

Malawi

Banking services in Dzaleka Refugee Camp

March 2019



New Finance Bank opened its branch of service in Dzaleka Refugee Camp on 12 April 2018, effectively becoming the first financial institution to establish a service centre in the camp since its inception in 1994. The initiative is driven in partnership between New Finance Bank, Ministry of Homeland Security, and UNHCR Malawi.

Highlights

5,214 saving accounts opened, of which 1,000 were opened at City Centre branch before the opening in the camp.

147,120 USD (107,083,530 MWK) in Total Deposit balances.

100 total loan accounts, with a value of some 43,044 USD (31,330,000 MWK).

100% repayment rate so far, according to New Finance Bank.

5,500 refugees reached through New Finance Bank's financial literacy program.



The New Finance Bank branch office in Dzaleka refugee camp ©UNHCR Malawi

Background

Located in the central region district of Dowa, Dzaleka Refugee Camp is home to some 38,000 refugees and asylum seekers, mainly coming from the Democratic Republic of Congo (DRC), Burundi, Rwanda, Ethiopia and Somalia (among others). Since its establishment in 1994, the camp has seen an increase in entrepreneurship, which has given rise to successful micro-businesses ranging from farming, hairdressing, fashion design, and profitable enterprises that include grocery stores, saloons, restaurants and production of poultry. Livelihoods activities facilitated by CARD and funded by UNHCR have promoted the establishment of additional business enterprises that have greatly benefitted from New Finance Bank (NFB) through savings and loans schemes.

Malawi's policies regulating the movement and the right to employment of refugees make opportunities to earn a living outside the camp very limited. Therefore, the majority of refugees are still completely reliant on food aid and other external assistance for survival. The banking services will help refugees to save money and conduct daily personal transactions and further promote self-reliance and independence among the refugees.

NFB Chief Executive Officer Zandile Shaba said her bank's expansion to Dzaleka Refugee Camp is aimed at seeking financial inclusion for the Dzaleka community as well as enriching the lives of refugees in Malawi. "This is indeed a departure from what banking institutions normally focus on and speaks to our mission of making people's lives better."

Services provided

- Saving accounts
- Group lending
- ATM access
- Forex Services
- Training courses on financial literacy and business skills
- Tailored services according to the needs of the person of concern



Financial Literacy Training in the community ©UNHCR Malawi

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“The opening of the NFB branch in Dzaleka has brought a secure place for refugees to keep their money at reasonable prices.”

Emery Ndayizeye 23, is a Burundian refugee who after his father was killed and his brother disappeared fled to Malawi with his mother and four sisters, himself being 15 years old at the time. He now works as a Commissionaire for the NFB branch in Dzaleka refugee camp.

The Solutions Capital Initiative



THE SOLUTIONS CAPITAL INITIATIVE



In spirit of the newly adopted Global Compact on Refugees, UNHCR has proposed the Solutions Capital – a donor pact seeking additional funds to enable a select group of operations to implement their Multi-Year and Multi-Partner strategies (MYMP). **MYMP strategies empower UNHCR field operations to be an effective catalyst for comprehensive responses and to more efficiently use resources over time.**



In support of the Malawi Growth and Development Strategy III (2017-2022), in which a reference to refugees is included under ‘Peace and Security’, the UN Country Team has developed the forthcoming UN Development Assistance Plan in line with the 2030 Agenda for Sustainable Development providing an opportunity for partnering with UN development actors, as well as other bi-laterals and the private sector. A number of the UN agencies’ efforts with line ministries has opened space for integrating refugees and asylum-seekers into the national systems and building an enabling environment for economic inclusion and self-reliance that also benefits host communities.

Looking forward - 2019/2020 perspectives

- ➔ The Government of Malawi has indicated its intention to roll out the Comprehensive Refugee Response Framework (CRRF). The CRRF calls for greater support to refugees and the countries that host them. As part of this, Malawi has pledged to grant work permits to 200 refugees with rare skills including doctors, nurses, and specialized teachers.
- ➔ UNHCR Malawi will launch the [Graduation Approach](#) in 2019. The Graduation Approach is a sequenced, multi-sector intervention that supports the poorest and most vulnerable households to achieve sustained income and move out of extreme poverty within a specified period. Under this intervention, cash transfers will be launched for the first time in Dzaleka Refugee Camp, together with NFB.
- ➔ In 2019/2020 UNHCR Malawi intends to transition its distribution of in-kind Core Relief Items to cash. This has the potential to expand UNHCR’s partnership with NFB, bring greater dignity of choice to persons of concern and stimulate local markets.

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