



Malawi Fruits Impact Review June 2017

Summary

Malawi Fruits is a Scottish based charity operating in Malawi since 2011. The organisation has a mission to establish sustainable businesses in Northern Malawi as a means of alleviating poverty. Malawi Fruits works through local partner organisations to deliver its programmes and projects.

Malawi Fruits commissioned an Impact Review of its work to capture the story of the past few years. This Review was carried out by Caplor Horizons, a not-for-profit that specialises in organisational effectiveness. The Review primarily focused on qualitative information gained from interviews with partners, beneficiaries and other stakeholders of Malawi Fruits as well as analysis of various reports provided by the organisation.

There are two major areas of work to date:

- A three year (2014-2017) Paprika Farming Project.
- Research, relationship building and feasibility work which will be the foundation of Malawi Fruit's future initiatives.

At this stage it is not possible to assess the full impact of the organisation for a couple of reasons. Firstly, the Paprika Project is just coming to an end, therefore the long-term impact is not yet clear. Secondly, although important and fundamental to the growth and development of Malawi Fruits, activities in other areas have not yet included delivery with beneficiaries.

Therefore, this review aims to highlight the key outcomes so far and then outline the major strengths of the organisation. Understanding an organisation's strengths is key to achieving effective impact – as Charles Handy advocates: *"do the best at what you are best at for the benefit of others"*.

Areas of work

1. **Paprika & Chilli Farming:** supporting 600 farmers in the rural North with training, access to markets and loan provision to grow cash crops. Incomes have increased for many farmers on the programme, thus increasing the quality of life for these families through access to education, improved food security and health.
2. **Crop Processing:** working with a pre-existing farmer's cooperative and out-of-use oil factory to enable value addition and increased profit to farmers in Northern Malawi. Ensuring sustainability through acting as a majority shareholder and providing maintenance and management services

3. **Irrigation:** Conducting an in-depth study of 11 irrigation schemes that are no longer working. Using the learning from this study to inform work as part of a consortia with various private companies to provide solar irrigation across 90 hectares of land.
4. **Agri Service Centre:** establishing a service centre in Northern Malawi to provide extension services, maintenance and mechanisation to smallholder farmers. Work has been done to establish relationships, set up the site and recruit staff to ensure that this hub will be an effective central point for all services and projects provided by Malawi Fruits and, potentially, other NGOs.
5. **Inspiring Young Farmers:** responding to learning and experience from the Paprika Project to establish exciting and relevant opportunities for young people to develop agribusiness enterprises.

From this analysis, four clear strengths of Malawi Fruits were outlined:

Relevant: The work of Malawi Fruits addresses some of the key issues in development in Malawi. Agriculture, youth development and sustainable livelihoods have been highlighted as highly important areas of focus for the growth of Malawi.

Learning: Malawi Fruits has demonstrated an appetite for learning that enables the organisation to quickly assimilate new ideas and developments. It is also an organisation that is passionate about sharing this learning more widely in order to benefit others.

Collaborative: In these first years of work, Malawi Fruits has put a lot of energy into establishing productive and strong relationships. As well as working through local partner NGOs, Malawi Fruits has been collaborating with more non-traditional actors, such as private companies. This collaborative approach allows the organisation to harness diverse skills and knowledge to tackle poverty.

Innovative: Combining its appetite for learning and its ability to bring together diverse knowledge and skills enables Malawi Fruits to be innovative in its thinking and approach to development. It has demonstrated flexibility and agility in its style of working.



Introduction

Malawi Fruits was established in 2011 with a mission to establish sustainable businesses in Northern Malawi as a means of alleviating poverty.

The purpose of this report is to capture the impact Malawi Fruits has had:

- with beneficiaries
- with partners
- with other wider stakeholders

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Background

Malawi Fruits is a Scottish Company Limited by Guarantee and is a registered charity. Malawi Fruits also has a wholly-owned UK trading arm called Malawi Fruits Holdings and a Malawi registered trading company called MF Trading.

Malawi Fruits provides support, encouragement and financial backing to local partners to deliver various projects.

Caplor Horizons is a UK based charity that specialises in strengthening organisational effectiveness. Malawi Fruits commissioned Caplor Horizons to carry out an impact report on the work Malawi Fruits has undertaken since it began working in Malawi.

Malawian Context¹

According to the UN, Malawi has a GDP of US\$3.5 billion and a per capita income of US\$290. With an estimated population of 14.8 million as of July 2012, almost 75 percent of the population earns less than US\$1.25 per day. Agriculture is Malawi's largest economic activity contributing 28.7 percent of GDP and more than 80 percent of export earnings.

The country's economic growth was affected badly in recent years due to two consecutive years of drought, which adversely affected the performance of agriculture. In addition, maize had a 30.2% year on year drop in production, leading to a large-scale food crisis across the country in 2016.

85% of the population live in rural areas where subsistence farming is the main source of livelihood. In addition, DFID report that by 2030, Malawi's population will have doubled to 30 million, resulting in one of the highest population densities in the world. Therefore, agriculture and food production will be an essential area of development in order to overcome increased resource pressure, as well as focusing on livelihood development to ensure that an increased population will have the means to support themselves as well as contribute to the country's economic growth.

¹ <http://www.mw.one.un.org/country-profile/>
<http://www.worldbank.org/en/country/malawi/overview>
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/630929/Malawi.pdf



Methodology

Alongside a period of substantial desk-based research and analysis of various, detailed reports provided by Malawi Fruits, the impact of the organisation was assessed through qualitative interviews with various stakeholders and beneficiaries as well as site visits over a period of two weeks during June 2017.

During this time, interviews and meetings were held with:

- 16 farmers working on land with access to an irrigation scheme recently maintained by Malawi Fruits
- 1 paprika farmer and 12 chilli farmers working with Nyika Food Trust and Malawi Fruits
- Arnold Shaba and Sigman Chirambo, Board Members of Malawi Fruits' partner organisation, Nyika Food Trust
- Members of a farming cooperative awaiting a potential new oil press machine
- Members of Matunkha, a Dutch-supported project embarking on a new partnership with Malawi Fruits
- Members of staff at the Self-Help Foundation, Mzuzu, as future partners of Malawi Fruits

Alongside this impact review, Caplor Horizons conducted research into developing youth entrepreneurship in agriculture in Malawi. As such, additional interviews were held with significant and experienced individuals in the areas of agriculture, entrepreneurship and youth development. The topics of these interviews were often linked to the activities being carried out, or planned by, Malawi Fruits and have informed parts of this report.

This review is built around qualitative data. It uses a lens of the 5 DAC Criteria when considering the impact of the organisation:²

1. Relevance: The extent to which a project's objectives and activities are suited to the priorities of the target group and are appropriate to achieve the project's overall goal.
2. Effectiveness: The extent to which a project has attained or is likely to attain its objectives.
3. Efficiency: Have funds been used in the most cost-effective way possible? Have the project's objectives been delivered on time?
4. Impact: Changes to the local social, economic and environmental situation as a result of the project, positive and negative, intended and unintended, directly and indirectly caused.
5. Sustainability: Are the benefits of an activity likely to continue into the future, after donor funding has been withdrawn? (To ensure benefits will continue into the future projects should be environmentally, financially and socially sustainable.)

Impact Assessment

Strategic Areas:

1. Paprika Farming

The Paprika Project is a Scottish-government funded initiative running from April 2014 to March 2017. This project is the main area of significant delivery in communities that Malawi Fruits has undertaken over the past few years.

The project aimed to reach subsistence farmers in Mphompha and Nchenachena in Rhumpi District and Bwenga in Mzimba District. These communities were identified in the feasibility study as having a large proportion of smallholder farmers with no cash income but who had land in areas where the climate and soil suited paprika production. Families with no cash income have much lower school attendance even at primary level because of lack of funds for materials and clothes. Secondary level education is out of the question without a household income to pay fees. Malawi Fruits aimed to lift these excluded groups out of extreme poverty and increase the participation of family members in education.

²The standardised evaluation criteria developed by the *Development Assistance Committee* (DAC) of the *Organisation for Economic Co-operation and Development* (OECD). These are known as the DAC Criteria; they are 5 aspects of a project that must be considered when conducting a full evaluation. More info on DAC Criteria here: <http://www.oecd.org/dac/evaluation/daccriteriaforevaluatingdevelopmentassistance.htm>

Initially, Malawi Fruits aimed to work with 545 farmers over the three years (therefore impacting 5450 people due to the number of dependents of each farmer)



Working through their in-country partner, Nyika Food Trust, in year one the project had 202 farmers partake in the training and planting of chillies and paprika. This increased significantly to 488 in the second year and was complimented by the

introduction of groundnuts as an additional cash crop. In the third and final year of the project, 327 farmers were participating in the growing of the three crops. In total, Malawi Fruits reports reaching 600 farmers.

Despite originally aiming to work with the poorest in rural communities, Malawi Fruits found that the project was able to have more of an impact when working with farmers who already had some small business knowledge. Therefore, towards the end of the project, the farmers who showed greater levels of entrepreneurship and business thinking became the main focus. The project enabled them to grow two or more cash crops on 0.8ha of land as well as support linkages to reliable and fair markets.

Harnessing agriculture to enable improved livelihoods through the cultivation of cash crops is highly relevant to supporting sustainable development in Malawi, given the context and future projections of development needs in Malawi.

The project is effective and has achieved its objective of improving incomes of rural families in the North of Malawi. Indeed, during project visits for this report, interviews with farmers revealed that many of the farmers had used their increased income to pay school fees for children, therefore increasing the access to education, as well as to buy livestock, and improve their housing situation.

The efficiency of the project appears to be sound - the quality of the crops grown were reported to be high; the farmers were very satisfied with the access to fair markets; and the proportional income increase was significant with some farmers reporting 70% increase.

The project also provided learning for Malawi Fruits on areas that would help improve efficiency. One particular area was loan repayment, which mostly lay between 60-70% rather than the predicted 90%. This was impacted by a few factors:

- Poor harvests due to drought and unpredictable rains
- The business capability of the farmers
- The difficulties of one field officer splitting his time across all the farmers and having to play the dual role of loan manager and support worker.

Evidently, the lower than predicted loan return rates impacted on some elements of the sustainability of the project. However, there are long term benefits for those farmers who were part of the groups able to repay 75% or more of the loan and therefore take part in the full 3 years of the programme. They are equipped with new knowledge on how to cultivate cash crops; they have new market access; and they have much more secure livelihoods.



One element of sustainability that has provided Malawi Fruits with significant learning for future projects is the sustainability of partner organisations. Unfortunately, Nyika Food Trust will not continue this project once the funding and support from Malawi Fruits comes to an end. Malawi Fruits has clarified that, for future projects, it will aim to work with organisations where it is not the sole funder in order to facilitate greater sustainability upon withdrawal from the project.

Overall, the project has been a success, with the farmers reporting a range of benefits and stating that it has *“transformed our lives”*. The impact of the project has been wider than just increasing the incomes of the farmers: not only has it enabled access to education through school fees being paid, it has also contributed to the reduction in tobacco production as a proportion of farmers involved with the project were previously using the land for tobacco growth.

The farmers interviewed stated that not only were these new cash crops less labour intensive than tobacco, but the access to markets was better and fairer, resulting in greater profits.

2. Crop processing: oil factory

Malawi Fruits is just beginning this work and is supporting a farmers’ co-operative to re-establish a non-functioning vegetable oil production facility. As part of this report, the oil factory was visited and the farming cooperative members interviewed. Those interviewed stated that they were *“excited about the support of Malawi Fruits”*

It is widely recognised that farmer incomes can be improved by adding value to crops through processing. There is a large import market for sunflower oil that could be produced and sold in-country, so this new initiative has the potential for import replacement.

With the factory being non-operational, the farmers reported that they have to travel many kilometres north to access another factory to grind their seeds and nuts and therefore incur significant transport costs. Therefore, the reopening of this oil factory will reduce transport costs and enable them to add value to their crops locally, thus increasing profit margins.

In working with an already established cooperative and a pre-existing factory, Malawi Fruits is harnessing resources and structures already in existence rather than duplicating efforts elsewhere. This should enable the project to be much more efficient and effective.

To improve sustainability of the factory, Malawi Fruits is planning on acting as a majority shareholder and so will play a management role in the running of the factory. The long term aim is then to return the factory to local ownership when it is judged that the remaining shareholders have the capacity to run it themselves.



3. Irrigation

Recognising the strategic importance of irrigation for farming in Malawi, Malawi Fruits commissioned an extensive Feasibility Study in partnership with Comic Relief. The work focussed on 11 irrigation schemes which are non-operational and identified the remedial work required to get them working and the action needed to develop them as long-term, sustainable projects.

As part of this, Malawi Fruits worked with one cooperative of farmers to repair a pre-existing irrigation scheme. During the research for this report, a field visit to this scheme was undertaken. The farmers using the irrigation scheme reported that last year their yield had increased from 6x20kgs of maize to 20x20kgs, and that it was set to increase again this year. This increase was because of access to irrigation, enabling them to have two crops per year rather than one under rain-fed conditions.

It was highlighted that the scheme could be even more effective. Because the irrigation system was installed on the lower ground, the farmers were choosing to plant on higher ground during the rainy season to avoid the risk of crop loss due to flooding. This meant that the irrigated land was left uncultivated during the rainy and harvest seasons meaning that more labour was required to establish a first crop than if the land was cultivated year-round. This limited the land to a single crop rather than a double crop which should be available on irrigated land. Furthermore, due to limited cashflow, the cooperative were unable to purchase oil to run the diesel irrigation pump for the scheme until they had sold the first, rain-fed crop. This delay in being able to purchase diesel results in a delay in planting and cultivating, thus limiting the farmers to two crops rather than three per year.



Building on the feasibility study and their learning from engagement with these irrigation schemes, Malawi Fruits is working in partnership with a group of private companies in a consortium called Solarmaji (literally “solar water”). This holistic, agribusiness initiative encompasses many aspects of modern farming including growing cash crops, contract farming and mechanisation and will irrigate 90 hectares on three of the identified sites.

Solarmaji will provide a “pay as you grow” irrigation service to smallholder farmers, with the management and maintenance being managed by the consortium – thus enabling greater sustainability of the systems.

Solarmaji will provide support with crop inputs and access to markets so that the total income from the irrigated land is substantially increased allowing the farmers’ incomes to grow.

4. Resource Service Centre

To facilitate all of Malawi Fruits’ projects and to address an identified need for ongoing maintenance of many new and existing development initiatives, Malawi Fruits has created an Agri Service Centre. This is managed through a separate trading company (MF Trading) and operates as a social enterprise.

The Service Centre provides a range of services to local farmers including ploughing and tilling; irrigation management and maintenance; farm extension services; processing equipment maintenance; transport; marketing expertise; and access to technology support.

An initial grant to purchase agricultural equipment and a truck has been received and a Service Centre Manager has been appointed to manage its day to day operations.

The Service Centre has been set up in collaboration with Matunkha, a Dutch-supported project in the North of Malawi. Malawi Fruits has worked to establish a strong relationship with the people involved with Matunkha over the past few years. Through this collaboration, Malawi Fruits will have access to a physical base, resources and the expertise of the well-established Dutch project.

5. Inspiring Young Farmers

Through Malawi Fruits' interaction with 600 farmers and their communities, and liaison with Malawi Government agencies, a priority of inspiring young people in farming has been identified.

Young people in Malawi struggle with high unemployment rates and have difficulty accessing the level of training required by employers. Meanwhile, the Malawian agriculture industry presents a high potential for growth and income generation. Despite this, there are few young people taking up farming.



Recognising this, Malawi Fruits has commissioned a research project into inspiring young people to take up agribusiness. The research report outlined a number of challenges and opportunities surrounding the engagement of youth in entrepreneurial farming and presented ten recommendations to enable the development of youth entrepreneurs in agriculture.

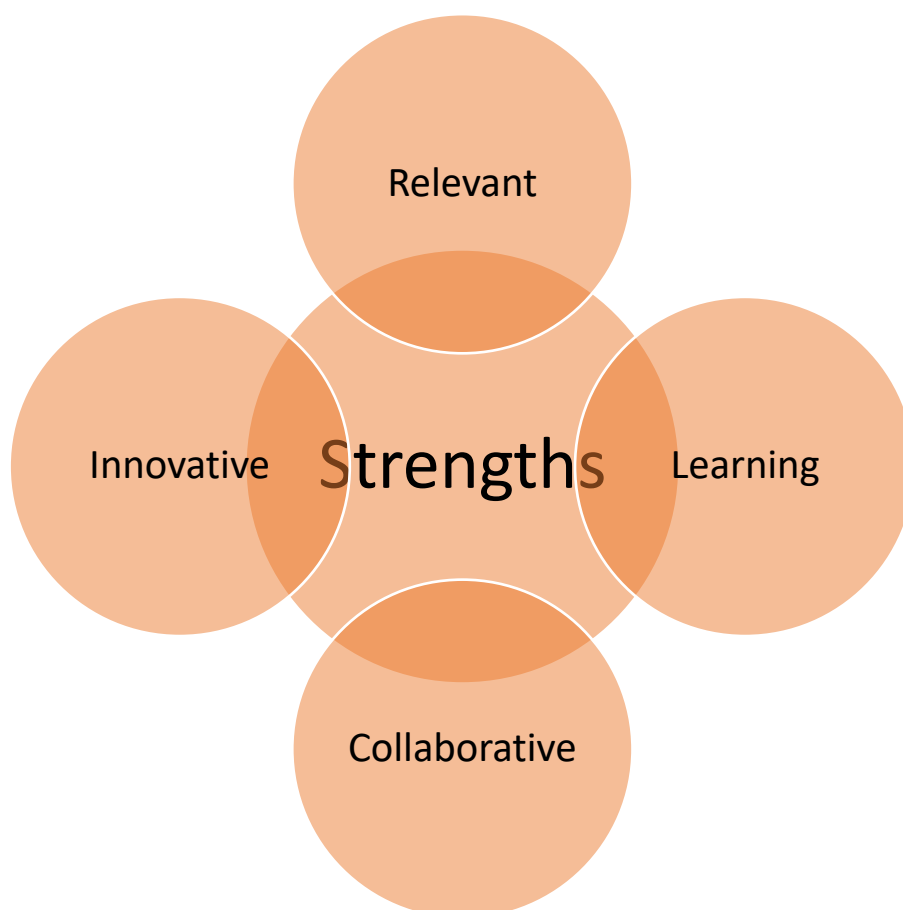
Using this research, previous experience and a grant from the Scottish Government, Malawi Fruits has begun work with local partner organisations to engage young farmers. The Project is organising young people into clubs and providing training and support to enable them to grow a variety of low input/ high value crops under irrigation (sunflower, groundnut, soya); take these crops to local processing facilities; receive processed crops and then sell them both locally and outside their communities through contract markets. The project targets motivated young people both in and out of school.

Realising the opportunities and challenges related to entrepreneur development, Malawi Fruits is hosting a unique young entrepreneur development event in November 2017 in collaboration with their partners, Centre for Youth and Development. The training will run a series of workshops covering basic business skills, financial literacy and enterprise as well as running a 'Dragon's Den' like event for young entrepreneurs. This event will be a mix of workshops, group work and mentoring for young people with exciting and innovative business ideas.



Impact Strengths:

From interviews and analysis of Malawi Fruits' activities, this review would conclude that Malawi Fruits showcases the following strengths in the impact it is having:



- **Relevant**

The work carried out by Malawi Fruits and through its partners is clearly highly relevant. Focusing on sustainable livelihoods, agriculture and young people is highly pertinent to development in Malawi, and Africa more generally. A 2009 report by the Africa Progress Panel on Business in Africa highlighted the significant potential of both a growing young population and fertile agricultural land for economic growth. The work Malawi Fruits has carried out, and has laid plans for in the future, addresses these key fundamental issues. This degree of relevance helps ensure that the impact of the organisation is effective and will continue to have a positive effect on beneficiaries.

- **Learning**

As a young and growing organisation, one of the strengths demonstrated throughout this impact review was an openness to learning. Commissioning various feasibility studies and research projects demonstrates Malawi Fruits' eagerness to learn and develop. This passion and recognition of the importance of learning extends beyond their own organisation and into their partners and stakeholders. Working with the Scottish Government Small Grants Programme, Malawi Fruits regularly presents and speaks at workshops and events with other NGOs involved in similar work, thus enabling the wider dissemination of learning.

- **Collaborative**

A key theme emerging from the first years of Malawi Fruit's work is the focus on building and developing relationships across many diverse organisations. Malawi Fruits is a highly collaborative organisation. Recognising the fact that the causes of poverty in Malawi are multifaceted, Malawi Fruits has built relationships and worked with a variety of organisations to harness diverse skill sets and experience. This collaborative working has included traditional partnering with local organisations for delivery, but has also extended more widely to include an innovative consortia with private companies – recognising and harnessing the ever increasing role of private business and investment in development.

- **Innovative**

The engagement with private companies in an innovative solar irrigation and agriculture development project is one of the ways in which Malawi Fruits demonstrates another organisational strength – innovation. Combining the organisation's preference for learning with its ability to harness diverse and new ideas leads to the ability to generate new and innovative ideas and projects. The organisation demonstrates great agility and flexibility, harnessing new opportunities in the face of learning. For example, using the findings from the feasibility study into irrigation schemes in combination with the latest technology in solar irrigation to design an innovative solution to a broken irrigation system.

