

MOST Programme

The Malawi Oilseeds Sector Transformation Programme (MOST) was a £7.4 million, five-year market systems development (MSD) programme funded by the UK's Department for International Development (DFID) that aimed to reduce poverty in Malawi. MOST increased the incomes of at least 176,251 poor smallholder farmers (SHFs) and micro-enterprises, 50.3% of whom were women by a cumulative £15,772,643 in the course of the programme. The programme focused on cotton, groundnut, sesame, soybean and sunflower market systems in line with the Government of Malawi's (GoM) National Export Strategy (NES). Access to finance was addressed from the third quarter of 2016.

MOST sought changes in the market systems that fundamentally alter the way business is done. This included supporting risk mitigation through Drought Input Insurance (DII) and Funeral Expenses Insurance (FEI) to ensure greater benefits for the poor. MOST worked with a range of market actors – from micro rural entrepreneurs to multi-national companies – to pilot and scale up new business models and stimulate a more competitive market. MOST's portfolio of interventions focused on facilitating improved access to productive inputs, finance and information. The programme used small risk-sharing investments and technical assistance to encourage market actors to pilot and scale-up innovative business practices, to ensure that MOST's impact is sustained beyond its lifetime. Some of the main innovations are summarised below.

Cotton: Input access is a prime constraint in the cotton market. MOST worked with cotton ginners to develop Incentive Based Contract Farming (IBCF) schemes to improve SHFs' access to inputs and to spraying through access to Spray Service Providers (SSPs). Recognising the difficulty SHFs have in accessing inputs, MOST worked with Syngenta to introduce mono-dose sachets of Crop Protection Products (CPPs). These sachets are designed around 16.5 litre knapsack sprayers ensuring correct dilution rates. They are significantly cheaper than the standard 1kg or 1 litre packs and are more appropriate for SHFs' needs. 14 CPPs are now available in this format.

Groundnut: MOST supported seed companies to improve their seed quality and supply, and to establish a cash market for certified groundnut seed, where previously they relied heavily on the GoM's subsidy programme. This has improved SHFs' access to good certified seed, which was not always available. MOST supported the introduction of groundnut inoculant and good agricultural practices (GAP). The overall result has been a large increase in yields and incomes.

Soybean: MOST facilitated the introduction of commercial production and distribution of soybean inoculant, a key productivity enhancing input, leading to a large increase in SHFs' yields. MOST supported seed initiatives similar to those in groundnut, and developed mini-clips (one-minute films on a single topic) that provide GAP information. These can be shared on WhatsApp, which is commonly used in Malawi, significantly reducing the cost of training for extension and agro-dealer staff. They have been taken up by seed companies who brand them and use them as part of their marketing. The Agricultural Commodity Exchange adapted the IBCF approach, which it branded as 'Chithumba', achieving over 95% repayments in two consecutive seasons

Sunflower: MOST supported the release of three certified sunflower seed varieties, as no certified seed was previously available in Malawi, and facilitated SHF access to the improved seed and GAP.

Sesame: Interventions focused on IBCF, commercial seed stocking and SSP services to SHF.

Access to Finance: MOST strengthened its IBCF impact by enabling partners to make DII and FEI products available to SHFs as an added incentive to comply with crop delivery targets. These products reduced the impact on of drought and death. MOST also tested asset-based financing (ABF) approaches to enable SSPs to buy a knapsack sprayers and use it to generate funds to repay the loan.

MOSTs' approach to achieving scale, sustainability and leverage in a multi-donor environment was based on understanding the operating environment and drivers that explain how things were working and could work; having an emphasis on sharing learning with partners to improve their initiatives; avoiding distortionary activities; working where the partners wanted to work; adopting a private sector

focus and approach; working on policy change alongside business model innovations; seeking new ways of doing things and sharing these, particularly with development partners.

MOST followed the key principles of Adaptive Management: Invest quickly, invest small; learn by doing and adjusting; gain commitment from partners; and fail fast or adapt and invest bigger. A Portfolio approach was used to allow interventions that worked to be supported and those that did not to 'fail'.

The MOST programme was based on an impact-driven, non-prescriptive logframe that gave MOST a lot of freedom to find the points of traction as it was being implemented. Demand-driven interventions meant that MOST focused on the private sector and what they wanted to do. Team members built strong relationships with partners which was crucial to ensuring that problems along the way could be jointly solved.

MOST was able to: scale-up and scale-down, taking calculated risks, securing commitment from partners and stakeholders, with good Results Management systems to inform MOST's and partners decision-making. MOST was operating in a vulnerable, high risk economic environment (high inflation and interest rates and currency risks) that deters investment and promotes short-term thinking. This meant firms had less appetite for risk taking and changes that would not yield fast returns.

Malawi, including the oilseed sector, is a small market with a limited number of viable private players. It is also a crowded development partner space, and these often have a distortionary effect on market actors, norms and rules. Continued subsidies from the GoM and development partners not only distort incentives and markets, but generate risks to sustainability.

MOST ensured:

1. That **environmental considerations** were taken into account so that activities do no harm;
2. That interventions were sensitive and responsive to **gender equity and social inclusion** and, where possible, aimed to improve outcomes for these groups;
3. That MOST strategies and activities were developed and implemented based on an informed understanding of **political economy** and its interface with market development;
4. That, using a market systems approach, interventions were designed to ensure **scale and sustainability of results**; and
5. That progress towards results was **effectively monitored to strengthen learning and feedback internally and to partners** so as to inform existing and future interventions.

MOST has so far received three consecutive A+ ratings by DFID Annual Reviews and achieved Donor Committee for Enterprise Development (DCED) audit scores of 97% on the MUST category, which is the joint highest score achieved across all assessed programmes.

<Link to the MOST web-page>