

# Malawi

## Livelihoods and Economic Inclusion through Solutions Capital Initiatives

June 2019

### Background

Located in the central region district of Dowa, Dzaleka Refugee Camp is home to some 38,827 refugees and asylum seekers, mainly from the Democratic Republic of Congo (DRC), Burundi, Rwanda, Ethiopia and Somalia. Since its establishment in 1994, the camp has seen an increase in **entrepreneurship**, which has given rise to successful micro-businesses ranging from farming, fashion design, and profitable enterprises that include grocery stores, hair dressing saloons, restaurants and production of poultry. Livelihoods activities have promoted the establishment of additional business enterprises that have greatly benefitted from My Bucks Bank (formerly named New Finance Bank) through savings and loans schemes.



Women showcasing their design skills ©UNHCR

Refugees and asylum seekers and the host communities continue to improve their livelihoods through increased income, improved food security and health, after participating in **livestock production** (piggery and poultry production), **crop production** (soy beans, cabbages, onions, tomatoes and spices) and **business enterprises** (meat processing, milk processing, feed making and mushroom production).

### Key facts

- **96%** live below moderate to ultra-poverty line in Dzaleka Refugee Camp. This is high, in comparison to the national population in Malawi.
- Beneficiaries from ongoing organized livelihood activities can reach only **800** participants per year despite high demand due to funding constraints
- **60%** of beneficiaries are refugees and asylum-seekers, and **40%** are host community members
- Gender disaggregation: **60%** Women: **40%** men
- **200** are Livelihoods Graduation Approach participants effective March 2019. The Graduation Approach is a time bound, multi-sector livelihoods intervention aimed at lifting the extreme poor households out of poverty.



Crop and Livestock Production beneficiaries selling their produce ©UNHCR

### Livelihoods Strategy for refugees and asylum seekers in Malawi

All available socio-economic data for Dzaleka refugee camp suggest that a very small portion of the refugee population are able to meet their basic needs without support. 96 % is fully dependent on food assistance and removing it would pose a major risk to their lives. The Livelihoods Strategy (2018-22) aims to:

- ① enhance self-reliance through access to agricultural production in the camp and host communities,
- ② facilitate access to wage earning employment within the camp and other opportunities provided through the law,
- ③ strengthen self-employment/ businesses that have multiplier effects of high employment absorption, and
- ④ advocate a conducive environment for livelihoods development that includes economic inclusion, access to employment opportunities, policies and planning at district and national levels



Products produced by livelihoods beneficiaries in Dzaleka Refugee Camp ©UNHCR

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### Successes

Dzaleka catchment area is now among the largest producers of tomato in Malawi, with traders coming from Lilongwe city, Mchinji, Dowa, Ntchisi and Chipata districts in Zambia. Refugees have shared their tomato production skills with the host community.

### Constraints

- Limited access to wage employment
- Limited access to land
- Insufficient food rations due to funding constraints
- Restricted movement
- Underfunding
- Engagement in negative coping strategies to meet their basic needs (i.e. survival sex, begging, selling assets)

### Opportunities

- Access to vibrant markets with traders within and outside the camp including linkage to private sector buyers;
  - Mount Meru (Soyola)-to Crop Producers
  - Kapani Meat Processing to Piggery and Livestock Producers
  - Lingadzi Inn to Quails producers
- Access to banking and credit facilities with MyBucks Bank including free financial literacy training;
- Strong partnership with Ministry of Agriculture, Irrigation & Water Development-Technical support, Ministry of Homeland Security –Protection, and Ministry of Industry & Trade-business registration; and
- Linkage to National Association of Small Holder Farmers (NASFAM) on access to markets.

## The Solutions Capital Initiative



The Solutions Capital Initiative puts **economic** and **financial inclusion** as two of its core-aspects. Everyone, regardless of citizenship should have the right to work and be able to gain the knowledge, skills, and self-efficacy needed to make and exercise money management decisions that best fit the circumstances of one's life.

In the spirit of the newly adopted Global Compact on Refugees, UNHCR Malawi with funding from Solutions Capital Initiatives is scaling up the Graduation Approach with 250 additional participants. **UNHCR Malawi will develop quick impact livelihoods activities in order to graduate the extreme poor populations from poverty thereby increasing their income, improving their food security situation, improving their self-confidence, networking and health.**

Fashion designers selling their fabrics in Dzaleka Refugee Camp ©UNHCR

The solutions capital funds will consolidate the implementation of the multiyear multi-partner protection and solutions strategies that empower UNHCR to be an effective catalyst for comprehensive responses, and to more efficiently use resources in order to transform the lives of refugees and host communities.



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