



Communication on Engagement

United Nations Global Compact



Statement of Continued Support

February 19, 2020

To our stakeholders:

I am pleased to confirm that TechnoServe reaffirms its support to the United Nations Global Compact and its Ten Principles in the areas of Human Rights, Labor, Environment and Anti-Corruption. This is our Communication on Engagement with the United Nations Global Compact. We welcome feedback on its contents.

In this Communication of Engagement, we describe the actions that our organization has taken to support the UN Global Compact and its Principles as suggested for an organization like ours. We also commit to sharing this information with our stakeholders using our primary channels of communication.

Sincerely,

William Warshauer
President & CEO



Description of Actions

In 2018,
TechnoServe:



helped 457,000 people
and businesses increase
their incomes



generated
\$188 million in
additional income



mobilized \$10 million
in finance

TechnoServe is a leader in harnessing the power of the private sector to help people lift themselves out of poverty. A nonprofit organization operating in 29 countries, we work with enterprising women and men in the developing world to build competitive farms, businesses, and industries. By linking people to information, capital, and markets, we have helped millions to create lasting prosperity for their families and communities.

As a member of the **UN Global Compact**, TechnoServe has 52 years of experience engaging the private sector and is strategically placed to leverage these relationships and promote business awareness and action on the Sustainable Development Goals. TechnoServe is dedicated to supporting the Ten Principles of the UN Global Compact through our internal policies, programs, and partnerships, understanding that the power to tackle poverty rests in markets. Below is a description of our policies and activities that support the Global Compact principles as they relate to human rights, labor, environment, and anti-corruption.

Human Rights

TechnoServe is an impact-driven organization focused on helping smallholder farmers, entrepreneurs, and others increase their incomes and improve their communities. We achieve these results by not only focusing on the impact we make, but *how* we make that impact—through demonstrating integrity and respect for the people we work with. As a member of the UN Global Compact, TechnoServe recognizes, respects, and protects internationally proclaimed human rights, and ensures we are not complicit in human rights abuses. TechnoServe believes human trafficking, slavery, child labor, gender inequality, and unsafe or unfair work practices have no place in our global society, and has taken measures to create norms and policies which foster mutual



respect and collaboration, and support the protection of human rights.

TechnoServe's **Code of Conduct** illustrates how supporting and respecting the protections of internationally proclaimed human rights is core to our work. For example, TechnoServe's **Special Provision for Safeguarding of Children** recognizes our additional responsibility to protect the rights of children under the age of 18 affected by our work. Specifically, we consider child safeguarding during our project planning and implementation and apply appropriate measures to reduce the risk of child abuse. TechnoServe's **Combatting Trafficking Policy** also declares that we have zero tolerance for trafficking in persons and outlines the steps that must be taken if a person becomes aware that the policy is being violated. Our **Ethics Reporting Hotline** also offers an anonymous mechanism to report suspected human rights violations.

Placing people at the center of our approach also enables us to target groups that are more susceptible to human rights abuses through our programming, particularly women. TechnoServe believes gender equality is a human right and that women have a critical role to play in achieving the Sustainable Development Goals. TechnoServe's **Gender Policy** commits us to incorporating a gender perspective into our projects and corporate practices. TechnoServe envisions a world where women have the right—formally and informally—to fully participate in and benefit from economic opportunities. By using market-led interventions to improve their economic status—not just their income but their control over income and household decision-making power—TechnoServe aims to empower women and increase their meaningful participation in the economy and unleash their potential to be leaders in their communities.

In 2018, our work helped 178,230 women increase their incomes, nearly surpassing our target of ensuring that 40% of our beneficiaries are women. However, TechnoServe also recognizes persistent disparities across geographies and sectors, specifically the difficulties reaching women farmers, and is continually adapting our programs to target and meet the needs of these women. For instance, TechnoServe's **Women's Advancement in Rural Development & Agriculture** (WARDA) program in India integrated 15,000 female smallholder farmers in Farmer Producer Organizations, linking them to inputs, increasing their access to market knowledge, and facilitating contracts with market players. The program also worked with the Bihar State Rural Livelihoods Mission's financial inclusion team to assist 10,000 women to open bank accounts. Similarly, TechnoServe's **Cocoa Quality and Market Access** (CQMA) program targeted farmers in Tanzania and promoted women's leadership by



Cocoa Quality and Market Access Program
Year of Learning - Women's Experimental Trip
(NEI Cocoa Company)

supporting Farmer Business Groups to initiate group savings services. In the 17 groups that received the savings training, women's leadership increased by 44%.

Labor

TechnoServe is committed to promoting the right to productive employment and decent work. In our work with entrepreneurs, businesses, and industries to support job creation and workers' rights, we take an active stance against employment discrimination, child labor, and forced labor. TechnoServe believes that if we show respect for one another, we strengthen our connections and build the spirit of collegiality that helps us make our greatest impact.

TechnoServe's **Global and US Employee Handbooks** detail our internal policies vis-à-vis discrimination and harassment, equal employment opportunity, workers with disabilities, and our gender policy for all of our employees. This set of comprehensive policies ensures we provide fair labor to all TechnoServe employees. For example, TechnoServe's **Non-Discrimination and Anti-Harassment in Employment Policy** reminds us of our commitment to making TechnoServe a work environment that is cooperative, safe, conducive to good job performance, and free of all forms of unlawful discrimination or harassment. TechnoServe prioritizes compliance with all applicable labor and employment laws in the areas where we work, and we communicate to our partners our expectation of their commitment to fair labor and sustainable sourcing practices.

Through our programming, TechnoServe promotes the right to work



by engaging farmers, entrepreneurs, and businesses to generate self-employment or create jobs for the community, or to be a more competitive member of the labor market. For instance, TechnoServe's **Enhancing Growth in New Enterprise** (ENGINE) program supported 1,000 small and medium-sized enterprises (SMEs) in Ghana to overcome barriers to growth and build competitive businesses in diverse sectors that generate wealth for the poor and create jobs. Over five years, TechnoServe provided training to more than 3,000 entrepreneurs, tailored business advisory services to over 1,100 SMEs, and facilitated access to finance for 120 businesses. SME participants created a total of 1,643 direct jobs (874 female) and over 1,500 indirect jobs through supply chain expansion. Similarly, **USDA-funded BeninCajù** supports small cashew producers, processing factories, and the Government of Benin's efforts, and works to address obstacles throughout the cashew value chain. BeninCajù has reached 52,314 beneficiaries (38% women) and created more than 1,000 jobs by providing support in the areas of inputs, production, processing, policy advocacy, and marketing.



TechnoServe's STRYDE program addressed rural youth unemployment in East Africa by providing training and aftercare services to 68,869 youth.

Environment

TechnoServe is committed to the UN Global Compact's aim of supporting companies to develop holistic environmental strategies. We engage diverse stakeholders in the public and private sectors on environmental issues, challenging them to engage with environmental risks and opportunities and to collaborate on climate change solutions. At TechnoServe, we recognize the linkages between climate change and social and economic development, and that our programs cannot



bring about sustainable poverty reduction if they do not address climate change.

TechnoServe recently formalized our **Environmental Safeguarding Policy**, which illustrates our commitment to align our projects, activities, and headquarter operations with responsible environmental considerations and impact. The policy outlines our expectations that all delivery chain partners globally adhere to general principles and best practices for environmental protection, climate change mitigation, and minimize all potential damage to the environment. TechnoServe requires that our activities and projects are familiar with and actively adhere to all environmental laws, regulations, and standards in the jurisdictions in which they operate, along with any other jurisdictions outside of the operating jurisdiction. TechnoServe is also committed to conducting our headquarter operations in a way that reduces our environmental impact, including: working in an Energy Star certified building, participating in local recycling programs, providing commuter benefits to employees who use public transportation, and minimizing travel.

TechnoServe heavily incorporates environmental initiatives into our programming through our work in agriculture and entrepreneurship. TechnoServe acknowledges the role agriculture plays in mitigating and adapting to climate change—both in terms of promoting sustainable livelihoods, particularly for the world’s poor, and minimizing Greenhouse Gas emissions. As a thought leader and a recognized implementer of agricultural programs around the globe, TechnoServe utilizes this platform to promote sustainable agricultural practices and convene stakeholders to develop and diffuse environmentally friendly technologies and solutions. For example, the **Nespresso AAA Sustainable Quality Program** in Ethiopia and Kenya supported seven wet mills to construct vetiver grass wetlands to improve the management of wastewater and prevent the channeling of wastewater and discarded coffee pulp into nearby rivers. Some wet mills have also started to make compost from their pulp, which they will distribute to their members to use as fertilizer on their farms.



Under the MAS+ project in Honduras, we are training more than 15,000 farmers on climate-smart agriculture.

Similarly, TechnoServe’s entrepreneurship practice leverages our work with SMEs to identify untapped opportunities for increasing the adoption of more robust environmental practices. TechnoServe views SMEs as key stakeholders for reducing business practices that accelerate climate change and has successfully encouraged SMEs in various sectors to adopt practices that not only improve their economics, but also reduce negative environmental impacts. For instance, TechnoServe worked with Goldleaf Millers Kenya to conduct a power and energy audit to identify equipment modifications that could help them process more maize meal using less energy while generating higher profits.

Anti-Corruption

TechnoServe aims to achieve “impact with integrity” by holding ourselves to high ethical standards, respecting the rule of law, and behaving honestly and openly. TechnoServe’s **Anti-Bribery Policy** makes clear that participation in any form of corruption is incompatible with TechnoServe’s mission and is not permitted. We prevent bribery and corruption by maintaining the strictest ethical standards when dealing with government employees, vendors, suppliers, clients, donors, collaborators, or other stakeholders, declining opportunities and following required rules or procedures rather than paying bribes, and declining compensation, gifts, or payments from



vendors in return for giving them our business.

Our **Gift and Entertainment Policy** also details the guidelines employees are expected to follow when giving or accepting gifts or business courtesies. TechnoServe's **Conflict of Interest Policy** ensures employees know how to effectively manage competing interests by being open, disclosing the conflict, and getting advice. This set of internal policies and procedures sets the standard among our partners and stakeholders that we must take an active stance against corruption and bribery. **Our Ethics Reporting Policy** reminds us to speak up when we see an ethical violation—including fraud or corruption—and that anyone who steps forward in good faith with a concern is protected from retaliation of any kind.

TechnoServe also aims to help businesses combat corruption through our programming. The UN Global Compact views corruption as a barrier to social and economic development—and this is particularly true for business growth. TechnoServe works with businesses on risk assessment, reporting, and supply chain practices to support more inclusive economic development that benefits the poor. Particularly in our value chain work, we have learned that for our business solutions to create their maximum poverty-reducing effects, economic activity must be transparent. In order to reduce economic corruption, TechnoServe promotes great visibility and linkages across value chains to make the rules of economic activity more transparent, and reduce corruption and illegal activity.

A global leader in the coffee sector, TechnoServe aims to promote greater value chain transparency to support more inclusive agricultural development. For example, The **East Africa Coffee Initiative** improved coffee cooperative governance and transparency by designing and implementing an online transparency system, coffeetransparency.com, and an SMS bookkeeping tool, which continue to provide immediate and transparent access to cooperatives, banks, and buyers on wet mill expenses, profits, and payments. The system also includes a Sustainability Scorecard—audited annually—to measure and report cooperatives' scores in complying with internationally accepted environmental, social, gender, and safety-related best practices. Combined, these tools have helped to promote market transparency, improve efficiency, and reduce corruption across value chains and industries.



Measurement of Outcomes

Impact is one of TechnoServe's core values. We are focused on understanding how interventions drive scale and measuring the return on investment of our work. We are an impact-driven organization that uses rigorous measurement to maximize financial and social benefits for the enterprising women and men we work with. In the descriptions of our programming above, we have incorporated references to our measurement outcomes as they relate to human rights, labor, environment, and anti-corruption throughout.

Our topline indicators—gains in financial benefits, number of beneficiaries (disaggregated for women), and amount of finance mobilized—are also collected on all of our projects and are always shared publicly, regardless of the results. This transparency is the foundation of our measurement approach and we believe it can help inform more effective poverty-reduction programs. These indicators also help guide deeper investigations to help us better understand our impact: how it's achieved, what it means for our clients, and how we can ensure that it grows. We often pursue these investigations through external evaluations, such as randomized control trials and impact audits. An evaluation of our Coffee Initiative, for instance, found that price premiums enjoyed by the coffee farmers we trained continued to increase even after the project ended.

In 2019, TechnoServe was also named the #1 nonprofit in the category of "reducing poverty" by ImpactMatters, an independent nonprofit agency that rates charities on impact and cost-effectiveness. ImpactMatters assessed over 1,000 organizations and focused on metrics that showed nonprofits' results. ImpactMatters' analysis of TechnoServe found the organization is extremely effective at achieving income gains for entrepreneurs in developing countries, further exemplifying TechnoServe's commitment to turn every program dollar into the greatest possible income gains for our clients: the people we work with in the developing world.