# Communication on Engagement

United Nations Global Compact

**TechnoServe**
Business Solutions to Poverty ®

# Statement of Continued Support

## by the Chief Executive

**Period covered by this Communication on Engagement:  February 2020 – February 2022**

February 19, 2022

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 2020, TechnoServe's work:

Helped **298,000** people and businesses increase their incomes

Generated **$188 million** in additional income

Mobilized **$27 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 men and women 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 50 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 protection of internationally proclaimed human rights is core to our work. Further, TechnoServe's Safeguarding Policy reminds all TechnoServe staff of their moral and legal obligations to treat all people with respect, to actively prevent harassment, abuse, exploitation, and human trafficking, and to report any such case whether observed or experienced. Likewise, TechnoServe is committed to working only with partners — including vendors and suppliers — who are equally committed to the dignity of individuals and equally vigilant to preventing and addressing abuse and exploitation. TechnoServe also has an Ethics Reporting Policy, an active Ethics Committee that reviews and investigates all allegations, and an independent ethics hotline that can be accessed by staff and beneficiaries.

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, in all their diversity, have a critical role to play in achieving the SDGs. TechnoServe's **Gender Equity Policy** commits us to incorporating a gender perspective into our projects and corporate practices. TechnoServe envisions a world where all 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 2020, our work helped 116,395 women increase their incomes, nearly surpassing our target of ensuring that 39% of our beneficiaries are women. However, TechnoServe also recognizes persistent disparities across geographies and sectors, and is continually adapting our programs to target and meet the needs of these women. For instance, TechnoServe's **Win in Business** (WIN) program in Mozambique is working with 32 different actors, from financial institutions, media partners, and private firms to economically empower 18, 251 women. WIN's sales agent model has opened opportunities for women with ENGIE Energy Access, a

distributor of solar home equipment; MZ Nyeleti as mobile money agents; and Nestle. In collaboration with media partner, Anima, WIN produced the radionovela *Janete* about a successful woman entrepreneur, reaching 38,921 listeners with information on good business practices and changing ideas about women in business. In Benin, 29,000 women have gained knowledge and skills about cashew farming via the BeninCaju program, positioning them better as farmers in their own right and facilitating their entry into leadership positions. In 2019, three women were elected to the Board of Directors of the FENABAP, the national umbrella organization of cashew producers.

# Labor

TechnoServe is committed to promoting the right to productive employment and decent work. In our work with entrepreneurs, businesses, and industry 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 makes it a point to comply with all applicable labor and employment laws in the areas where we work and communicate to our partners that we expect their commitment to fair labor and sustainable sourcing practices that protect the health and well-being of workers and communities.

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, since 2015, TechnoServe's Campus to Corporate Careers (C2C) program has been working to empower economically disadvantaged youth in Mumbai and the surrounding areas. C2C runs in over 50 colleges and is quickly expanding to other cities across India. Thus far, the program has provided formal sector job employment for more than 11,000 youth throughout Mumbai. Similarly, the Micro-Enterprises Strengthened for Pandemic Adoption in Kenya (mSPARK) program funded by Mastercard Foundation is working to offer digitized support to 280,000 small and medium-sized enterprises (SMEs) in Kenya as they navigate the COVID-19 pandemic and ultimately move toward economic recovery. The program targets both trade-oriented businesses such as duka shops selling consumer goods, grocers, and small-scale chemists and pharmacies, as well as service-oriented businesses such as eateries, salons, and tailors.

# Environment

TechnoServe is committed to the UN Global Compact's aim of supporting companies to develop holistic environmental strategies. 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 fully address climate change. We inspire corporate partners and governments to support living incomes, cut emissions, end deforestation, and restore biodiversity.

TechnoServe recently formalized our Regenerative Business strategy. As more governments and companies commit to reversing climate change and nature loss, TechnoServe believes it essential that people from vulnerable communities influence solutions and benefit from this transition. TechnoServe is in a unique position to deliver human-centered regenerative business solutions to our partners, from smallholder farmers to global businesses, to make this vision a reality. Our Regenerative Business strategy illustrates our commitment to support commercial activity that strengthens rather than degrades communities and nature so that people and markets prosper in the long term.

Across our operations, we promote regenerative farms, enterprises, and markets that not only avoid harming the environment, but that help to restore natural resources, reduce emissions, and sequester carbon, all while delivering more resilient livelihoods to farmers, workers, and entrepreneurs. As a thought leader and a recognized implementer of agricultural programs around the globe, TechnoServe utilizes this platform to promote regenerative agricultural practices and convene stakeholders to develop and diffuse environmentally friendly technologies and solutions.

For example, the WaterWise project, funded by Mother Parkers Tea & Coffee in Ethiopia, developed and scaled up a solution that reduces water usage and waterway



*Under the MAS project in Honduras, we have trained/are training more than 40,000 farmers on climate-smart agricultural practices.*

pollution from coffee processing at wet mills. The approach supports wet mills to separate and compost the coffee pulp, which can then be applied on farms as organic fertilizer. The project also sets up vetiver wetlands around the wet mills to purify wastewater naturally and prevent pollution of local waterways. To date, TechnoServe has supported the establishment of 109 wetlands, which represent a total area of 32,700 square meters. As a result of wetland development, all pollution indicators in local rivers decreased by 50%, and more than 210,000 community members gained access to clean water.

TechnoServe's entrepreneurship practice delivers impact for people, climate, and nature by supporting all micro-small and growing businesses to adopt sustainable practices and accelerate "green" businesses such as circular businesses, agribusinesses with regenerative offerings such as organic fertilizer or biochar, and conservation enterprises, particularly in coastal areas. For example, TechnoServe has worked with the International Union for Conservation of Nature to identify promising economic activities, such as farming seaweed, that will allow residents of coastal Kenya to earn better livelihoods while sequestering carbon and supporting marine biodiversity.

# 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 of 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 have 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, 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. In ImpactMatters' analysis of TechnoServe, a donation can result in income gains for entrepreneurs in developing countries of more than 30 times the donation amount, further exemplifying TechnoServe's commitment to turn every program dollar into the greatest possible income gains for our own clients: the people we work with in the developing world.