



PHILANTHROPIC CAPITAL INVESTMENT FUND

Strategic giving for corporate social impact

Salt

■ THE CHRISTIAN AID BUSINESS NETWORK

Forward

The Philanthropic Capital Investment Fund exists to strategically position your giving to maximise social return through investing in market-based solutions to poverty.

Christian Aid has been a leading international development agency for 75 years working to eradicate poverty through developing strong partnerships and establishing innovative programmes that deliver sustainable opportunities for communities to overcome the scandal of poverty.

Corporate and philanthropic capital has a vital part to play in addressing injustice and establishing sustainable solutions to some of the worlds most pressing issues.

Whilst emergency aid remains essential in some circumstances, as we continue to strive for sustained social and economic development it is important to move beyond aid. Christian Aid has experience in over 40 countries establishing long term solutions through creating jobs, growing the economies, strengthening political stability, and equipping and empowering communities to build the futures they want. Market-based solutions use the assets of a particular community or industry to establish employment opportunities and economic stimulus to overcome the need to for aid.

The Philanthropic Capital Investment Fund strategically directs your giving so that it has impact for generations to come.

As we launch The Philanthropic Capital Investment Fund we are excited to open **Malonda: Wealth Creation for Smallholder Farmers** to further investment. We launched the Malonda programme in Malawi in 2019 with over £400,000 of committed corporate investment. Since then we have seen further funding and significant social return in growing market access, launching seed funding and scaling pigeon pea farmer operations; delivering life changing results to over 2000 farming households. We are now looking to further boost this programme and with your investment we can secure transformative social return.

I look forward to welcoming you as we build a brighter future for all.



Samuel Williams

Private Sector Patnership Lead and Fund Manager

“I was feeding my livestock the usual feed made from soya bean, incurring high cost of production. Little did I know that my pigs could grow just as healthy using pigeon pea feed, which is also cheaper. Thanks to the MALONDA project for the training in feed making.”



Malonda:

Wealth Creation for Smallholder farmers

The Context

The Philanthropic Capital Investment Fund has selected Malonda as its inaugural social value opportunity. With a £200,000 investment capacity this philanthropic fund co-finances an innovative market-based approach to eradicating poverty through creating sustainable markets and providing access to seed and growth capital for Pigeon pea farmers in Malawi.

Pigeon peas are one of the major grain pulse crops of the tropics and subtropics. Globally it accounts for almost 5% of the total world pulse production.

It is essentially a smallholder crop with the important attribute of being able to be grown on poor soils in drought prone areas, where its ability to tolerate dry spells and harsh conditions is key to food and economic security.

Despite Malawi being the largest producer of pigeon peas in Africa it is estimated that only 10% of processed pigeon peas in Malawi is absorbed by the domestic market. Furthermore a proportionally low engagement with the commercial export market and fragmented negotiating power has resulted in a significantly underutilised market offering.

The Challenge

Pigeon pea production in Malawi is dominated by smallholder farmers. They typically have limited access to market information and lack of access to improved varieties. The local pigeon pea market is highly fragmented and disorganised. Despite the availability of ready markets in India, the export market opportunity is being jeopardised by high freight costs, unscrupulous middlemen and low pigeon pea grain quality as compared to countries like Tanzania and Kenya.

The domestic market is underdeveloped, with poor knowledge of the versatility of the pigeon pea as a nutritious food source for humans and livestock creates a significant opportunity to open to new domestic markets and develop existing ones. This would address the significant challenges with food insecurity and poor economic growth.



Impact and Opportunity

The Philanthropic Capital Investment Fund will ensure we continue to meet the challenges head on, building upon the success delivered by the 1st stage of investment and delivering further significant social return.

Social Impact	Delivered to date	Programme Target
Support 3361 pigeon peas farming households to boost productivity and increase global market share	<ul style="list-style-type: none"> 2324 equipped with skills in business management and Financial literacy. 	Support 3361 pigeon peas farming households
Establish sustainable markets by:		
Export market identification and access	<ul style="list-style-type: none"> Registration EWORLD Trade platform. Enhanced digital visibility and access to international buyers. Trained on pigeon peas export pricing, 2020 INCOTERMS and market intelligence. Signed contracts with Challenges Malawi for infrastructure use to process. Established an SMS based Market information System to 617 farmers. 	<p>Facilitate access to at least 3 new export markets.</p> <p>Boost Smallholder Gross Value Added income through contracting with Challenges Malawi.</p>
Creating domestic markets by increasing local consumption through:		
i) <i>Developing pigeon peas nutrition recipes</i>	<ul style="list-style-type: none"> Developed and Popularised pigeon peas recipes through cooking demonstrations and use of media. 	Produce at least 17 diversification products to boost consumption across markets.
ii) <i>Production of Livestock feed</i>	<ul style="list-style-type: none"> Promoted animal feed using pigeon peas as a raw material. 	3 types of feed produced (Fish, Poultry and Pig) to promote secondary interventions and increase domestic pigeon pea usage.
Working with Malawian Government to prioritise pigeon peas in Government institutions such as Prisons, Schools, and Hospitals		50% of pigeon pea consumption within public institutions.
Provide access to affordable finance by:		
Establishing Village Savings and Loans Associations (VSLA).	<ul style="list-style-type: none"> 1093 businesses financed from 119 VSLAs. 174 VSLAs have been formed. 	3361 Businesses financed to support pigeon pea farming.
Injecting seed and growth capital for small businesses.	<ul style="list-style-type: none"> £56,000 disbursed and £49,000 recovered at 88% recovery rate. 66 VSLAs have finished the funding cycles for VSLA's and have accumulated £26,000. 	



“A few years ago, I was selling my pigeon peas to middle men who were buying at a low price. We didn’t have enough money to improve our home.”

Environmental Considerations and Impacts

We are advocating for:

- Organically grown pigeon peas which are both more environmentally friendly and fetches higher price on the international market and therefore benefits people and planet.
- Mixed cropping of pigeon peas and maize to lessen the use of fertiliser in maize.
- Conservation agricultural methods which includes sustainable production of manure and Integrated pest controls.
- As we further develop into processing pigeon peas, waste will be used to make feed for Livestock and Fish promoting a more circular economy.
- The use of groundwater and using small solar pumps to supply water to small dams for fish farming. The dam conserves water and provides charging to the aquifers. This has no unsustainable impact on watercourses, water table or down river water flow.



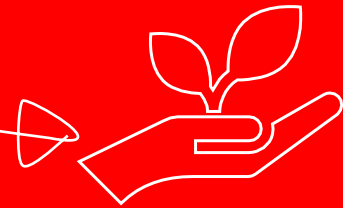
As a member of **The Philanthropic Capital Investment Fund** you will co-finance £200,000 over 2 years.

This is matched by £600,000 committed funds.

Your capital is invested into the 2 impact streams of the Malonda wealth creation programme.



Your investment will **create sustainable markets** through strengthening domestic market viability and maximise export market share



Your investment will **provide seed and growth capital** through consesional loans for smallholders to diversify livelihoods and support pigeon peas production.

Social Return on your investment is delivered to small holders, communities and wider socio-economic benchmarks

Social Impact Benchmarks



Micro Impact

Small holder farmers are enabled to increase their productivity and profit. They are able to invest in their families wellbeing, education and economic security



Messo Impact

Communities are impacted by a growing local economy. Local spending power benefits other business increasing employment and welfare.



Macro Impact

Working with Government to increase domestic and export markets influences economic priorities and growth strategies.



Find out more about the
Philanthropic Capital Investment Fund
and get involved contact:
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