

## **A conversation with Technoserve, August 11, 2016**

### **Participants**

- William Warshauer – President and CEO, Technoserve
- Dr. Simon Winter, PhD – Senior Vice President, Development, Technoserve
- Katherine Scaife Diaz – Senior Manager, Corporate Management, Technoserve
- Elie Hassenfeld – Co-Founder and Co-Executive Director, GiveWell

**Note:** These notes were compiled by GiveWell and give an overview of the major points made by Mr. Warshauer, Dr. Winter, and Ms. Scaife Diaz.

### **Summary**

GiveWell spoke with William Warshauer, Dr. Simon Winter, and Katherine Scaife Diaz as part of its investigation into Technoserve as a potential top charity. Conversation topics included summaries of Technoserve's work and evaluations.

### **Technoserve's work**

Technoserve works to alleviate poverty by supporting entrepreneurs' efforts to build and grow sustainable businesses, farms, and markets. Examples of its interventions include initiating market linkages and helping entrepreneurs form and/or enter commercial relationships and systems. Technoserve has mostly worked in the agricultural sector, but is also scaling up its interventions with small and growing businesses (SGBs) in other sectors.

Technoserve's main success metric is whether program participants increase their revenues. To measure this, it might compare participating farmers' yield and/or price gains with those of non-participants, or use historical data, when available, to assess the trajectory of price trends for participating businesses.

### **Sectors with the most scale-up potential**

Technoserve believes that its interventions in the following sectors have particularly promising scale-up potential:

1. **Coffee** – Technoserve's impact in this sector has been documented in a number of RCTs and other evaluations. This has helped it attract funding and continue to scale its work with coffee farmers.
2. **Cashews** – Technoserve's interventions in the cashew sector have primarily been focused on establishing nut processing centers close to cashew farms. This stimulates job creation and increases market stability, which in turn helps farmers improve their tree husbandry skills, product quality, and yields.
3. **Cocoa** – In the cocoa sector, Technoserve has mainly focused on establishing market linkages and supporting agronomic improvements

4. **Small businesses** – Technoserve has used evaluation results from its previous work with Latin American entrepreneurs to inform the design of subsequent interventions with SGB entrepreneurs.

## **Evaluations of Technoserve's work**

The results of RCTs and other evaluations of Technoserve's work, and of similar work carried out by other implementers, have been documented in a number of articles and reports

### **Randomized controlled trials**

1. **Training for women-owned businesses in Uganda** – This RCT is based on a program Technoserve implemented a couple of years ago, and was evaluated in partnership with Innovations for Poverty Action (IPA). It is currently in progress, and draft results are expected by the end of 2016.
2. **Business Women Connect program in Tanzania** – By providing poor women with financial and technical literacy training, as well as access to a mobile savings platform, this Technoserve program aims to help participants save money more effectively, and to understand to what extent they use savings to invest in businesses. This RCT is similar to the one being done in Uganda. It is currently in progress, and results will likely not be available for another year.
3. **Coffee agronomy program in Rwanda** – This RCT was carried out by the Abdul Latif Jameel Poverty Action Lab (J-PAL) on Technoserve's work with Rwandan coffee farmers in 2009 and 2010.

### **Quasi-experimental studies**

1. **Entrepreneurship training in Central America** – Using a regression discontinuity analysis, Bailey Klinger and Matthias Schündeln studied Technoserve's entrepreneurship training work in Central America in 2009 and 2010. Study results showed statistically significant changes in the growth trajectory of participating businesses.
2. **Follow-up on work with coffee farmers in East Africa** – With funding from the Bill & Melinda Gates Foundation, Technoserve implemented a program with a group of coffee farmers in East Africa several years ago. IPE Triple Line is evaluating whether evidence of the program's impact, documented at the time of implementation, has persisted. This involves collecting detailed data on yield, income, and price gains, as well as information on the structure of the business environment. The results should be available by the end of 2016. In general, Technoserve wants to carry out more research on the durability of its impact.

### **Causal modeling**

Technoserve has found that, for some of its interventions, a causal modeling approach is the most effective way to evaluate impact. This method helps

Technoserve identify why certain entrepreneurs succeed and others fail, as well as the most cost effective methods to help them succeed.

Technoserve used this approach to facilitate the evaluation of its Haiti Hope project. The project, which ended recently, was initiated in the aftermath of the 2010 earthquake, and aimed to increase the productivity and revenues of Haiti's mango farmers. It ended up having an industry-wide impact, altering the production, aggregation, and exporting practices of virtually all of the country's mango farmers. Examples of these changes include:

- agronomic improvements that led to increased productivity;
- changes in harvesting methods (for example, not shaking trees) that improved crop quality;
- washing mangoes on site rather than transporting them to and washing them at larger processing facilities.

Technoserve had initially planned to use a quasi-experimental evaluation method, but given the magnitude of the project's impact, a causal modeling approach turned out to be the most effective way to guide external evaluators through the project's processes, outcomes, and impact.

### **Anecdotal observation**

Given the relatively small number of cashew nut processing factories in most cashew-producing countries, there is generally insufficient statistical power to run RCTs on Technoserve's interventions in this sector. In this case, it has found non-experimental observation to be a valuable method for assessing its impact.

For example, it has observed significant changes as a result of its first cashew sector interventions, which were carried out in Mozambique over a decade ago. At the time factories were initially being established, villages with factories had similar levels of economic well-being to neighboring villages; several years later, it was apparent that they were significantly better off than villages without factories.

### **Scientific evidence**

Often, the effects of the types of agronomic changes promoted by Technoserve on yield gains, crop quality, and price premiums are well documented in the research literature. Technoserve believes that, in some cases, the effect of Technoserve-style programs on participants' economic well-being is easier to determine than the impact on participants in certain public health interventions.

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