, drafted a company policy on HIV/AIDS and is now working on getting it implemented.
- As a native of the Kilimanjaro region, one Fellow decided to work with an NGO to help coffee growers who are suffering from the current crisis in that industry.

- In response to his country's economic slowdown – another Fellow, inspired by last year's reading of "Jack Stack," steered his company toward a search for new opportunities rather than simply downsizing. As a result, his firm is now poised to extend operations into all of East Africa. In an effort to increase the company's focus on ethics and social responsibility, he also helped launch a six-month internship program to give young people hands-on exposure to the industry.
- One Fellow teamed up with colleagues to seek funds from UNESCO to produce educational videos on local health issues. To stimulate tourism and income, he is also encouraging families in his home village to host visitors. He has recruited several families and garnered support from friends – and potential visitors – in the U.S.
- Another helped plant 200 trees and is considering launching an environmentally-oriented initiative in fulfillment of ALI's requirement that each Fellow implement an impactful "Leadership Project" in years three and four of the program.
- An area in which many Fellows became involved was education: one Fellow donated books and desks to rural schools; another engaged in a sanitation project to increase the number of toilet facilities in a school; a third devoted some of his free time to counseling students about their futures and careers; a fourth funded the construction of a computer center at his former primary school; a fifth "adopted" two children from poor families and pledged to pay for all of their schooling; a sixth helped a young girl to raise funds for her own school fees.

Many of the Fellows reported having met informally over the course of the year – to discuss personal and professional issues – and to brainstorm about their Leadership Projects. Some also conducted small seminars in their own companies based on last year's *Challenge of Leadership Seminar*. As with the Ghana class, many of the East Africa Fellows had made a resolution to spend more time with their families and reported on the positive results. Overall, the Fellows expressed enthusiasm and a sense of empowerment to tackle new challenges.

After the "check-in" session, the Fellows delved into a discussion of the readings and embarked upon the core themes of the *Executive Seminar*: liberty, equality, community and efficiency. With each of the readings based upon one of these themes, the Fellows discussed how the four elements contribute to the makings of a good society and the tradeoffs that a society must make between them. Not surprisingly, given recent events in the world, many of the Fellows used the U.S. – and President Bush's leadership – as a point of reference in several discussions.

As is tradition in Aspen's *Executive Seminar*, the Fellows put on a performance of the Greek tragedy "Antigone." With only ten hours to rehearse and relying on their own organizational and leadership skills, the Fellows pulled off a great performance. After the production, they discussed what they had learned from the characters they portrayed as well as the following themes:

- The importance of a moral code for the "good society" and the fact that leaders breach this code at their own peril.
- How the conflict between what you want to do and what others expect of you can make you a victim of confusion.
- How a leader's pride and misjudgment, if left unchecked, can have tragic consequences.

The Fellows applauded the production as a source of new leadership insights as well as a means for them to deepen their class bonds.

On the final day of the seminar, the group discussed the guidelines and expectations for their upcoming Leadership Projects. They also discussed the utility of locating and taking advantage of mentors as they develop their leadership skills. The moderators then introduced the Fellows to the “Executive’s Compass,” a tool that places the key yet conflicting elements of the good society at opposing poles. When asked to “map” themselves on the compass, most Fellows were able to quickly position themselves in the upper right quadrant, citing equality and efficiency as preferred elements in their visions of the “good society.” Others, who considered community a more integral part of their vision, placed themselves in the upper left quadrant, whereas one Fellow, citing the enduring influence of his country’s socialist past, placed himself in the lower right quadrant.

The final reading of the program was Vaclav Havel’s *In Our Postmodern World, A Search for Self-Transcendence*. In response, the Fellows discussed the need for a common set of values around the globe – as well as a need for more tolerance.

The seminar concluded with a “check-out” session, an exercise that complements the program’s introductory “check-in” session, by asking the Fellows to share some of their goals for the following year. A few examples:

- Take the following year at a slower pace and think decisions through more thoroughly.
- Revisit the readings to apply the new perspectives learned during the seminar.
- Do more to keep in touch with the other Fellows.
- Involve the other Fellows in individual projects, either as participants or advisors.
- Find a way to involve my company or organization in my project.
- Challenge the group to undertake a class project in addition to the individual projects.

The next seminar, the *Challenges of Globalization*, will be held in Uganda from June 9-13, 2004.

### *iii. Building the Network*

In January 2003, the Africa Leadership Initiative Web site was launched ([www.africaleadership.net](http://www.africaleadership.net)). The purpose of the site is to provide information regarding the Initiative to Fellows and others involved with the program, as well as to potential supporters. The site contains updated news and information about the Africa Leadership Initiative, its organizers and sponsors, the Fellows and the seminars.

Within each country, the Fellows get together as a group at least once per year outside of the seminars in order to maintain their contacts, and to continue their discussions on leadership. These meetings are usually focused around a guest speaker or supplemental readings provided to the Fellows, in keeping with the theme of the previous seminar. In addition, other, less formal interaction is already evident across the continent.

*iv. Institutionalizing ALI*

Since the Africa Leadership Initiative was conceived, the intention has always been to institutionalize it locally, in one form or another. In early 2003, at the request of the ALI Steering Committee, Ernst & Young agreed to provide *pro bono* advice on the best way to structure the Initiative as an independent, legally-recognized African institution capable of governing, managing and marketing the implementation of ALI across the continent.

As currently conceived, the institution will be governed by a Board of Directors that will include, at minimum, our lead partners in each of the four locations where ALI currently operates -- Ghana, East Africa, Mozambique and South Africa -- TechnoServe and the Aspen Institute. Ernst & Young will determine if it is possible to create an Africa-wide governing body or whether there need to be separate Boards in each country.

Ideally, the institution will be able to receive tax-exempt contributions from an array of donors, including African companies and foundations as well as US, European and Asian donors, and to expend these contributions in accordance with Board-approved policies, procedures and work plans. Eventually, as currently conceived, the institution will also have its own staff.

We expect that Ernst & Young will have completed its analysis and recommendations for structuring the African ALI institution by the end of 2003.

*v. Fundraising*

Fundraising for the Africa Leadership Initiative continues to yield positive results. The West Foundation, a private U.S. family foundation, has committed \$200,000 to the Initiative, and an individual donor from the U.S. has contributed \$10,000. This is in addition to the \$200,000 from the W.K. Kellogg Foundation's LeaRN Initiative and the \$220,000 already committed by USAID.

Barloworld, a \$3 billion global company headquartered in South Africa, has also become a sponsor of the Africa Leadership Initiative by providing its corporate retreat site (including meals, lodging and transportation) for the next four years' worth of South Africa seminars, free of charge. The estimated value of this contribution is \$30,000 per year.

Finally, we have recently heard that a second major South African corporation may become a major sponsor of the Initiative there. Our greatest challenge has been raising funds for the Ghana and East Africa classes.

*vi. Other*

Although Ghana is not a country that is covered by the Matching Grant, it is worth mentioning that the Fellows from Ghana are already working on their Leadership Projects. (Since Ghana was the first country to launch the Africa Leadership Initiative, the Fellows there are at least three months ahead of the Fellows in other countries.) Here are some examples of their projects:

- Eddie Effah has set up an educational fund for disadvantaged children nationwide. To date, he has raised about 100 million Cedis (US\$11,200) and donated about 50 million Cedis (US\$5,600) to purchase computers and fund scholarships. He is also trying to involve other financial institutions in his efforts.
- Tina Eshun and Essie Anno Sackey have teamed up to start public libraries for children in Tesano and McCarthy Hill. They have garnered the support of the Ghana Book Trust, which will donate many of the books. Tina and Essie have also found locations for the libraries, which will include a study/homework area.
- Kenneth Quartey is looking at setting up an Agricultural Research Institute in partnership with the Centre for Democratic Development. He has drawn up a three-year budget and is now looking for funding. Eddie Effah has pledged to donate a computer to the Institute.
- Frank Tackie, Keli Gadzekpo and Patrick Awuah are collaborating on a major intervention in an underprivileged area of Accra called Bukom. For this project, they have already started refurbishing the library in Bukom and is teaching computer literacy classes. They are also looking into training more teachers, to extend the reach of the project.

In East Africa, Elkanah Odembo has already decided to undertake two projects. One project will be to “adopt” the Dendyo Primary School and ensure that it has enough desks and text books for all its students and eventually better buildings. To confront social injustice and exclusion, Elkanah’s second project will be to establish an East African forum that will explore how the private sector can incorporate social responsibility into its business strategy. He will be asking his fellow ALI peers to participate in this project.

TechnoServe is laying the groundwork for the expansion of the Africa Leadership Initiative into Central America in 2004. We are hoping to launch the Central America Leadership Initiative in 2004 with FUNDEMAS (the Salvadoran chapter of Business for Social Responsibility, also a partner in the Business Plan Competition) and INCAE (Central America’s premier business school, located in Costa Rica).

#### D. Volunteer Consultant Program

Indicator	Mid-Term Target	Year 2 Actual (cumulative)
Existence and use of database: All Regional Staff and Country Directors should understand how to access the database via the intranet	Database is functioning and is used by Country Directors and Regional Staff to identify potential volunteers. Final work products and exit evaluations are also stored in the database.	
Number of “alumni” receiving newsletter (Baseline: 0; mid-term: 25; LOP Target: 50)	25	0 (Alumni program will be developed in Year 3)

Indicator	Mid-Term Target	Year 2 Actual (cumulative)
Number of partners participating in the TechnoServe “volunteer consultant” program (Baseline: 1; mid-term: 2; target: 5)	2	4
Within two years of a volunteer project, client should show improvement in one or more of the following areas: Sales, Net Profits, Net Worth.		N/A
Overall, 90% of clients should express satisfaction with volunteers’ work.		N/A (will be implemented in Year 3)

*i. El Salvador*

<b>Volunteer consultant:</b>	<b>Guilherme Silva</b>
<b>Former company:</b>	<b>McKinsey &amp; Company</b>
<b>Timing of assignment:</b>	<b>August – November, 2002</b>

**Description of assignment**

Guilherme was part of the local team of consultants assembled to carry out a study entitled “Situation, Trends and Opportunities for the Dairy Industry in El Salvador.” The study was commissioned by the Multisectorial Investment Bank, and TechnoServe provided technical support to the team.

The study analyzed the current situation of the dairy industry at the international, Central American and national levels. The scope of the study was to analyze and present scenarios for every link of the value chain in the dairy industry. A document was drafted to incorporate the study findings.

Some of the findings included statistical data on milk cattle farms, informal and industrial dairy processing plants, market segmentation and consumer preferences.

Guilherme prepared a competitiveness analysis about the Salvadoran dairy industry, using Michael Porter’s approach, some SWOT analyses for different links of the chain and a profitability analysis for the main markets.

The dairy industry in El Salvador showed two groups in the production structure, with two value chains and two different market segments as well:

- Informal milk producers and dairy processors with unsanitary milking methods, non-pasteurized processes, low prices and unbranded products.
- Industrialized producers and processing plants with high quality standards, sanitary milk handling procedures, pasteurized processes, higher prices and branded products.

The document was validated by two dairy boards, the Multisectoral Investment Bank, and TechnoServe on February 28, 2003 at a special seminar held for the purpose of presenting the study findings. (See description of this competitiveness seminar on page 34.)

### Impact of assignment

The study is being used as a basis for providing new financing mechanisms to companies in the dairy industry. We also learned from BMI that one of El Salvador's major milk processors, Cooperativa Ganadera La Salud, has used the study to identify new market opportunities and to explore financing options for the modernization of its operations.

Lastly, the study was used as a supporting document in a proposal to USDA/Food for Peace that was approved in November 2003. Under this proposal, TechnoServe will assist Salvadoran dairy businesses – from small-scale producers to large-scale processors – to modernize their operations and to strengthen the commercial capacity of the industry by improving the efficiency in the value chain.

#### ii. Nicaragua

During Year 2 of the Matching Grant, TechnoServe/Nicaragua had the assistance of two volunteers, Tom Kilroy and Elio Fattorini. Descriptions of their assignments follow.

<b>Volunteer consultant:</b>	<b>Tom Kilroy</b>
<b>Former company:</b>	<b>McKinsey &amp; Company</b>
<b>Timing of assignment:</b>	<b>November 2002 – July 2003</b>

### Description of assignment

Tom worked with TechnoServe on three initiatives related to the coffee industry:

- ***Cooperativa Pueblo Nuevo (November 2002 – March 2003):*** Tom provided business assistance to Cooperativa Pueblo Nuevo, a cooperative of medium-scale coffee farmers interested in getting access to the U.S. specialty coffee market. Tom worked with the cooperative to help it launch and organize operations of the newly constructed wet processing mill. Tom helped the cooperative in its business planning, marketing, quality control, organization, and administration.
- ***Cup of Excellence Nicaragua (March 2003 – June 2003):*** Tom worked closely with the Asociacion de Cafés Especiales de Nicaragua to organize the Cup of Excellence® 2003. (Cup of Excellence® entails the international judging of local coffee samples with an Internet auction of the winners. See more on the Cup of Excellence® on page 35.) In particular, Tom took the lead for designing the website for the event, managing the tabulation and calculation of the scores of the coffee samples, and coordinating the work of auditors Pricewaterhouse-Coopers.

- **Analysis of global coffee crisis (June 2003 – July 2003):** Tom spent several weeks working on a joint effort by TechnoServe and McKinsey & Company to develop solutions for the global coffee crisis. In particular, Tom helped to prepare and carry out the analysis of the coffee industry in Guatemala, one of four countries which was studied in depth during the effort by TechnoServe and McKinsey. (See more on the coffee crisis study on page 31.)

### **Impact of assignment**

Thanks in part to Tom's efforts, Cooperativa Pueblo Nuevo exported coffee to the specialty market in 2003 for the first time. The coop sold five containers of coffee – worth \$200,000 – at a price 50 percent higher than the price for commercial coffee. This has provided the coop with a solid foothold in the specialty market and positions it for continued growth. In 2004, the coop expects to increase its exports of specialty coffee to eight containers. Cooperativa Pueblo Nuevo's success has allowed the coop to improve the wages of its 250 farm workers and hire additional workers to run the coop's wet processing mill.

As part of the main team of organizers of the Cup of Excellence®, Tom contributed to the tremendous success of this event in 2003. Tom's efforts in managing the tabulation and calculation of the scores as well as his help in coordinating the work of PricewaterhouseCoopers contributed to the transparency and credibility of this event. The Cup of Excellence® auctioned off \$320,000 of coffee, with the winning lot of coffee selling at \$7.05 per pound, more than ten times the price for commercial coffee.

And in his work on the analysis of the global coffee crisis (see page 31 for more on this), Tom brought his hands-on knowledge of the coffee industry to the team. This was critical in helping the team identify practical, business-minded solutions to the coffee crisis. The analysis identified opportunities to generate an additional \$940 million in revenues for the world's 25 million people depending on coffee for their livelihoods.

### **Benefits to TechnoServe staff**

Tom developed a close working relationship with TechnoServe Nicaragua's coffee team and provided the team with on-the-job training in business planning and analysis. In addition, Tom prepared a final presentation of his work to teach the entire Nicaragua team about our work in coffee.

<b>Volunteer consultant:</b>	<b>Elio Fattorini</b>
<b>Former company:</b>	<b>Bain &amp; Company</b>
<b>Timing of assignment:</b>	<b>February – April 2003</b>

### **Description of assignment**

Elio worked with TechnoServe to provide business assistance to two businesses in the fresh produce industry:

- **Empresa San Marcos:** Empresa San Marcos is fresh produce business owned by about 60 small-scale farmers. The business has an ongoing relationship with La Colonia, a supermarket chain in Nicaragua. Elio helped this business assess its strengths and weaknesses. In addition, Elio helped the business improve its management information and its accounting systems.
- **Del Sol Comercializadora:** Elio helped this fresh produce company improve its marketing and customer relations. In particular, Elio helped Del Sol Comercializadora improve its in-store supermarket displays. In addition, Elio helped Del Sol establish a customer database and get feedback from those customers involved in Del Sol's Community Supported Agriculture initiative.

### Impact of assignment

Based on Elio's help, Empresa San Marcos decided to go through a difficult reorganization. Today, better management information and accounting systems allow the business to operate more effectively with the full support of its 60 small-scale farmer owners. The business has sales of about \$180,000 per year and continues to grow. With its success to date, Empresa San Marcos is in talks with La Colonia supermarkets about increasing its sales by another 50 percent.

Del Sol Comercializadora shut down operations several months after Elio's support. The business had been struggling for some time, largely due to weak management following its founder's departure for Mexico. Although Elio was able to give the business an important boost, he was unable turn this situation around.

### Benefits to TechnoServe staff

Elio worked closely with TechnoServe Nicaragua's fresh produce team. In working together with Elio, the team members picked up many skills and pragmatic tips in business problem solving and presenting recommendations.

### iii. Peru

During Year 2 of the Matching Grant, TechnoServe/Peru had the assistance of three volunteers, RJ Lumba, Daniel Levin, and Olivia Carballo. Descriptions of their assignments follow.

<b>Volunteer consultant:</b>	<b>RJ Lumba</b>
<b>Former company:</b>	Arthur Andersen, Robertson Stephens
<b>Timing of assignment:</b>	January - March, 2003

### Description of assignment

When RJ first arrived as a volunteer consultant for the Peru office, TechnoServe's Latin America Capital Raising (TCR) Team had engaged one client, Benol SAC, a grape grower in the Chincha Valley. RJ's primary task was to identify other potential clients and engage one. After contacting more than 20 Peruvian companies, RJ reviewed in-depth the materials of the companies that were the most promising and could have the most impact. As a result of this

process, he engaged Sunshine Export, the second largest mango exporter in Peru. Sunshine hired TechnoServe in order to raise capital for its new project to build a frozen mango processing plant and export a new product, frozen mango. When RJ began, the project leader had assembled a management team with key personnel from industry and academia and had prepared a detailed business plan.

RJ and the TechnoServe team assisted Sunshine in reworking its business model of the frozen mango expansion plan. This work involved researching market assumptions and pricing and determining whether operating its plant for three months would be sufficient to turn a profit year after year. TCR advised the client on the various alternatives for how the business model could evolve.

<b>Volunteer consultant:</b>	<b>Daniel Levin</b>
Former company:	Robertson Stephens
Timing of assignment:	April – November, 2003

### Description of assignment

Daniel continued RJ's work in capital raising for Sunshine Export and other potential clients. Daniel worked with Sunshine Export to achieve its entry into the frozen mango market. He performed detailed due diligence on Sunshine and built a detailed financial model in order to verify the assumptions in the business plan. In this process, it became clear that the business plan was overly optimistic and made unrealistic assumptions for the product that it planned to freeze during the mango "off-season" (nine months of the year). Moreover, the size of the project was larger than necessary for the current demand. Therefore, Daniel worked with the client to identify ways to strengthen the model. He suggested that Sunshine look for a strategic partner and helped the company develop a strategy for finding one. As a result of this advice, Sunshine Export has created a strategic partnership with Seafrost, a leading seafood exporter. The partnership between Sunshine and Seafrost (called SUNFROST) began to process and export frozen mango in January 2004.

### Impact of assignment

Sunshine clearly benefited from TechnoServe/Peru's involvement (principally the team led by RJ and Daniel) because the company gained a better understanding of the market opportunity for frozen mango and other frozen fruits and modified its business plan accordingly. Instead of raising more than \$2 million dollars to build a processing plant, Sunshine Export has been able to enter the frozen mango market through its strategic partnership with Seafrost. In January 2004, SUNFROST began to utilize a Seafrost processing plant to freeze mango and export it. SUNFROST expects to have revenues of over \$446,000 in 2004 from the exportation of frozen mango (a product that neither company was exporting previously). Moreover, the company is projected to buy over \$60,000 in fresh mango not appropriate for fresh export from rural mango producers (at least 40% of the purchases are expected to be from small producers). SUNFROST plans to pay a price that is double what producers normally receive for this product. It will also employ 220 workers in its plant during the mango season.

### Benefits to TechnoServe staff

TechnoServe/Peru benefited from the know-how transferred from the volunteer consultants to its permanent staff. In addition, TechnoServe/Peru charged a fee for the services rendered to the client, allowing it to stretch its limited resources.

<b>Volunteer consultant:</b>	<b>Olivia Carballo</b>
<b>Former company:</b>	Jardine Fleming Investment Bank
<b>Timing of assignment:</b>	July – September, 2003

### Description of assignment

Olivia carried out a subsector study of the native jam industry in the Province of Cajamarca. The study should be of interest to the participants in the native jam subsector and also to non-governmental organizations and other entities involved, or looking to become involved, in the sector.

Due to a serious lack of information, literature and official government data concerning the native jam industry and/or the native fruits, time was spent in Cajamarca collecting basic information including: annual harvest volumes of fruit; the names of the (legal) agribusiness involved in the native jam industrial process; and the types of jams produced in Cajamarca. The documentation of this data is the first of its kind and can serve as a reference point to those involved and/or interested in the sector.

In addition, the information collected from interviews and meetings held with farmers, jam agribusiness entrepreneurs, and the multiple external entities involved in the sector, was used to analyze the bottlenecks in the value chain and carry out a SWOT analysis. Again, this analysis will be of interest to those concerned with the development of the sector.

### Impact of assignment

Olivia's study was disseminated in the city of Cajamarca through a public exposition attended by public institutions, universities and businesses related to native fruits. The study highlighted jam as a high value opportunity for native fruits that were recently gaining recognition in the market. Specifically, the study has been useful in the creation of a strategic plan for Ecoserranita EIRL, a company to which TechnoServe is providing technical and managerial assistance as part of a project with the International Finance Corporation (IFC). In five months of involvement by TechnoServe/Peru (from August to December 2003), the company increased its profit margin from -3% to 9% and improved its sales from \$21,901 in 2002 to \$46,973 in 2003.

The increase in Ecoserranita's sales has caused greater demand for native fruits, which are cultivated and collected by farmers in Cajamarca. Moreover, the subsector study has generated outside interest in this market opportunity, and other companies are also increasing their demand for native fruits. Because of this, the purchase volume as well as the price of native fruit in Cajamarca is expected to rise. This will result in the increased cultivation of native fruits and therefore generate an additional source of income for the local farmers.

Ecoserranita has increased its staff from two to 12. If the company continues to expand production, it will hire additional employees for both operations and administration.

*iv. Kenya*

During Year 2 of the Matching Grant, TechnoServe/Kenya had the assistance of two volunteers, Kristine Kelly and Jaco Spies, who worked together on a dairy industry project during August and September, 2003.

<b>Volunteer consultants:</b>	<b>Kristine Kelly &amp; Jaco Spies</b>
<b>Current company:</b>	McKinsey & Company
<b>Timing of assignment:</b>	August – September, 2003

**Description of assignment**

Kristine and Jaco laid out the structure and analyses to build a dairy industry strategic plan. The purpose of the plan is to identify opportunities in the sector to increase its overall competitiveness and to capture more value for the rural poor. The draft plan identified measures to address industry constraints and, specifically, to maximize profitability in dairy operations. It will also identify new business opportunities that could benefit the rural poor.

In addition to the strategic plan, Jaco worked with a TechnoServe Business Advisor to develop expansion plans for two farmer-owned, milk chilling plants. They diagnosed the businesses' current problems and laid out a two-year plan to address them. These businesses are owned by 10,000 rural farmers. They also developed a proposal to raise capital for one business to expand its cooling capacity. If funding is raised, the cooling plant will be able to double its cooling capacity and increase its milk purchases from the rural poor.

**Impact of assignment**

Through Kristine's and Jaco's work, TechnoServe now has a better understanding of the full dairy industry value chain and how to unlock its potential to benefit the rural poor. The two businesses have clearly identified their problems and know the measures that they should take to improve operational efficiency, profitability, and thereby have a more sustainable and sizable impact on the poor.

**Benefits to TechnoServe staff**

Jaco and Kristine trained TechnoServe staff on McKinsey problem solving techniques to identify and solve industry and business-level problems. Jaco provided coaching on diagnosing business problems, prioritizing solutions, constructing financials, and improving client interaction skills.

*v. Mozambique*

During Year 2 of the Matching Grant, TechnoServe/Mozambique had the assistance of five volunteers: Tariq Osman, Stephanie Tse, Regina Galang, Keric Morris and Andrew Newman. Descriptions of their assignments follow.

<b>Volunteer consultant:</b>	<b>Tariq Osman</b>
<b>Former company:</b>	McKinsey & Company
<b>Timing of assignment:</b>	February – March, 2003

### **Description of assignment**

Tariq worked with a new agribusiness called Citrum. By winning a privatization tender from the Mozambican government, Citrum had acquired – and is currently rehabilitating – two large, but abandoned citrus estates in Maputo Province. At the time that Tariq became involved with Citrum, they were undergoing significant cash flow problems, with cash reserves estimated to run out within two months of operations. Further, significant capital was still required to acquire the farming equipment required for export purposes.

Tariq helped Citrum's senior managers in the following ways:

- Reviewed their financial position and gave them transparency on the gravity of their cash flow problem.
- Assisted them in identifying fund raising opportunities.
- Developed a financial monitoring template to allow the two senior managers to stay on top of their financial position.
- Managed tense relationships between senior managers

### **Impact of assignment**

As a result of Tariq's work, Citrum gained:

- A better understanding of the need for varying levels of adequate cash reserves at different stages of the citrus work calendar
- An improved financial monitoring process
- Improved senior manager relations

Improved management has helped Citrum to successfully raise \$47,000 in order to begin drying and vacuum-packing bananas, an endeavor that will employ an additional 260 workers over the next five years. Citrum's improved cash flow is also allowing it to invest in the 250 workers it currently employs. The company's owners are in the process of installing new roofs on the workers' houses, as well as electricity, drinking water and flush toilets.

Finally, Citrum was able to negotiate a new, more favorable contract with CapeSpan to export about 80,000 cartons of star ruby grapefruit in 2004 (up from 15,000 in 2003).

### **Benefits to TechnoServe**

TechnoServe's profile as a player in horticulture (particularly in fruit) has been raised, as we continue to assist Citrum in its operations. In addition, we are able to leverage Citrum as a key "lead enterprise" for additional training of new entrepreneurs in the horticultural subsector. With support from the W.K. Kellogg Foundation, Citrum is midway into a 14-month management and technical training program for six promising entrepreneurs. As TechnoServe continues to provide guidance to Citrum on best management practices, we anticipate that Citrum will be a long-term partner to lead additional training programs.

<b>Volunteer consultant:</b>	<b>Stephanie Tse</b>
Former company:	Deutsche Bank
Timing of assignment:	April – June, 2003

### **Description of assignment**

As part of the MozLink mentorship program, in which world-class companies offer mentoring to Mozambican businesses, Stephanie worked as part of a full McKinsey & Company team on developing a vision and strategy for TechnoServe in eco-tourism. She helped to gather information regarding the current industry in Mozambique, the government's involvement/initiative, potential areas/entrepreneurs for development and competition/cooperation in surrounding regions. Stephanie researched case studies, and interviewed current entrepreneurs, government departments and industry experts.

### **Impact of assignment**

Based on Stephanie's work, TechnoServe determined that participating in the eco-tourism industry in Mozambique is extremely difficult due to the large number of infrastructural barriers (e.g., insufficient roads, access to electricity, inadequate protection of natural resources) and that we should focus on areas in which a critical mass of entrepreneurs is already in place. In such areas (currently Inhambane, but potentially Cabo Delgado & Niassa), many of the infrastructural issues are being addressed, enabling TechnoServe to focus on providing hands-on assistance to entrepreneurs.

TechnoServe now has a clearer vision, a clear set of next steps, and a team of leaders in eco-tourism, which can be leveraged as our activities develop in this area. To date, we have engaged one client in Niassa, which is seeking financing to expand its six-chalet lodge. If we are successful in procuring financing, the business expects to increase the number of employees from 25 to over 50. This client is also leading several community initiatives, having built schools, water wells, and a maize mill, and is helping family farmers to increase their yields (so they can improve their nutrition and supply the lodge).

### **Benefits to TechnoServe staff**

The primary benefit was the opportunity to transfer skills to our Maputo-based business advisor, Carlos Moamba, who took part in the team analyses and interview during the course of the six-week study. Carlos will continue to apply this methodology to new client opportunities in eco-tourism.

<b>Volunteer consultant:</b>	<b>Regina Galang</b>
Former company:	PriceWaterhouseCoopers
Timing of assignment:	May - June, 2003

## Description of assignment

Regina developed a business plan for Projeto Horticultura de Manica (PHdM). In the process, she completed the following tasks:

- Reviewed all options available to PHdM
- Created a SWOT analysis of the position of the project
- Determined the viability of the project in the present context
- Made recommendations about improvements
- Reviewed and challenge the proposed business plan
- Recommended changes and improvements to the plan

## Impact of assignment

Through her organizational and analytical skills, Regina was able to develop a rigorous business plan for the client, thus better positioning them for financing. They have been successful in procuring funding through a Rural Enterprise Innovation Grant – no doubt due to Regina's assistance.

In the words of the client, the benefits that Regina brought were:

- A professional approach to presenting information for external funding
- Ability to analyze information
- Questioning approach to ideas, and extracting further information as proof of the project's ability to work
- Knowledge on where to find and extrapolate market information
- Knowledge on accounting, and how to present figures in an informative and meaningful way

Thanks to Regina's contributions (and its successful grant application), the company planted its first crops in late 2003, which created employment for 30 people in Manica Province. PHdM also reached an important milestone by becoming the first Mozambican company to export vegetables to Europe.

## Benefits to TechnoServe staff

As horticulture is a relatively new area for TechnoServe/Mozambique, Regina's superb contributions helped to raise awareness of TechnoServe as a valuable partner in this subsector and enabled our Chimoio-based horticultural advisor to become a trusted advisor among entrepreneurs seeking assistance in setting up horticultural production in the Beira Corridor.

<b>Volunteer consultant:</b>	<b>Keric Morris</b>
Former company:	PriceWaterhouseCoopers
Timing of assignment:	April – June, 2003

### Description of assignment

As part of the USAID-funded MozLink program, Keric completed some industry assessment work (size, current shape/players, government attitudes, etc.) on how TechnoServe can expand its operations into the garments/textiles and timber areas – industries that had not previously been part of the TechnoServe/Mozambique focus. This work was done under the guidance of two MozLink mentors – Liz Claiborne and McKinsey & Company.

Some work was also completed with specific external entrepreneurs who need assistance in business planning and funding.

### Impact of assignment

TechnoServe benefited through having a clearer vision and action plan on how to achieve this vision. We have also become more aware of the role of other stakeholders, primarily government, that is required to develop these two subsectors. Finally, we engaged two new clients in timber – TCT Dalmann and Sofala Investments – growing businesses with the potential to create significant employment in Sofala Province.

### Benefits to TechnoServe staff

Keric worked closely with Juma Juma, a consultant whom we have recently hired as our timber products advisor, to help him strengthen his capacity in industry analysis.

<b>Volunteer consultant:</b>	<b>Andrew Newman</b>
<b>Former company:</b>	CPP Holdings (UK), IDC (Miami, Brazil)
<b>Timing of assignment:</b>	March – May, 2003

### Description of assignment

Andrew worked on the design of a venture capital fund that would allow TechnoServe to provide expansion financing for its successful entrepreneurial clients. On this project, Andrew did the following:

- Refined the preliminary financial model, including multidimensional sensitivity analyses.
- Built a full strategic business plan for the Mozambique Fund.
- Liaised with potential sources of funding, such as the International Finance Corporation and USAID.
- Met with local experts to conduct full evaluation of project feasibility and the adequacy of the legal framework.

### Impact of assignment

By the end of the project, TechnoServe had a roadmap for the launch and ongoing management of a possible venture capital fund. However, the business plan developed by Andrew could have benefited from additional detail; a volunteer with significant fund management experience would have been more effective.

*vi. Tanzania*

During Year 2 of the Matching Grant, TechnoServe/Tanzania had the assistance of three volunteers: Stella Cridge, Parviz Parvizi, and Brad Parrish. Descriptions of their assignments follow.

<b>Volunteer consultant:</b>	<b>Stella Cridge</b>
<b>Former company:</b>	International Business Leaders Forum
<b>Timing of assignment:</b>	July – September, 2003

**Description of assignment**

During her stay in Tanzania, Stella worked on four assignments in the tea sector: (1) a fair trade marketing project for Tanzania Tea Packers (TATEPA); (2) a value chain analysis of the tea industry; (3) research on “tea tours” as a tourism opportunity; and (4) preparation of a tea industry analysis.

Her main accomplishments on these projects were the following:

- Completed a study of the organic, fair trade and herbal tea markets in target countries, investigated certification and packaging criteria in target markets
- Identified TATEPA’s long-term requirements in areas of marketing, distribution and business development strategy in which TechnoServe is in an ideal position to assist
- Obtained quantitative data on costs of the main actors in the Tanzanian tea value chain
- Identified TechnoServe’s knowledge gap: post-auction structure of market and costs downstream.
- Determined that the “tea tours” could only be successful in partnership with the Utengule Country Hotel, an upmarket lodge located close to Mbeya, which is not in a position to respond at this stage.

**Impact of assignment**

Stella deepened the professional relationship between TechnoServe and TATEPA and laid the groundwork for TechnoServe’s future work with Tanzania’s leading tea processing and packing firm. As testimony to Stella’s effectiveness, the client, Tanzania Tea Packers, has now hired her as a part-time consultant in the UK to continue the work she began in Tanzania.

<b>Volunteer consultant:</b>	<b>Parviz Parvizi</b>
<b>Former company:</b>	McKinsey & Company
<b>Timing of assignment:</b>	August, 2003

**Description of assignment**

During his stay in Tanzania, Parviz worked on four assignments in the coffee sector: (1) guidelines for direct export of specialty coffee; (2) recommendations for changes to auction system; (3) mechanisms for stakeholder feedback in policy formation; and (4) shaping the future of the Tanzania Coffee Board (TCB).

His main accomplishments on these projects were the following:

- Drafted two sets of guidelines for direct export of specialty coffee for review by stakeholders
- Coordinated stakeholder forum for feedback from the industry to TCB
- Developed clear next steps to explore the pros and cons of the recommendations before TCB makes a decision regarding changes to the auction system

### **Impact of assignment**

On October 7<sup>th</sup>, TCB announced the new licensing procedures for direct export of specialty coffee. Parviz's draft based on a TCB-controlled definition of specialty coffee is the version that prevailed. Direct export licensing (vs. marketing through the government's auction) is projected to earn an additional \$15-20 million for Tanzania's specialty coffee farmers over the next ten years. The direct relationship that was established with the Minister of Agriculture (who provided his personal cell phone number in championing the process) was a key factor in getting a regulation published during the 2003-2004 harvest season.

### **Benefits to TechnoServe**

Parviz strengthened TechnoServe/Tanzania's relationship with TCB and the Ministry of Agriculture, increasing TechnoServe's value to the organizations, as well as to farmer associations advised by TechnoServe.

<b>Volunteer consultant:</b>	<b>Brad Parrish</b>
Former company:	Environmental Protection Agency
Timing of assignment:	June – July, 2003

### **Description of assignment**

Brad worked on a feasibility analysis of fair trade certification for the Association of Kilimanjaro Specialty Coffee Growers (AKSCG). His main accomplishments were:

- Presented TechnoServe/Tanzania with a thorough analysis of the Fair Trade market for coffee and the rationale for AKSCG to obtain Fair Trade certification
- Provided TechnoServe/Tanzania with an implementation strategy for Fair Trade certification
- Initiated dialogue between TechnoServe/Tanzania and a number of Fair Trade buyers in the US.

### **Impact of assignment**

Brad's final document, a Fair Trade Certification Strategy for AKSCG, provides TechnoServe/Tanzania with all the information necessary to move forward with Fair Trade Certification.

## Benefits to TechnoServe

Brad's work reinforces TechnoServe's current strategy of improving coffee quality and volumes. Fair Trade/Organic certification is a relatively easy process when compared to the hard work required for smallholder farmers in Tanzania to produce the quality and quantity of coffee required by discerning buyers of non-Fair Trade coffee.

### *vii. Other*

To address the current coffee crisis that is affecting millions of producers worldwide, TechnoServe engaged a *pro bono* team from McKinsey & Company to conduct a 10-week study on the causes of and possible solutions for the crisis. TechnoServe kick started the study with \$50,000 in Matching Grant funds to cover expenses but leveraged approximately \$1.25 million in in-kind support from McKinsey. The team surveyed relevant literature; conducted nearly 200 interviews with representatives along the entire value chain, including producers, millers, roasters, exporters and industry experts; and traveled to four "representative" coffee-producing countries (Brazil, Guatemala, Tanzania and Vietnam) to develop a detailed understanding of the current situation in each country and in order to identify a set of factors that could be applied to other producer countries. The team's findings can be summarized as follows:

- Systemic shifts in the coffee industry imply that while prices may increase somewhat in the short term, long-term prices will likely fluctuate in a range that will leave many marginal producers unprofitable.
- Not only is the crisis affecting millions of small-scale producers but also large-scale farms that employ workers. While small-scale producers can grow other crops for home consumption, landless workers who are laid off from farms as a result of low market prices often have no other income-generating alternatives.

The team then generated three possible solutions and suggested next steps:

- **Increase coffee consumption in producer countries and emerging market countries** – The International Coffee Organization (ICO) has already undertaken a study to identify and document "best practices" in programs to stimulate consumption. And the coffee industry plans to initiate targeted consumption programs in select countries.
- **Assist unprofitable producers of high-quality Arabica to move into higher-priced "specialty" coffees** – TechnoServe proposes identifying regions or activities that are not being addressed among the existing specialty programs, securing funding, and launching new projects to support them. TechnoServe also proposes encouraging better coordination among organizations to share "best practice" learning.
- **Helping regions with a high concentration of "marginal" coffee producers – who cannot differentiate their product or compete on price – to diversify into other products and industries** – TechnoServe proposes to identify specific regions for pilot diversification programs; secure funding for selected regions; and initiate programs and identify industry alternatives for each of the regions.

Thanks to McKinsey's generous in-kind support and exhaustive research, TechnoServe now has a tangible blueprint for tackling the coffee crisis.

TechnoServe has also leveraged volunteers in programs that are not funded by the Matching Grant. For example, TechnoServe/Ghana used four volunteers for a total of almost 18 person-months in 2003. Additionally, TechnoServe used the strength of its volunteer program to win a multi-country contract from the IFC, which required 13 person-months of 4 volunteers' time in three African countries.

Finally, TechnoServe utilized a volunteer to undertake an assessment of the volunteer consultant program itself. In June and July of 2003, TechnoServe worked with Reshmi Khurana (formerly of McKinsey & Company), to evaluate the volunteer consultant program and address the following questions:

- How can the volunteer consultant program be made more effective for TechnoServe and its volunteers?
- What are the best practices in volunteer management followed by other non-profits?

Reshmi interviewed TechnoServe staff, board members and donors, as well as current and former volunteers. She also looked at similar programs in order to benchmark TechnoServe's program.

The study helped to crystallize TechnoServe's vision for the volunteer consultant program, which is to support TechnoServe's long-term strategy of helping entrepreneurs in poor rural areas of the developing world to build businesses that create income, opportunity and economic growth for their families, their communities and their countries. In essence, TechnoServe's vision is to strategically use volunteers to supplement our staff capabilities in order to better serve our clients.

The study also confirmed that:

- Volunteer consultants can play a vital role on TechnoServe teams
- Volunteer projects have lasting impact because they are part of an integrated TechnoServe team
- The primary purpose of the program is to serve TechnoServe clients, not the volunteers themselves (although it is important for them to continue to have positive experiences)
- The flexibility of the program's current structure is beneficial both to TechnoServe and the volunteers

The study found the following areas for improvement:

- Standardizing/making the volunteer experience more uniform across countries
- Establishing a more formal in-country feedback mechanism
- Expanding the network of firms and business schools for recruiting, and improving the volunteer section of the web site for recruiting
- Developing an alumni network

In addition, there is a need to secure more sustainable sources of funding to support the volunteer program in the future. In order to address the above-mentioned areas for improvement, and to develop new funding sources for the program, Reshmi recommended hiring a full-time volunteer program coordinator. This person would be responsible for the following:

- **Fundraising.** Identify and maintain (via regular reports and meetings) new sources of private and public sector funds to support the volunteer consultant program. This will likely involve travel to San Francisco, Chicago, Boston, Washington, DC and New York City.
- **Partnerships.** Initiate and maintain relationships with corporations and business schools that can be sources of potential volunteers. This will also likely involve travel to San Francisco, Chicago, Boston, Washington, DC and New York City.
- **Recruitment, Selection and Placement Process.** Manage the overall recruitment process. Define standardized selection criteria. Develop selection tools (interview guide, etc.) for country programs. Ensure preparation of all paperwork prior to the start of assignments. Place approximately 30 volunteers per year. Manage a volunteer database.
- **Communication.** Communicate with volunteers and country programs at all stages of the recruitment process, as well as while on assignment. Develop a volunteer orientation guide. Develop marketing strategy and communications materials (including via the TechnoServe web site) to market the program to donors, business partners and volunteers.
- **Review and Feedback.** Develop a formal review process that country directors can use to evaluate volunteer performance. Develop tools for in-country feedback between volunteers and country directors. Process/analyze feedback from volunteers to improve the program.
- **Volunteer Network.** Maintain a database of former volunteers, including e-mail addresses. Send a quarterly or semi-annual newsletter to current and former volunteers to provide updates on the program and post new volunteer opportunities.

TechnoServe has already identified an individual private donor with a strong interest in funding this position for two years with a \$200,000 grant. Given the program's strategic importance to TechnoServe, we think it is critical to have a dedicated person managing it. We hope to have the position filled by early 2004.

#### E. Competitiveness Seminars

Indicator	Mid-Term Target	Year 2 Actual
Percent of participants with increased industry knowledge and understanding of competitiveness	80%	90%

*i. El Salvador*

With Matching Grant support, TechnoServe/El Salvador participated in two major competitiveness activities in 2003: one in the dairy industry and one in the coffee industry (the Cup of Excellence®).

**a. Dairy**

On February 28, 2003, TechnoServe held a competitiveness seminar on the dairy sector at the Multisectorial Investment Bank (known by its Spanish acronym as BMI). The seminar was held to present the findings of a study that was conducted with the help of a volunteer consultant, Guilherme Silva (see page 18). It was attended by about 60 key players in the dairy sector, including private banks, milk producers and dairy processors as well as international cooperation agencies.

The seminar was the culmination of a pilot project sponsored by BMI and TechnoServe called "A Complete Financial Model for Value Chains." In 2001, businesses in El Salvador's agricultural sector were facing growing difficulty in accessing lines of credit, and financing for investment in agribusinesses was virtually non-existent. To address this issue, BMI and TechnoServe teamed up to identify the best practices for increasing the approval rate of credit applications by businesses in the agricultural sector, with a focus on small and medium-sized producers. The effort began by looking at the highly successful "Agriculture-Related Trust" model, developed by the Bank of Mexico and known as FIRA. To facilitate the exchange of ideas and further cement the relationship, bilateral cooperation agreements were signed by BMI and FIRA and by BMI and TechnoServe.

In addition to dairy, two other industries were studied: fruits and vegetables and shrimp farming. The purpose of the studies was to assist the agricultural sector in adopting a more a market-oriented approach and in developing or building on its competitive advantages. The first study analyzed the trends and opportunities in the value chain of the dairy industry in El Salvador. As a result of this study, financial models were devised to add value to every link of the chain. The projects were coordinated by BMI, which was responsible for developing the financial instruments, and by TechnoServe, which provided technical support.

Dairy trade boards PROLECHE and ASILECHE supported the initiative and were acknowledged at the seminar. They have expressed their willingness to contribute to increasing the competitiveness of milk cattle farms and dairy processing plants.

The seminar ended with a presentation of six action steps to develop a constant supply of quality milk for all levels of the dairy value chain:

1. Create an association of milk producers and dairy processors.
2. Encourage the creation of businesses that produce, process and distribute dairy products.
3. Organize a network of milk suppliers for industrial processing plants.
4. Encourage pasteurization among large, informal milk producers.
5. Promote the consumption of pasteurized Salvadoran dairy products.
6. Identify barriers to entry in selected countries and organize industrial processors to assist their entry into ethnic export markets.

A document entitled "Situation, Trends and Opportunities for the Dairy Industry in El Salvador" was drafted to incorporate the study findings. A press run of 100 copies was distributed and exhausted, so 100 additional copies were printed to meet the demand for the document.

### **b. Cup of Excellence®**

The Cup of Excellence® (CoE) was organized by TechnoServe/El Salvador in conjunction with the Salvadoran Coffee Board and the non-profit organization CLUSA. The Alliance for Coffee Excellence, Inc. (ACE), which holds the Cup of Excellence® trademark, was contracted to preside over the competition. ACE has developed proprietary software for running the competition. It also selects the lead taster and presides over the internet auction.

There were 24 sponsors in this contest, including FedEx (to send coffee samples overnight to potential buyers), Banco Hipotecario (state bank), J. Hill & Co. (coffee mill and exporter), Grant Thornton Castellanos Campos (auditing firm), five coffee growers' cooperatives, Banco de Fomento Agropecuario (state bank), several coffee mills and processors, local brokers and exporters.

The competition started on March 31, 2003, with 336 participants submitting samples that were tested by local judges. Over 150 farms made it to the next round, where a panel of local judges chose 50 finalists. The third and final phase was presided over by a panel of international judges who made the final selection. On May 9, 2003, the 31 winners of the contest were announced. The organizers then proceeded to ship samples of the winning coffees to 99 potential buyers in the U.S., Germany, Italy, Norway, Japan, France, Ireland, the U.K., Canada, Malaysia, Spain, Denmark, Australia and Greece.

On July 1, 2003, under the auspices of Banco de Fomento Agropecuario, the electronic auction took place, between the 31 winning farms and the 99 potential bidders. It was highly publicized and attended by about 400 people. The first lot of 18 bags was bought by Solberg & Hansen AS from Norway, who bid the record-breaking price of \$14.06/lb — about 23 times the spot price of coffee "C" at that time (\$0.61/lb). This was the highest price ever achieved by a coffee lot at any of the CoE competitions held to date. The auction resulted in sales of \$364,749. The average price was \$3.40/lb and the lowest, \$2.05/lb, more than 100% higher than the average price of \$0.98/lb paid to Salvadoran gourmet coffee producers in 2002/2003.

Despite being the first time the CoE was held in El Salvador, the event was a resounding success. The competition brought a lot of media attention: it succeeded in placing El Salvador among top-quality coffee-producing nations and generated plenty of enthusiasm about the potential of gourmet coffee. The auction was a low-volume exercise: only 705 69-kilo bags were sold or 1.3% of total exports of the 2002/2003 season of gourmet coffee. The CoE can hardly be replicated nationwide; nonetheless, it can definitely help to enhance the image of Salvadoran coffee and translate that into higher premiums.

#### *ii. Nicaragua*

With Matching Grant support, as well as funding from Procter & Gamble, TechnoServe/Nicaragua participated in the Cup of Excellence® in 2003.

For the second year in a row, TechnoServe/Nicaragua was a principal organizer of the Cup of Excellence® competition. Other 2003 organizers included: Asociación de Cafes Especiales de Nicaragua (ACEN); Ministry of Agriculture; Proyecto Nacional de Competitividad (ProCompe); Unión de Cooperativas de Pequeños Productores de Nicaragua (CafeNica); Asociación de Exportadores de Café de Nicaragua (EXCAN); Bolsa Agropecuaria (BAGSA); Asociación de Almacenes de Depósitos Financieros (ASOFIN); COOPENORTE (association of coffee-processing mills); and CLUSA.

Over 380 samples were submitted by coffee growers of all sizes and from all regions of Nicaragua. A team of 15 national cuppers evaluated the samples, and selected the best ones to be judged in the next round. The national jurors then narrowed their selections down to the finalists.

The final evaluation was a four-day cupping event that began April 30. Thirty-seven winning Nicaraguan coffees were selected – 19 of them produced by small-scale farmers. These winners went on to participate in an internet auction, held on June 17. International importers and specialty coffee roasters spent a total of \$320,000 at the auction. The high bid was \$7.05/pound by Maruyama Coffee, a Japanese roaster. The batch of 44 bags (about three tons) was produced by grower Francisco Lanzas, a producer from Matagalpa. Other bidders, including Solberg & Hansen, Bontain Coffee, Taylors of Harrogate, Intelligentsia, and Millstone Coffee Company, bought all 37 lots on offer. Prices per pound ranged from \$1.30 up to the high of \$7.05. The average price paid was \$2.56/lb. or more than four times the market prices for Arabica beans.

“Cup of Excellence® supporters are growing. We are excited that these winning coffees were purchased by a geographically diverse group of companies. Consumers worldwide will have the opportunity to enjoy a Nicaraguan Cup of Excellence® quality coffee, which will enhance the image and the demand for these and other high-quality Nicaraguan coffees in the future.” explained Susie Spindler, manager and co-creator of the Cup of Excellence® program.

“The auction results show that Nicaragua has some of the best coffees in the world,” said Ernest van Panhuys, Country Director of TechnoServe/Nicaragua. “The event continues to motivate coffee growers throughout Nicaragua to improve the quality of their product.”

### *iii. Peru*

On November 23, 2003, TechnoServe held a Grape Industry Competitiveness Seminar, which was attended by 76 key industry players. The seminar was co-sponsored by CITEvid (Grape Industry Technological Innovation Center), and the Ministry of Agriculture. The purpose of the seminar was to present the results of a competitiveness study conducted by TechnoServe. There was also a panel discussion, including speakers from major industry associations and a bank.

The study identified and analyzed the main factors that influence the international competitiveness of the grape sector, and proposed steps that should be taken to develop competitive advantages in each of the links in the industry value chain. By bringing together important players from all sides of the industry, TechnoServe hoped to create the basis for an inter-institutional agreement to promote productivity, share market knowledge, improve quality, access financing, and develop infrastructure.

The seminar helped to bolster TechnoServe's reputation in the grape industry. The participants determined that the most important next step is for the private and public sectors to work together to strengthen the production chain of the grape industry, in order to promote Peru's competitive advantages and differentiate Peruvian products.

*iv. Tanzania*

In 2003, TechnoServe/Tanzania organized a seminar for Tanzania's coffee industry, the theme of which was "Lessons from Costa Rica for Tanzania's Specialty Coffee Industry." The Tanzania Coffee Board provided logistical support, and DeliCafe of Costa Rica sent their two top executives to Tanzania for two weeks. The seminar was attended by almost 30 top executives from the coffee industry.

The seminar educated farmers and other stakeholders on opportunities to produce and sell in specialty coffee markets, and helped to lock in a direct export window for premium coffees to be sold overseas in a streamlined, cost efficient, and transparent manner. The seminar concluded that Tanzania has a strong story to tell about its coffee that differentiates it from other suppliers.

As a result of the seminar, the Minister of Agriculture apportioned funds for 4-6 key coffee industry leaders from Tanzania to visit Costa Rica at Ministry expense to observe at first-hand how an efficient specialty coffee industry works, then apply their learning in Tanzania. This trip occurred in November, coinciding with Sintercafe, the Costa Rican coffee convention.

**F. Strategic Retreat**

TechnoServe's Annual Strategic Retreat was held from May 15 to May 21, 2003. The focus of this year's retreat was on the development of industry-specific strategic plans as a means to engage the public and private sectors on how to best promote rural economic growth. Each country program presented its five-year plan for one industry. This gave the programs the opportunity to receive feedback from other country directors, and to share experiences and lessons learned from different countries. Plans are now to present these "industry visions" to local government and business leaders for comment, adoption and action.

The Strategic Retreat also provided the forum to launch three TechnoServe "Practice Groups" on coffee, supermarkets, and youth entrepreneurship. The purpose of these cross-country and cross-functional groups is to make sure that lessons learned and best practices in each of these areas are better shared among country programs.

**G. Business Advisor Training**

In March, 2003, TechnoServe held week-long "TechnoServe Way" training programs for its country directors and business advisors in Africa and Latin America. The course was designed to ensure ever greater consistency in TechnoServe's approach to advising business clients, and focused on business strategy, project planning, problem identification, solution development, and financial analysis. The course consists of 8 modules designed to teach participants how to define

a problem, identify and structure issues, prioritize issues, conduct financial analysis, conduct investment analysis, gather facts, develop recommendations, and assist in execution.

TechnoServe’s staff actively participated in the course by discussing the modules and performing exercises in small groups, presenting their conclusions to their peers, and questioning each other on their analyses. The instructors included several McKinsey volunteer consultants and regional staff from the U.S. Most participants felt that the course met their needs, and all students passed the final exam.

**V. Management: Review and Analysis of Headquarters/Support Functions**

TechnoServe’s headquarters and support functions are largely on track and have accomplished the activities and targets as proposed. The one item that is behind schedule is the establishment of an “alumni” program for volunteer consultants. However, as explained above, thanks to a private grant from an individual donor, TechnoServe will be hiring a dedicated volunteer program coordinator within the next few months. This person will be tasked with developing such an alumni program. There are no anticipated problems in meeting final project objectives.

**VI. Financial Report**

1. Compare the proposed budget with actual expenditures, both USAID and PVO match, for all project years to date, and, provide update estimates for remaining project years. Discuss any actual and/or anticipated variance from the proposed budget line items.

Budget and Expenditures – Year 1

	TNS Match		USAID Funds		TOTAL	
	Budget	Expenditures	Budget	Expenditures	Budget	Expenditures
<b>Program</b>	\$550,575	\$456,034	\$550,575	\$448,589	\$1,101,150	\$904,623
<b>Procurement</b>	\$85,200	-	\$85,200	-	\$170,400	-
<b>Training</b>	-	-	-	-	-	-
<b>Indirect Charges</b>	\$135,273	\$92,701	\$135,273	\$91,187	\$270,546	\$183,888
<b>TOTAL</b>	<b>\$771,048</b>	<b>\$548,735</b>	<b>\$771,048</b>	<b>\$539,776</b>	<b>\$1,542,096</b>	<b>\$1,088,511</b>

Budget and Expenditures – Year 2

	TNS Match		USAID Funds		TOTAL	
	Budget	Expenditures	Budget	Expenditures	Budget	Expenditures
<b>Program</b>	\$615,016	\$799,163	\$615,016	\$457,864	\$1,230,032	\$1,257,027
<b>Procurement</b>	\$83,276	\$171,163	\$83,276	\$123,607	\$166,552	\$294,770
<b>Training</b>	-	-	-	-	-	-
<b>Indirect Charges</b>	\$150,401	\$153,534	\$150,401	\$86,634	\$300,802	\$240,168
<b>TOTAL</b>	<b>\$848,693</b>	<b>\$1,123,860</b>	<b>\$848,693</b>	<b>\$668,105</b>	<b>\$1,697,386</b>	<b>\$1,791,965</b>

Budget and Expenditures – Year 1 + Year 2

	TNS Match		USAID Funds		TOTAL	
	Budget	Expenditures	Budget	Expenditures	Budget	Expenditures
<b>Program</b>	\$1,165,591	\$1,255,197	\$1,165,591	\$906,453	\$2,331,182	\$2,161,650
<b>Procurement</b>	\$168,476	\$171,163	\$168,476	\$123,607	\$336,952	\$294,770
<b>Training</b>	-	-	-	-	-	-
<b>Indirect Charges</b>	\$285,674	\$246,235	\$285,674	\$177,821	\$571,348	\$424,056
<b>TOTAL</b>	<b>\$1,619,741</b>	<b>\$1,672,595</b>	<b>\$1,619,741</b>	<b>\$1,207,881</b>	<b>\$3,239,482</b>	<b>\$2,880,476</b>

By leveraging in-kind support from partner organizations (i.e. FUNDEMAS for the Business Plan Competitions, Barloworld for the Africa Leadership Initiative and McKinsey & Company for the coffee crisis study), TechnoServe has increased the cost-effectiveness of its initiatives and therefore been able to draw fewer funds from the Matching Grant.

2. Provide a brief discussion of fund-raising plans and activities: main sources, status, and actual or anticipated problems, if any.

Activity	Source	Status
Business Plan Competition	Currently exploring new sources for a Central America-wide competition	Pending
Youth Entrepreneurship Program	Difficulties identifying sources for El Salvador and Tanzania. Much better prospects for South Africa (not a Matching Grant country)	Potential problems raising funds for El Salvador and Tanzania post-Matching Grant
Africa Leadership Initiative/ Central America Leadership Initiative	Current sources include the Kellogg Foundation and a private family foundation. In South Africa, Barloworld has donated a seminar site and transportation. In Central America, FUNDEMAS has contributed \$15,000.	Overall, fundraising has been successful. It has been more difficult for East Africa and Ghana than for South Africa and Mozambique.
Volunteer Consultant Program	Private Donor has pledged \$200,000 to hire a program coordinator, whose job will include fundraising for program activities	Candidate interviews in progress
Competitiveness Seminars	Local industry associations	TechnoServe has been relatively successful in recruiting local partners and sponsors for competitiveness seminars

3. TechnoServe expects to meet or exceed its cost share match for this grant. Since we are currently exceeding our required match, TechnoServe has no plans to take any corrective measures.

## VII. Lessons Learned and Long-Term Project Implications

There was an extensive discussion of lessons learned for all activities in the Year 1 Report. For Year 2, there were additional lessons learned for the Business Plan Competition and the Youth Entrepreneurship Program.

### *Lessons Learned: Business Plan Competition*

- Phase I Participant Evaluation  
The sole basis for selecting participants that went through to Phase II was the EMPRETEC workshop evaluation of their entrepreneurial spirit and traits. No effort was made on the evaluation of the original business idea and the potential it had to generate real economic growth. This kept some good ideas from advancing in the competition on the basis of a 30-minute interview while letting through some projects of lesser impact. Going forward with this program will require a restructuring of the evaluation format in Phase I, focusing on a combination of the business idea and the participant's entrepreneurial potential.
- Conferences  
Attendance at the conferences was good, and their content was very helpful to the participants. They also served as a platform for the attendees to interact with consultants and other entrepreneurs while making business contacts.
- Mentors and Experts  
It is extremely important for mentors to have access to all the information participants have about their business to be able to better help. Lack of trust was again a main obstacle in the development of solid business plans. Those participants that managed to establish a better relationship with their mentors had a higher quality business plan.
- Overall Structure of the Competition  
Moving forward with the ETI roll-out, we must make a choice between quantity and quality of the business plans that are competing. Even though the competition in El Salvador has been successful, it falls short of fostering higher impact businesses. By placing more emphasis on the ideas and the aftermath of the competition, with the creation of an incubator for ETI "graduates," we can foster those endeavors. Also, concentrating on selected industries, rather than an open competition, can help us attack those economic sectors in the areas we are interested in developing.

### *Lessons Learned: Youth Entrepreneurship Program (El Salvador)*

- It is necessary to launch an awareness campaign for potential beneficiary universities and institutes, to make them understand the importance of the program and teacher training, with an approach adhering to the program.

- In order to succeed with the program, it is very beneficial to sign agreements with each of the beneficiary institutions so that they make commitments aimed at taking advantage of the material benefits.
- It is necessary to evaluate each participant in the development of every course.
- Establishing a good relationship with the coordinators of each university facilitated the development of the activities and generated mutual support.
- Printing the books in-country proved to be very cost-effective, making it possible to reach 1,355 youngsters instead of only 500.
- Good relations and communications with the strategic partner, NFTE, are critical to making the work more effective.
- Of the target group of 1,355 students, 90% are from ITCA and Don Bosco University. Such students come from low-income rural families. This focus will have a greater impact on TechnoServe's future clients.

In response to the specific items from the report outline:

- Estimates of project costs and benefits – It is still a little early to estimate the benefits of the project. With the mid-term evaluation, we hope to arrive at some solid estimates of the benefits from the programs, especially the Business Plan Competition.
- Institution building assessment – Our partners in the Business Plan Competition now understand how to run a competition, and if they choose to continue it in the future, they are well-positioned to do so. We have already started the process of creating a local institution in South Africa that will eventually manage the Africa Leadership Initiative. TechnoServe is building its own institutional capacity to run Youth Entrepreneurship programs, as well as that of our partner schools.
- Estimate of sustainability – It is still early to estimate the sustainability of these programs. Our greatest concern is in the area of fundraising, as outlined in Section VI above.
- Benefit distribution (disaggregate by gender) - It is still a little early to estimate the benefits of the project. With the mid-term evaluation, we hope to arrive at some solid estimates of the benefits from the programs, especially the Business Plan Competition.
- Local participation (disaggregate by gender) – Unclear about what information is requested here.
- Leadership development (disaggregate by gender) – Our main leadership development activity, the Africa Leadership Initiative, is funded by the Matching Grant in East Africa and Mozambique. Of the 36 participants in these regions, 22 are men and 14 are women (approx. 40%).
- Innovation and technology transfer – As discussed in the Year 1 Report, we had originally intended to work with ontheFRONTIER to provide new technology solutions for our clients. Unfortunately, after piloting this program, we concluded that it was inappropriate for our clients. We are still looking for a replacement program that would benefit our clients. On a different front, the Cup of Excellence® competitions have

shown innovation and encouraged the use of technology through dynamic web sites and live internet auctions.

- Policy implications – Two of our activities, the Volunteer Consultant Program and Competitiveness Seminars, have already yielded changes in policy or in some way influenced government officials (see Guilherme Silva on pp 18-19, Parviz Parvizi on pp 29-30, El Salvador on pg 34, Tanzania on pg 37 and Year 1 Report). We also expect that the Africa Leadership Initiative will also influence policy in the targeted countries.
- Collaboration/networking with other U.S. agencies – Our partnerships with NFTE, CLUSA and the Aspen Institute have yielded very positive results. However, since they are non-profit organizations as well, our joint ability to fundraise and cover their costs will be a major determinant of the extent to which we can work with them in the future.
- Partnering with local entities – As described above, our local partners – from business associations and banks, to universities and government ministries – have added much value to each of our programs. We expect to continue to develop these and other similar relationships throughout the life of the program.
- Replication potential of project approach and activities – With adequate funding, the replication potential is high. We have already seen all of the activities replicated (or in the process of being replicated) in country programs without Matching Grant funding.

**COUNTRY DATA SHEETS**

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

**Project Information**

Name of Organization -- TECHNOSERVE, INC --

Project Number \_\_\_\_\_ Grant/Contract Number -- HFP-A-00-01-00022-00 --

Start Date (MM/DD/YY) -- 10/01/2001 -- End Date (MM/DD/YY) -- 09/30/2006 -- AID Project Officer's Name Karen Nelson

**AID Obligation By AID FY (\$000)**

FY	AMOUNT	FY	AMOUNT
2002	\$ 207		\$
2003	\$ 42		\$
	\$		\$
	\$		\$

Project Purpose  
"Extending Globalization's Opportunities to the Rural Poor"

**COUNTRY INFORMATION**

Country EL SALVADOR Location in Country (Region, District, Village)

PVO Representative's Name Roberto Vega Lara, Country Director Local Counterpart/Host Country Agency TechnoServe - El Salvador

**COUNTRY FUNDING INFORMATION**

Year	2002	2003	2004	2005	2006
AIDS	\$207,000	\$42,000			
PVOS	\$207,000	\$42,000			
INKIND					
LOCAL					
TOTAL	\$414,000	\$84,000			

Purpose (if other than project purpose)

Status

**FOR OFFICIAL USE ONLY**

PVO TYPE APPN SUBPROJ  
 CENTRY CODE CNTRY CODE TECH CODE  
 PROJ OFFC PROJ OFFC NON ADD1 NON ADD2

AID 1550-11 (8-85)

**COUNTRY DATA SHEETS**

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

**Project Information**

Name of Organization -- TECHNOSERVE, INC --

Project Number \_\_\_\_\_ Grant/Contract Number -- HFP-A-00-01-00022-00 --

Start Date (MM/DD/YY) -- 10/01/2001 -- End Date (MM/DD/YY) -- 09/30/2006 -- AID Project Officer's Name Karen Nelson

**AID Obligation By AID FY (\$000)**

FY	AMOUNT	FY	AMOUNT
2002	\$ 338		\$
2003	\$ 53		\$
	\$		\$
	\$		\$

Project Purpose  
"Extending Globalization's Opportunities to the Rural Poor"

**COUNTRY INFORMATION**

Country NICARAGUA Location in Country (Region, District, Village)

PVO Representative's Name Ernest van Panhuys, Country Director Local Counterpart/Host Country Agency TechnoServe - Nicaragua

**COUNTRY FUNDING INFORMATION**

Year	2002	2003	2004	2005	2006
AID\$	\$38,000	\$53,000			
PVO\$	\$38,000	\$53,000			
INKIND					
LOCAL					
TOTAL	\$76,000	\$106,000			

Purpose (if other than project purpose)

Status

**FOR OFFICIAL USE ONLY**

PVO TYPE \_\_\_\_\_ SUBPROJ \_\_\_\_\_  
 APPN \_\_\_\_\_ FUND TYPE \_\_\_\_\_  
 CNTRY CODE \_\_\_\_\_ TECH CODE \_\_\_\_\_  
 PROJ OFFC \_\_\_\_\_ NON ADD1 \_\_\_\_\_ NON ADD2 \_\_\_\_\_

AID 1550-11 (8-85)

**COUNTRY DATA SHEETS**

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

**Project Information**

Name of Organization -- TECHNOSERVE, INC --

Project Number Grant/Contract Number  
-- HFP-A-00-01-00022-00 --

Start Date (MM/DD/YY) End Date (MM/DD/YY) AID Project Officer's Name  
-- 10/01/2001 -- -- 09/30/2006 -- Karen Nelson

**AID Obligation By AID FY (\$000)**

FY	AMOUNT	FY	AMOUNT
2002	\$ 51		\$
2003	\$ 51		\$
	\$		\$
	\$		\$

Project Purpose  
"Extending Globalization's Opportunities to the Rural Poor"

**COUNTRY INFORMATION**

Country PERU Location in Country (Region, District, Village)

PVO Representative's Name Local Counterpart/Host Country Agency  
Alvaro Salcedo, Country Director TechnoServe - Peru

**COUNTRY FUNDING INFORMATION**

Year	2002	2003	2004	2005	2006
AIDS	\$51,000	\$51,000			
PVOS	\$51,000	\$51,000			
INKIND					
LOCAL					
TOTAL	\$102,000	\$102,000			

Purpose (if other than project purpose)

Status

**FOR OFFICIAL USE ONLY**

PVO TYPE SUBPROJ  
APPN FUND TYPE  
CNTRY CODE TECH CODE  
PROJ OFFC NON ADD1 NON ADD2

AID 1550-11 (8-85)

**COUNTRY DATA SHEETS**

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

**Project Information**

Name of Organization -- TECHNOSERVE, INC --

Project Number Grant/Contract Number  
-- HFP-A-00-01-00022-00 --

Start Date (MM/DD/YY) End Date (MM/DD/YY) AID Project Officer's Name  
-- 10/01/2001 -- -- 09/30/2006 -- Karen Nelson

**AID Obligation By AID FY (\$000)**

FY	AMOUNT	FY	AMOUNT
2002	\$ 37		\$
2003	\$ 214		\$
	\$		\$
	\$		\$

Project Purpose  
"Extending Globalization's Opportunities to the Rural Poor"

**COUNTRY INFORMATION**

Country KENYA Location in Country (Region, District, Village)

PVO Representative's Name Michael Kibinge, Country Director Local Counterpart/Host Country Agency TechnoServe - Kenya

**COUNTRY FUNDING INFORMATION**

Year	2002	2003	2004	2005	2006
AIDS	\$37,000	\$214,000			
PVOS	\$37,000	\$214,000			
INKIND					
LOCAL					
TOTAL	\$74,000	\$428,000			

Purpose (if other than project purpose)

Status

**FOR OFFICIAL USE ONLY**

PVO TYPE APPN SUBPROJ  
 CNTRY CODE FUND TYPE  
 PROJ OFFC TECH CODE  
 AID 1550-11 (8-85) NON ADD1 NON ADD2

**COUNTRY DATA SHEETS**

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

**Project Information**

Name of Organization -- TECHNOSERVE, INC --

Project Number \_\_\_\_\_ Grant/Contract Number -- HFP-A-00-01-00022-00 --

Start Date (MM/DD/YY) -- 10/01/2001 -- End Date (MM/DD/YY) -- 09/30/2006 -- AID Project Officer's Name Karen Nelson

**AID Obligation By AID FY (\$000)**

FY	AMOUNT	FY	AMOUNT
2002	\$ 65		\$
2003	\$ 65		\$
	\$		\$
	\$		\$

Project Purpose "Extending Globalization's Opportunities to the Rural Poor"

**COUNTRY INFORMATION**

Country MOZAMBIQUE Location in Country (Region, District, Village)

PVO Representative's Name Jake Walter, Country Director Local Counterpart/Host Country Agency TechnoServe - Mozambique

**COUNTRY FUNDING INFORMATION**

Year	2002	2003	2004	2005	2006
AIDS	\$65,000	\$65,000			
PVOS	\$65,000	\$65,000			
INKIND					
LOCAL					
TOTAL	\$130,000	\$130,000			

Purpose (if other than project purpose)

Status

**FOR OFFICIAL USE ONLY**

PVO TYPE SUBPROJ  
 APPN FUND TYPE  
 CNTRY CODE TECH CODE  
 PROJ OFFC NON ADD1 NON ADD2

AID 1550-11 (8-85)

**COUNTRY DATA SHEETS**

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

**Project Information**

Name of Organization -- TECHNOSERVE, INC --

Project Number Grant/Contract Number  
-- HFP-A-00-01-00022-00 --

Start Date (MM/DD/YY) End Date (MM/DD/YY) AID Project Officer's Name  
-- 10/01/2001 -- -- 09/30/2006 -- Karen Nelson

**AID Obligation By AID FY (\$000)**

FY	AMOUNT	FY	AMOUNT
2002	\$ 544		\$
2003	\$ 79		\$
	\$		\$
	\$		\$

Project Purpose  
"Extending Globalization's Opportunities to the Rural Poor"

**COUNTRY INFORMATION**

Country Location in Country (Region, District, Village)  
TANZANIA

PVO Representative's Name Local Counterpart/Host Country Agency  
Thomas Dixon . Country Director TechnoServe - Tanzania

**COUNTRY FUNDING INFORMATION**

Year	2002	2003	2004	2005	2006
AIDS	\$44,000	\$79,000			
PVOS	\$44,000	\$79,000			
INKIND					
LOCAL					
TOTAL	\$88,000	\$158,000			

Purpose (if other than project purpose)

Status

**FOR OFFICIAL USE ONLY**

PVO TYPE SUBPROJ  
APPN FUND TYPE  
CNTRY CODE TECH CODE  
PROJ OFFC NON ADD1 NON ADD2

AID 1550-11 (8-85)

Headquarters

Goal: Extend globalization's opportunities to the rural poor

Numbers indicate objectives of primary (1) and secondary (2) importance to:  
Organizational Development, Partnerships, Technical Interventions, Achieving Sustainability

Objectives	Major Planned Activities	Indicators	Measurement and Data Management Methods	O D	P	T I	A S
<p><b>Stimulate the environment for entrepreneurship and business development</b></p> <ul style="list-style-type: none"> <li>• Develop TechnoServe's capacity to conduct business plan</li> <li>• Support local institutionalization of business plan competitions</li> <li>• Promote youth entrepreneurship</li> <li>• Increase number of young adults with entrepreneurial skills and initiative</li> </ul>	<p>Oversee business plan competition; provide support as needed to obtain international partners as judges, mentors/ coaches, lecturers, sponsors, etc. Expand NFTE partnership</p>	<p>1)Number of worldwide business plans developed (Baseline: 0; mid-term: 250; LOP target: 500) 2)Number of worldwide businesses created (Baseline: 0; mid-term: 40; LOP target: 80) 3)Number of countries with NFTE programs (Baseline: 0; mid-term: 2; target: 3) 4)Number of teacher training sessions held (Baseline: 0; mid-term: 2; LOP target: 3)</p>	<p>TechnoServe country reports Annual follow up surveys  TechnoServe corporate database TechnoServe corporate database</p>	2	1	2	1
<p><b>Increase local business use of sound business analysis and management principles and improve business and industry competitiveness</b></p> <ul style="list-style-type: none"> <li>• Develop TechnoServe's capacity to manage volunteer consultants capable of transferring the skills and knowledge of world-class partners to the local private sector</li> <li>• Institutionalize corporate and organizational partnerships to provide TechnoServe with high-caliber volunteer consultants</li> </ul>	<p>Development of database to manage volunteers Establishment of an "alumni" program  Manage world-class partner "volunteer consultant" program</p>	<p>5)Database maintained 6)Number of countries using the database 7)Number of "alumni" receiving newsletter (Baseline: 0; mid-term: 25; LOP Target: 50)  8)Number of partners participating in the "volunteer consultant" program (Baseline: 1; mid-term: 2; target: 5)</p>	<p>Volunteer Consultant Database  Letters or MOUs with participating companies or institutions</p>	2	1	2	1

Headquarters

Goal: Extend globalization's opportunities to the rural poor

Numbers indicate objectives of primary (1) and secondary (2) importance to:  
Organizational Development, Partnerships, Technical Interventions, Achieving Sustainability

Objectives	Major Planned Activities	Indicators	Measurement and Data Management Methods	O D	P	T I	A S
<p><b>Promote social reinvestment, community and civic participation among business leaders</b></p> <ul style="list-style-type: none"> <li>• Create a cadre of prominent business figures who are committed to leading social and economic change in their country</li> <li>• Institutionalize values-based leadership development seminars at the local level</li> </ul>	<p>Manage seminars on values-based leadership and corporate social responsibility Develop partnership with Aspen Institute</p> <p>Develop local and international steering committees responsible for future seminar development and raising funds</p>	<p>9)Number of curriculum developed (Baseline: 1; mid-term: 2; target: 4) 10)Number of Aspen's moderators participating (Baseline: N/A; target: 4/year) 11)% of private sector participants who have worked with government/NGOs (Baseline: N/A; target: 50%) 12)Number of Leadership Fellows who have completed a leadership project (Baseline: N/A; LOP target: 30 from Mozambique and East Africa Region, and 8 from LA region) 13)% of Fellows who have met at least 60% of their projected targets for their Leadership Projects (Baseline: N/A; target: 75%) 14)Number of steering committees formed (Baseline: N/A; LOP target: 3)</p>	<p>Corporate database</p> <p>Seminar evaluations/surveys</p> <p>Report from final seminar</p> <p>Steering Committee records</p>	2	1	1	1
<p><b>Strengthen internal strategy and management skills</b></p> <ul style="list-style-type: none"> <li>• Increase TechnoServe business advisors' exposure to best practices in business development</li> <li>• Improve TechnoServe's managers' understanding of TechnoServe's operating environment</li> <li>• Maintain TechnoServe's competitiveness by ensuring that its assistance is in line with current best practice and by ensuring strategic focus and programmatic coherence</li> </ul>	<p>Conduct annual training sessions for business advisors/country directors</p> <p>Conduct annual strategic retreat</p>	<p>15)Number of business advisors trained in core business skills (Baseline: N/A; mid-term: 25; LOP target: 100)</p> <p>16)Country strategic plan developed</p>	<p>Post-training session surveys</p> <p>Country Plans Core Indicators</p> <p>Implementation of Annual Country Plans</p>	1	2	1	1

ACTIVITY PLANNED	INDICATORS	DEFINITION/ VARIABLES	DATA MGMT METHODS	SOURCES
Oversee business plan competition; provide support as needed to obtain international partners as judges, mentors/ coaches, lecturers, sponsors, etc.	1)Number of worldwide business plans developed (Baseline: 0; mid-term: 250; LOP target: 500)	It refers to the business plans developed in all the countries where the BPC is implementing.	Matching Monitor & Evaluation System (MMES)	QMM report
Expand NFTE partnership	2)Number of worldwide businesses created (Baseline: 0; mid-term: 40; LOP target: 80)	This refers to the post BPC. The follow up will consider any new business operating after the competition.	MMES	Annual report
Development of database to manage volunteers Establishment of an "alumni" program Dissemination of "Lessons Learned" on volunteer management	3)Number of countries with NFTE programs (Baseline: 0; mid-term: 2; target: 3)	This refers to the countries that have held teacher trainings and are implementing the in-school programs, which can be continued by the teachers.	MMES	Semi Annual report
	4)Number of teacher training sessions held (Baseline: 0; mid-term: 2; LOP target: 3)	Every teacher training held in a MG country.	MMES	QMM report
	5)Database maintained	A corporate database with the volunteer information available and updated.	Corporate database	E-mail applications
	6)Number of countries using the database	Each country program that has access to the database and also shows evidence of using it (e.g., staff log on to database to identify volunteer candidates, look up reports, etc).	Corporate database	X  X
	7)Number of "alumni" receiving newsletter (Baseline: 0; mid-term: 25; LOP Target: 50)	Number of volunteers who have worked or are currently working and receive the newsletter.	Corporate database	
Manage world-class partner "volunteer consultant" program	8)Number of partners participating in the "volunteer consultant" program (Baseline: 1; mid-term: 2; target: 5)	Number of organizations, companies, institutions with which TNS has institutional contacts for recruiting volunteers.	MMES	Agreement signed
Manage seminars on values-based leadership and corporate social responsibility	9)Number of seminar curricula developed (Baseline: 1; mid-term: 2; target: 4)	Each curriculum refers to the didactic and support material for every seminar to be conducted.	MMES	X
Develop partnership with Aspen Institute	10)Number of Aspen moderators participating (Baseline: N/A; target: 4/year)	Number of Aspen's moderators who have participated in ALI seminars.	MMES	Seminar records

<p>Develop local and international steering committees responsible for future seminar development and raising funds</p> <p>Conduct annual training sessions for business advisors/country directors</p> <p>Conduct annual strategic retreat</p>	<p>11)% of private sector participants who have worked with government/NGOs (Baseline: N/A; target: 50%)</p>	<p>The percentage of private sector participants whose companies have worked with government and/or NGO's.</p>	<p>MMES</p>	<p>Seminar entry form</p>
	<p>12)Number of Leadership Fellows who have completed a leadership project (Baseline: N/A; LOP target: 30 from Mozambique and East Africa Region, and 8 from LA region)</p>	<p>Every fellow must to design a leadership project and implement into their community, during the last 18 months of the program.</p>	<p>Survey</p>	<p>X</p>
	<p>13)% of Fellows who have met at least 60% of their projected targets for their Leadership Projects (Baseline: N/A; target: 75%)</p>	<p>The Fellows will each set their own targets for their projects, which must be approved by their classmates.</p>	<p>Survey</p>	<p>X</p>
	<p>14)Number of steering committees formed (Baseline: N/A; LOP target: 3)</p>	<p>After the pilot project a steering committee is formed for each country, in addition to the global steering committee.</p>	<p>MMES</p>	<p>Pilot project final report</p>
	<p>15)Number of business advisors trained in core business skills (Baseline: N/A; mid-term: 25; LOP target: 100)</p>	<p>Number of country staff trained</p>	<p>MMES</p>	<p>Seminar final report</p>
	<p>16)Country strategic plan developed</p>	<p>A long-term strategic plan should be documented and implemented in every country</p>	<p>MMES</p>	<p>Annual country plan</p>

El Salvador

Goal: Extend globalization's opportunities to the rural poor

Numbers indicate objectives of primary (1) and secondary (2) importance to:  
Organizational Development, Partnerships, Technical Interventions, Achieving Sustainability

Objectives	Major Planned Activities	Indicators	Measurement and Data Management Methods	O	P	T	A
				D	I	S	
<b>Stimulate the environment for entrepreneurship and business development</b> • Nurture entrepreneurs with the most promising ideas for generating rural economic growth	Business plan competition	1)Number of business plan competition participants (Baseline: 0; mid-term: 600; LOP: 600) Men women	BPC participant data base	1	2	1	2
		2)% of business ideas with rural impact (Baseline: 0; mid-term: 40%; LOP target: 40%)	BPC participant data base				
		3)Number of entrepreneurs trained (baseline:0; mid-term:275; LOP target: 275)	BPC participant data base				
		4) % of trained participants handing in their business plan by the deadline. (Baseline: 0; mid-term: 70%; LOP target: 70%)	BPC participant data base				
	Post Business plan competition follow-up	5)Number of businesses created (Baseline: 0; mid-term: 30; LOP target: 30)	Annual survey				
		6)Number of existing businesses expanded (Baseline: 0; mid-term: 20; LOP target: 20)	Annual survey				
		7)Number of business plans approved for financing from a formal lending institution or private investor (Baseline: 0; mid-term: 10; LOP target: 20)	Annual survey				
		8)Number of jobs created (Baseline: 0; mid-term: 150; LOP target: 350) men women	Annual survey				
		9)Amount of annual sales generated (Baseline: 0; mid-term: \$875,000 pa; LOP target: \$1,750,000 pa)	Annual survey				

El Salvador

Goal: Extend globalization's opportunities to the rural poor

Numbers indicate objectives of primary (1) and secondary (2) importance to: Organizational Development, Partnerships, Technical Interventions, Achieving Sustainability

Objectives	Major Planned Activities	Indicators	Measurement and Data Management Methods	O	P	T	A
				D	I	S	
<ul style="list-style-type: none"> <li>Increase number of young adults with entrepreneurial skills and initiative</li> <li>Promote an entrepreneurial culture among young people</li> </ul>	Youth entrepreneurship training program	10) Number of students trained with NFTE curriculum (Baseline: 0; midterm: 600; LOP target: 600) Men women 11) % of rural students trained using NFTE curriculum (Baseline: 0; midterm: 60%; LOP target: 60%) 12) % of participants who completed their business plans (Baseline: 0; mid-term: 75%; LOP target: 75%) 13) Number of vocational schools / universities teaching the NFTE curriculum (Baseline: 0; mid-term: 7; LOP target: 7) 14) Number of courses conducted (Baseline: 0; mid-term: 25; LOP target: 25) 15) % of students who, after the training program, believe that could start their own business (Baseline: 0; mid-term: 50%; LOP target: 50%)	Student database				
	Youth entrepreneurship training program	Teacher database					
<p><b>Increase local business use of sound business analysis and management principles to improve business and industry competitiveness</b></p> <ul style="list-style-type: none"> <li>Increase availability of world-class business advice to companies employing, buying from or adding value to the produce of the rural poor</li> <li>Nurture entrepreneurs with the most promising ideas for generating rural economic growth</li> </ul>	Placement of "volunteer consultants" on TechnoServe's teams of business advisors	16) % of clients who have expressed satisfaction with volunteers' work. (Baseline: N/A; target: 90%) 17) Number of business areas improved in the country offices (Baseline: N/A; target: 8)	Client satisfaction survey	1	1	1	1
	Business plan competition <ul style="list-style-type: none"> <li>Coaching/mentoring</li> <li>Lectures</li> <li>Entrepreneurship workshop</li> </ul>	TechnoServe's country offices evaluation	FUNDEMAS's follow up survey				

El Salvador

Goal: Extend globalization's opportunities to the rural poor

Numbers indicate objectives of primary (1) and secondary (2) importance to:  
Organizational Development, Partnerships, Technical Interventions, Achieving Sustainability

Objectives	Major Planned Activities	Indicators	Measurement and Data Management Methods	O	P	T	A
				D	I	S	
<ul style="list-style-type: none"> <li>Increase awareness of the importance of focusing on industry competitiveness</li> <li>Expand opportunities for public-private sector dialogue on what business needs to be competitive</li> </ul> <p><b>Promote social reinvestment, community and civic participation among business leaders</b> Create a cadre of prominent business figures who are committed to leading social and economic change in their country</p>	Industry competitiveness seminars/analysis	19)Number of industries impacted with seminars (Baseline: N/A; mid-term: 2; target: 5)	Seminar reports				
		20)% of participants from the private sector involved (Baseline: N/A; target: 70%)	Seminar reports				
	Hold "pilot" Executive Seminar	21)Number of pilot seminars held (Baseline: N/A; target: 1)	Seminar reports	1	1	2	1
		22)Number of Fellows recruited (Baseline: N/A; target: 20)	Seminar reports				
Launch the "Central America Leadership Initiative" with Fellows from El Salvador and Nicaragua; and hold Leadership Initiative seminars	23)Number of seminars held (Baseline: N/A; target: 4)	Seminar reports					
	24)% of fellows who have met 60% of their declared project targets (Baseline: N/A; target: 75%)	Annual focus group					

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El Salvador Indicator Definitions

ACTIVITY PLANNED	INDICATORS	DEFINITION/ VARIABLES	DATA MANAGEMENT METHODS	SOURCES
Business plan competition (BPC)	1) Number of BPC participants Men Women	Refers to the first phase, include the total number of participants officially enrolled and disaggregated by gender.	BPC participant data base	Entry form
	2) % of business ideas with rural impact	From the total of participants officially enrolled percentage of ideas that will have rural impact.	BPC participant data base	Entry form
	3) Number of entrepreneurs trained Men Women	Participants that pass to the second phase (after the interview) and receive the formal training.	BPC participant data base	Training records
	4) % of trained participants handing in their business plan by the deadline.	Refers to the percentage of Phase II participants who hand in their completed business plans by the established deadline.	BPC participant data base	BPC records
Post business plan competition follow up	5) Number of businesses created	This refers to the post business plan competition. The follow up will consider any new business operating after the competition.	Annual survey will be conducted	Business records
	6) Number of existing businesses expanded	Any business previously existing before the BPC, but has been expanded, such as diversifying its product lines, and/or increasing its coverage.	Annual survey will be conducted	Business records
	7) Number of business plans approved for financing from a formal lending institution or private investor	Businesses which after the BPC have received any financing or credit.	Annual survey will be conducted	Business records
	8) Number of jobs created	Full-time equivalent of number of jobs created due by businesses created or expanded.	Annual survey will be conducted	Business records
	9) Amount of annual sales generated	Total annual sales of businesses created or expanded.	Annual survey will be conducted	Business records and profits and loss statement

<p>Youth entrepreneurship training program</p>	<p>10) Number of students trained with NFTE curriculum</p> <p>11) % of rural students trained using NFTE curriculum</p> <p>12) % of participants who completed their business plans</p> <p>13) Number of vocational schools / universities teaching the NFTE curriculum</p> <p>14) Number of courses conducted</p>	<p>Every student trained via BizCamp, BizSchool, and Curriculum</p> <p>Of the total number of students, the % that come from rural areas</p> <p>At the end of the course, what percentage finished their business plans.</p> <p>Number of institutions with agreements signed</p> <p>Number of courses conducted via any NFTE methodology</p>	<p>Student database</p> <p>Student database</p> <p>Teacher database</p> <p>Teacher database</p> <p>Teacher database</p>	<p>Entry form</p> <p>Entry form</p> <p>Teachers's records</p> <p>Technoserve's official files</p> <p>Teacher's records</p>
<p>Promote an entrepreneurial culture among young people</p>	<p>15) % of students who, after the training program, believe that could start their own business</p>	<p>This information comes from the post test designed by NFTE.</p>	<p>Student database</p>	<p>Post test format</p>
<p>Placement of "volunteer consultants" on TechnoServe's teams of business advisors</p>	<p>16) % of clients has expressed satisfaction with volunteers' work.</p> <p>17) Number of business areas improved in the country offices</p>	<p>Clients are those with whom the volunteers work directly (businesses, or business advisors).</p> <p>Areas improved could be :</p> <ul style="list-style-type: none"> <li>Services</li> <li>Technical assistance</li> <li>Marketing</li> <li>Business strategy</li> <li>Capital raise</li> <li>Corporate image</li> <li>Product development</li> <li>Competitiveness</li> <li>Finance</li> </ul>	<p>Client satisfaction survey</p> <p>TechnoServe's country offices evaluation</p>	<p>Exit questionnaire</p> <p>Volunteer final report</p>
<p>Business plan competition</p> <ul style="list-style-type: none"> <li>• Coaching/mentoring</li> <li>• Lectures</li> </ul> <p>Entrepreneurship workshop</p>	<p>18) Number of trained entrepreneurs with increased business capacity</p>	<p>This refers to the participants that pass through Phase II of the competition. The increase refers to an improvement in pre- and post-training assessment scores.</p>	<p>FUNDEMAS's follow up survey</p>	<p>Questionnaire</p>
<p>Industry competitiveness seminars/analysis</p>	<p>19) Number of industries impacted with seminars</p>	<p>Refers to the main topic and /or theme of the industries involved.</p>	<p>TechnoServe 's official files</p>	<p>Seminar records</p>

	20)% of participants from the private sector involved	The percentage of seminar attendees from private businesses.	TechnoServe's official files	Seminar records
Hold "pilot" Executive Seminar	21)Number of pilot seminars held	It refers to a pilot seminar to test the methodology and to develop a network to identify Fellows for the 36-month program.	TechnoServe's corporate data base	Seminar entry form
	22)Number of Fellows recruited	The number of candidates who commit to the 36-month Fellowship program.	TechnoServe's corporate data base	Seminar records
Launch the "Central America Leadership Initiative" with Fellows from El Salvador and Nicaragua; Hold Leadership Initiative seminars	24)Number of seminars held	The number of annual seminars that take place	TechnoServe's corporate data base	Seminar records
	25)% of fellows met 60% of their project declared	After the projects are declared the follow up will allow knowing what percentage of fellows have met their declared targets.	Annual focus group	Seminar reports

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