



Global Shield
against Climate Risks

Gender in Climate and Disaster Risk Finance and Insurance in Malawi

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Preface

This assessment was conducted by Oxford Policy Management Europe GmbH on behalf of the Centre of Excellence on Gender-smart Solutions. The project manager is Alessandro Maggioni. The authors of this assessment are Benedict Wambua and Amna Shafqat.

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The **Centre of Excellence on Gender-smart Solutions (CoE)** is an initiative under the Global Shield against Climate Risks and serves as a hub for advancing gender-responsive approaches within Climate and Disaster Risk Finance and Insurance (CDRFI). Its primary role is to centralise expertise, best practices, and resources to ensure that gender equity is integrated into CDRFI solutions, fostering inclusive resilience against climate risks. To support the Global Shield In-Country Process (ICP) in Malawi, the CoE has commissioned Oxford Policy Management (OPM) to conduct a gender and social inclusion analysis. This analysis aims to identify gender-specific vulnerabilities and opportunities within the national context, providing critical evidence to inform Malawi's CDRFI **stocktake** and **gap analysis** as well as the country's **Request for Support** to the Global Shield.

The findings can help pinpoint protection gaps and guide the development and implementation of inclusive, gender-responsive strategies as part of the Global Shield support package. For more information, visit [Home | Centre of Excellence](#) and [Malawi | The Global Shield against Climate Risks](#).

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List of abbreviations

ADRFi	Africa Disaster Risk Financing Programme
AF	Adaptation Fund
Cat-DDO	Catastrophe Deferred Drawdown Option
CDRFI	Climate and Disaster Risk Finance and Insurance
CISONECC	Civil Society Network on Climate Change
CoE	Centre of Excellence on Gender-smart Solutions
DoDMA	Department of Disaster Management Affairs
DRM	Disaster Risk Management
EbAM	Ecosystem-based Adaptation for Malawi
FAO	Food and Agriculture Organisation (of the United Nations)
FbF	Forecast-Based Financing
FISP	Farm Input Subsidy Program
GCF	Green Climate Fund
GDP	Gross Domestic Product
GEF	Global Environment Facility
GESI	Gender Equality and Social Inclusion
HIV/AIDS	Human Immunodeficiency Virus/Acquired Immunodeficiency Syndrome
ICP	In-Country Process
ICT	Information and Communications Technology
IFAD	International Fund for Agricultural Development
INFORM	Index for Risk Management
IUCN	International Union for Conservation of Nature
M-CLIMES	Malawi Scaling Up Early Warning Systems
MAP	Multi-Actor Partnership
MNSSP	Malawi National Social Support Programme
MoFEA	Ministry of Finance and Economic Affairs
M-MPI	Malawi Multidimensional Poverty Index
MSME	Micro, Small and Medium Enterprises
NASFAM	National Smallholder Farmers Association
NDC	Nationally Determined Contributions
NDRM	National Disaster Risk Management
NGO	Non-Governmental Organisation
NSFI	National Strategy for Financial Inclusion
NSO	National Statistical Office
OPM	Oxford Policy Management
RBM	Reserve Bank of Malawi
SCTP	Social Cash Transfer Programme
SMS	Short Message Service
SSRLP	Social Support for Resilient Livelihoods Project
UN	United Nations
UNDP	United Nations Development Programme
UNICEF	United Nations International Children's Emergency Fund
UN Women	United Nations Entity for Gender Equality and the Empowerment of Women
USAID	United States Agency for International Development
USD	United States Dollar
VSLA	Village Savings and Loan Association
WASH	Water, Sanitation and Hygiene
WFP	World Food Programme

Executive Summary

This assessment explores the gender dimensions of Climate and Disaster Risk Finance and Insurance (CDRFI) mechanisms in Malawi. It focuses on how climate-related risks disproportionately affect women and investigates gender-responsive solutions, particularly in the areas of risk transfer mechanisms.

The findings reveal that women and vulnerable groups in Malawi experience heightened vulnerability to climate risks due to multiple, interlinked factors. These include limited access to productive resources, constrained land ownership rights, and exclusion from key decision-making processes. Although agricultural insurance schemes exist, they are generally weak and do not adequately address gender-specific needs. Women's participation in formal insurance schemes remains significantly lower than men's, largely because of structural barriers and socio-economic inequalities.

Among the major climate risks identified, drought and irregular rainfall patterns continue to severely impact smallholder agriculture - Malawi's primary livelihood sector. Flooding and other extreme weather events are found to disproportionately affect female-headed households, who often lack the assets and social safety nets necessary to recover. Additionally, women farmers face limited adaptive capacity, compounded by restricted access to finance, extension services, and climate-smart agricultural inputs.

Several critical challenges hinder progress in closing the gender gap in CDRFI. Access barriers remain a key issue, with women often unable to reach or afford climate risk financing and insurance products. Current insurance offerings frequently lack gender-responsive design, failing to consider women's specific roles, responsibilities, and risk exposures. Institutional weaknesses further constrain implementation, as many organisations lack the capacity or mandate to integrate gender considerations effectively. At the policy level, gender is insufficiently mainstreamed into national strategies for climate risk financing.

To address these gaps, the study outlines key recommendations targeting both government and implementing institutions. For governments, it is essential to develop gender-responsive climate risk financing policies and create regulatory frameworks that promote inclusivity. Strengthening institutional capacity to design and implement gender-inclusive insurance products is also critical. Additionally, improving women's access to land rights and financial services will be a foundational step toward empowerment and resilience.

Implementing institutions are encouraged to design insurance products that directly reflect women's needs and constraints. This includes establishing gender-responsive claims processes, offering tailored service delivery mechanisms, and implementing targeted outreach and education Programmes for women farmers to increase their awareness and participation in insurance schemes.

A multi-level approach is recommended to ensure systemic impact. At the macro level, policy reform and regulatory improvements are needed. At the meso level, institutions should focus on capacity building and product innovation. At the micro level, direct support to women farmers and community-based initiatives can strengthen grassroots resilience.

If implemented effectively, these recommendations are expected to increase women's participation in climate risk financing mechanisms and enhance their resilience to climate shocks.

1 Introduction

1.1 Purpose of the Analysis: Importance of Integrating Gender in CDRFI

Malawi faces increasing climate shocks, including the 2015 floods and the severe 2016 drought linked to the strongest El Niño in 35 years (World Bank, 2017). Women make up 51.22% of the population (National Statistical Office (NSO), 2023) and perform 50–70% of agricultural tasks, producing about 80% of household food (Food and Agriculture Organization- FAO, 2020). Despite this, women face structural disadvantages:

- › Less access to land, credit, and agricultural inputs than men (World Bank, 2022).
- › Lower financial inclusion, with only 27% of women having bank accounts versus 37% of men (FinMark Trust, 2021).
- › Greater exposure to food insecurity and poverty due to reliance on subsistence farming and limited safety nets (UN Women, 2022).

Extreme events have intensified these vulnerabilities. The 2015 floods destroyed 109,625 hectares of crops, affecting 2.3 million farm families and damaging 288,371 houses and 1,569 schools (Department of Disaster Management Affairs DoDMA, 2023). These disruptions disproportionately affect women, who manage caregiving and resource provision, forcing them to travel longer distances for food and water, which also increases exposure to gender-based violence. According to United Nations International Children's Emergency Fund (UNICEF) (2020), 42% of women in Malawi have experienced physical violence from an intimate partner, and risks escalate during crises when shelters are overcrowded and access to services is disrupted.

Cyclone Idai in 2019 further affected 975,000 people and caused damages of US\$220 million (Government of Malawi, 2019). These recurring climate shocks reveal gaps in Malawi's preparedness and financing mechanisms.

This analysis examines the integration of gender within CDRFI policies, Programmes and instruments to increase financial protection for vulnerable people in Malawi. It identifies systemic barriers and provides actionable recommendations to ensure equitable access to financial resources that build resilience and mitigate the economic impacts of climate-related disasters.

1.2 Key Gender Issues in CDRFI

Gender inequalities in Malawi limit women's ability to access and benefit from existing CDRFI mechanisms. Women tend to face multiple, intersecting barriers, including limited land ownership (less than 20% of rural women), restricted access to formal financial services, compounded by limited financial literacy and exclusions from decision-making processes at household and community levels. Women facing structural inequalities remain disproportionately vulnerable to climate shocks despite their central role in agriculture, where they constitute the majority of full-time farmers and produce more than 80% of subsistence crops in Malawi (UN Women, 2024).

The Malawi CDRFI landscape reveals some critical gaps that are responsible for perpetuating gender disparities. The design of many existing insurance and risk financing tools largely overlooks gender-inclusive considerations and lacks insights into women's specific needs, constraints, or risk profiles. Although national policies acknowledge gender as a cross-cutting issue, they often lack operational frameworks, dedicated budgets, and measurable targets, all of which are important indicators of the government's intent to match its words with deeds. Furthermore, weak monitoring systems, fragmented data collection, and limited gender-disaggregated information result in a constrained ability to design evidence-based, gender-responsive CDRFI interventions. Addressing these systemic challenges requires integrated action across policy reform, product innovation, and institutional capacity building to ensure that CDRFI mechanisms are effectively protecting and empowering women.

1.3 Scope and Objectives

This analysis examines how gender is mainstreamed across key CDRFI-related policies and programmes in Malawi. An intersectional perspective is applied, with consideration given to other factors of social exclusion that intersect with gender, such as socio-economic status, geographic location, and employment status and sector. The analysis reviews national strategies, policies, and programmes to identify gaps and opportunities for enhancing gender-sensitive CDRFI. In particular, the analysis seeks to:

- › Showcase how climate change impacts men and women differently.
- › Evaluate the level of gender and social inclusion in present CDRFI frameworks.
- › Identify successful examples of gender mainstreaming in CDRFI.
- › Provide recommendations to improve gender-sensitive CDRFI systems.

The findings aim to inform CDRFI strategies in Malawi to more effectively meet the needs of vulnerable populations, particularly women and girls, while also promoting equity and resilience.

2 Methodological Approach

2.1 Research Methods

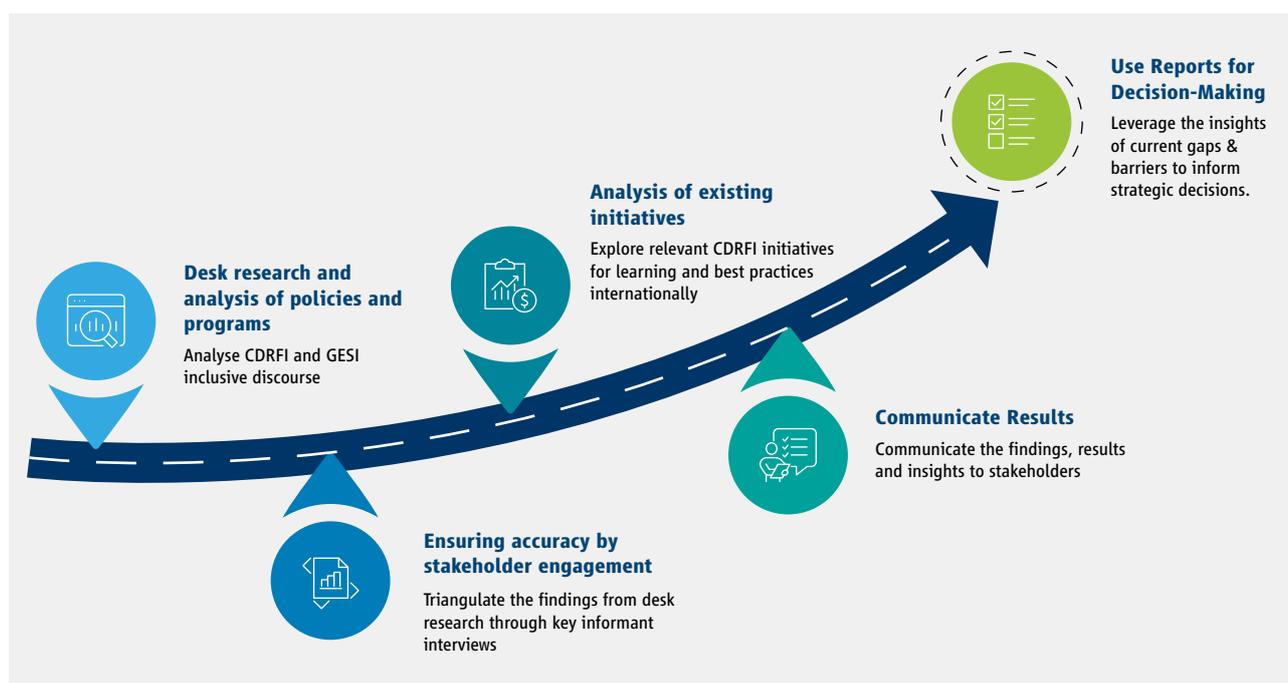
The analysis combines desk-based research with key informant interviews (see Annex) to assess the integration of gender considerations within CDRFI frameworks in Malawi. The desk review examined a wide range of national policies, strategies, and programmes related to CDRFI, financial inclusion, and disaster risk management. Key documents included:

- › Malawi National Climate Change Policy
- › National Strategy for Financial Inclusion
- › National Gender Policy
- › National Resilience Strategy
- › Relevant programme reports

In addition, the review assessed project documentation and lessons learned from ongoing CDRFI-related initiatives, including Multi-Actor Partnership (MAP)-II implemented by CARE Malawi, CISON ECC, and other partners.

Key informant interviews complemented the desk review, providing insights from stakeholders involved in policy development, programme implementation, and financial product design. Interviews were conducted with representatives from government ministries, financial institutions, implementing organisations, and community-based structures. These discussions helped validate findings from the literature and contextualise gaps in practice.

Figure 1. Gender Review of CDRFI in Malawi



Source: OPM

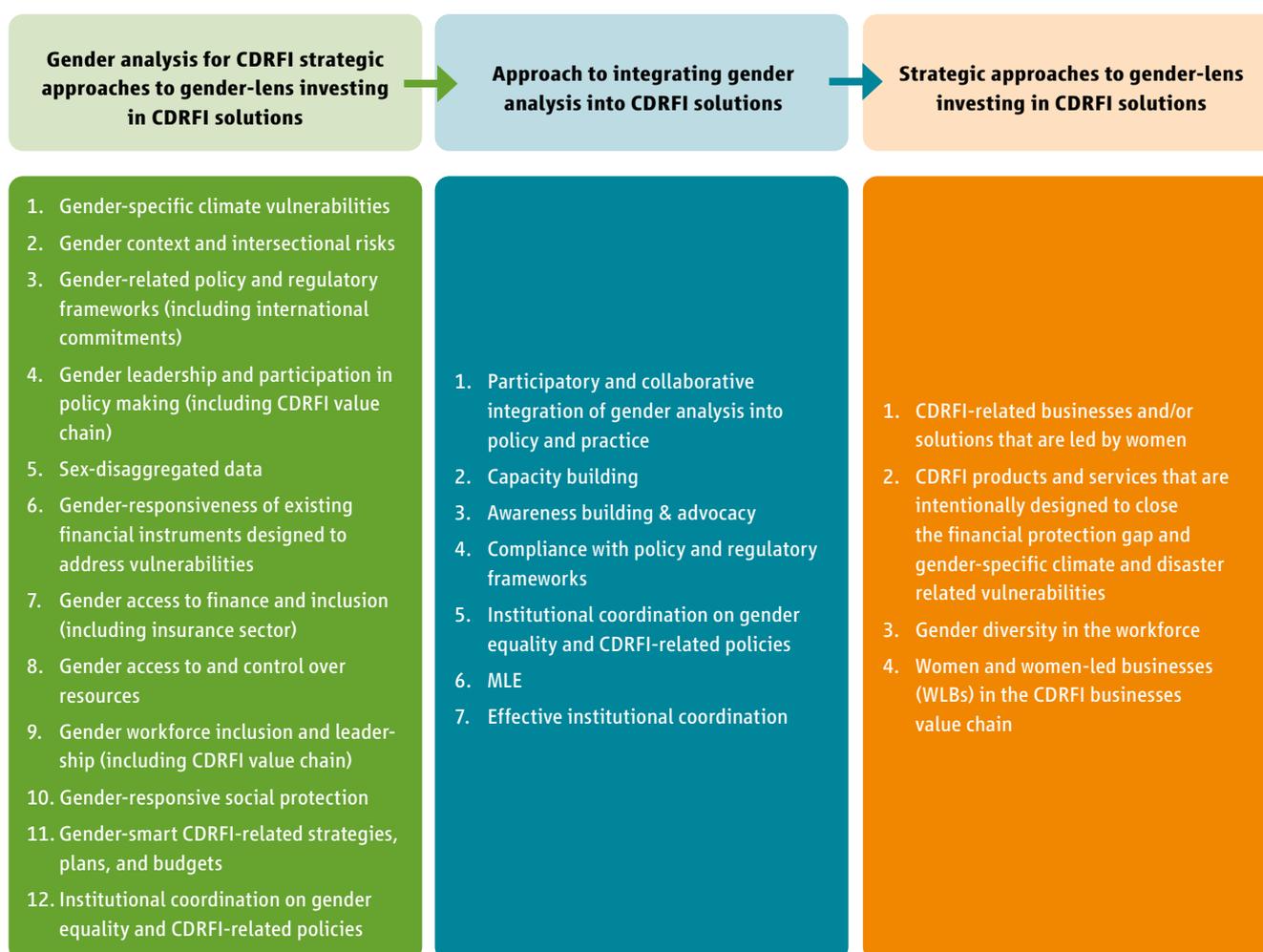
2.1.1 Intersectional Approach to CDRFI

The study adopted an intersectional approach* to ensure gender mainstreaming and other key factors of vulnerability, such as socio-economic status, geographic location, and employment sector, were considered in a review of existing and/or potential CDRFI interventions. This approach accounts for the heterogeneity that characterises vulnerable populations in Malawi, including women, farmers, and youth.

This review applies a three-pillar approach to the gender analysis, which can be seen in Figure 2 below. In Pillar 1, the gender analysis is thoroughly structured with 12 key components that ex-

amine various aspects like climate-specific vulnerabilities, policy frameworks, financial aspects, and institutional elements. Pillar 2 suggests how the findings from the analysis can translate into action through seven strategic approaches, while Pillar 3 illustrates how the recommendations culminate in four strategic outcomes. The framework demonstrates a link between analysis and implementation, whereby a gender analysis informs the integration approaches, which in turn shape the strategic recommendations for inclusive CDRFI. This report applies Pillar 1 through a systematic examination of gender-specific vulnerabilities and intersectional risks in the Malawi CDRFI context. It then applies Pillars 2 and 3 through strategic recommendations and implementation approaches.

Figure 2. Analytic Framework for Gender-Inclusive CDRFI



Source: OPM

* Intersectionality refers to the consideration of how overlapping social characteristics, such as gender, age, socio-economic status, geographic location, and livelihood, interact to shape differentiated exposure to climate risks, access to CDRFI mechanisms, and resilience outcomes. In CDRFI contexts, this helps reveal compounded vulnerabilities that affect who benefits from, or is excluded from, financial protection instruments.

2.2 Limitations and Structure of the Study

This study faced some constraints that affected the depth and scope of the analysis. First, gender-disaggregated data on climate risk exposure, financial inclusion, and vulnerability remain limited in Malawi. While existing datasets provide partial insights, significant gaps persist, particularly regarding marginalised groups such as persons with disabilities, female-headed households, and other underserved populations.

Second, the analysis relied primarily on desk-based research, which limited opportunities for extensive community-level engagement. Although stakeholder interviews helped address some of these gaps, the absence of primary data collection among affected populations constrained the ability to comprehensively capture lived experiences and context-specific dynamics.

Moreover, given the focus on the integration of gender considerations in CDRFI policies and programmes in Malawi, with a particular emphasis on women and girls, this analysis only partially addresses the specific vulnerabilities of other social groups that are disproportionately affected by climate-related shocks.

These limitations highlight the need for strengthened data collection efforts, more robust and integrated information systems, and more inclusive monitoring mechanisms to support evidence-based and equitable decision-making in the design and implementation of CDRFI interventions.

Following this methodology section, this report is organised into seven sections. Section 3 presents Malawi's country context and climate vulnerability profile, followed by Section 4, which reviews national policies, programmes, and international frameworks related to CDRFI and gender. Section 5 examines differential vulnerabilities to climate and disaster risks across gender and social groups, and Section 6 analyses gender and social inclusion within financial services and insurance markets. Finally, Section 7 provides recommendations at the policy, institutional, and instrument levels with a view to strengthening gender integration in the CDRFI mechanism in Malawi.

3 Country Context and Profile

3.1 Geographic Location and Vulnerability to Climate Hazards

Malawi is located in southern Africa and covers a total area of approximately 118,484 square kilometres, of which about 20% consists of water, mainly Lake Malawi. The land area is estimated at 94,080 square kilometres. The country experiences a tropical climate characterised by variable temperatures, relative humidity, and generally fertile soils.

As of 2025, Malawi's population is estimated at 22.2 million, ranking it approximately 62nd globally in terms of population size (World Population Review, 2025). The population is growing rapidly, with an annual growth rate of 3%, and is projected to reach 45 million by 2050, nearly triple the 2010 population.

Malawi's economy is highly dependent on agriculture, which accounts for about one-third of the country's Gross Domestic Product (GDP). Real GDP grew by 5.7% in 2014 but slowed to 2.5% in 2016 following two consecutive years of drought. These droughts, combined with flooding in the southern districts, significantly reduced agricultural performance and food security. Maize, Malawi's key food security crop, experienced a 30.2% year-on-year decline in production during this period. As a result, the Malawi Vulnerability Assessment Committee estimated that 6.5 million people required food assistance. Poverty and inequality remain high, particularly in rural areas where 85% of the population resides. While urban poverty fell from 25% to 17%, rural poverty has continued to rise. A major barrier to poverty reduction is low agricultural productivity, which traps the majority of the poor in low-yield subsistence farming (World Bank, 2017).

3.2 Key Climate Hazards and Risks

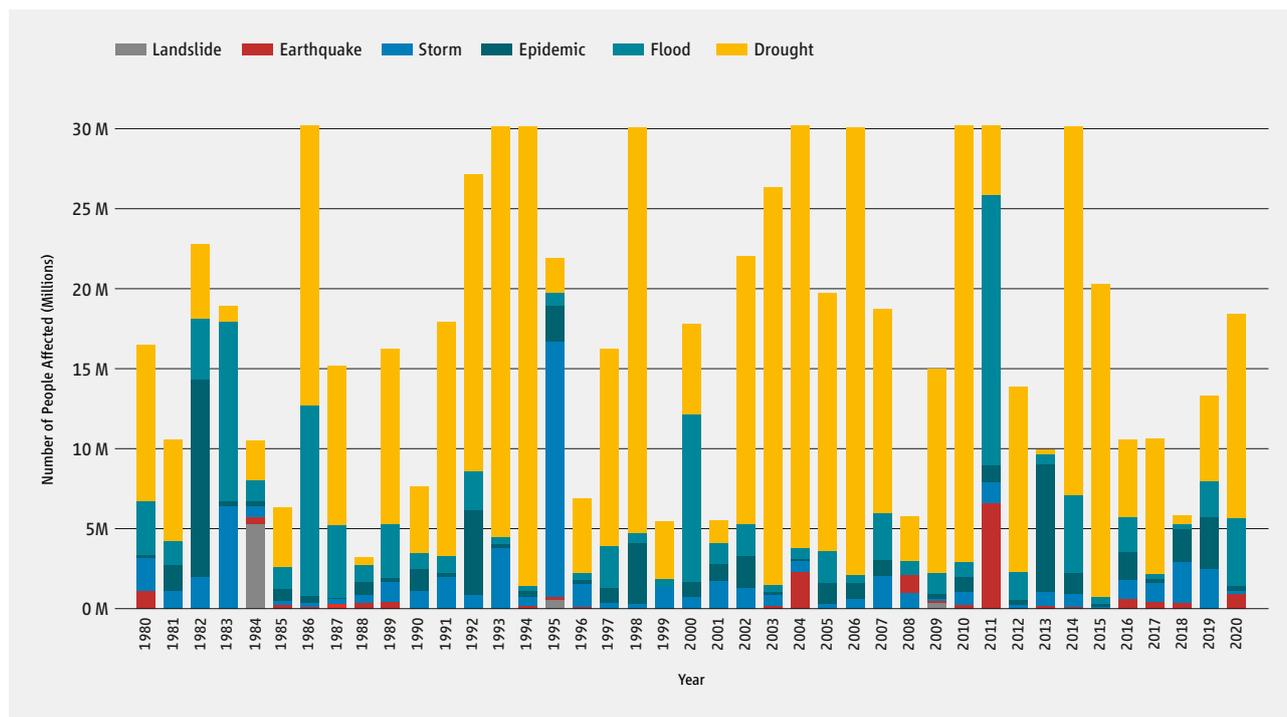
Malawi is highly prone to multiple climate-related hazards, including droughts, intense rainfall and floods, tropical cyclones, landslides, and earthquakes. Among these, droughts and floods are the most frequent and severe, consistently disrupting livelihoods, damaging infrastructure, and undermining agricultural productivity. Climate change is projected to increase both the frequency and intensity of these hazards in the coming decades (World Bank Group, 2022).

Malawi has already experienced significant climate variability over the last two decades, with increased incidences of dry spells and extreme rainfall events. These shifts have intensified the occurrence of floods, droughts, and pest and disease outbreaks, pro-

ducing severe social and economic consequences. With projected rises in temperature, erratic precipitation, and more frequent extreme events, Malawi’s stressed economic and social systems will face additional strain.

The Index for Risk Management (INFORM) 2024 ranks Malawi 59 out of 191 countries, with an overall risk classification of medium, driven by high vulnerability and low coping capacity (INFORM, 2024). Limited institutional preparedness and systemic response capacity contribute to this rating. Women remain underrepresented in leadership and decision-making roles, which constrains the integration of their needs into disaster planning and recovery. According to INFORM, the main drivers of hazard risk in Malawi are drought, earthquakes, and river flooding, though localised rainfall-driven floods are also highly destructive.

Figure 3. Climate-Driven Hazards in Malawi 1990–2020



Source: World Bank, 2025

Landslides

Landslides are an emerging hazard, particularly in the southern and northern regions where steep terrain, deforestation, and intense rainfall converge. Cyclone Freddy (March 2023) triggered severe landslides, destroying Mtauchira village near Chambe Peak after 459 mm of rainfall in 24 hours (Lutala, P., & Makwero, M., 2023). Cyclone Ana (2022) also caused widespread soil erosion in Zomba district (LRT, 2022).

According to the International Disaster Database (EM-DAT), Malawi experienced multiple landslide events between 2000 and 2022, including one incident causing 8 deaths and affecting 109 people. In December 2024, the Ministry of Mining warned of increased landslide risks in hilly districts such as Blantyre, Mulanje, Phalombe, Chiradzulu, Zomba, and Mangochi due to projected prolonged heavy rainfall (Capital Radio Malawi, 2024).



3.3 Socio-Political and Economic Vulnerabilities Related to Climate Risks

Malawi faces significant vulnerabilities to climate change due to the interaction of socio-economic, environmental, and institutional factors. According to the World Bank's Malawi Poverty and Equity Briefs, about 70-72% of Malawians live on less than USD 2.15 a day. Agriculture dominates the economy, employing over 80% of Malawians, most of whom are smallholder farmers dependent on rain-fed farming systems. This reliance exposes livelihoods to climate shocks such as droughts, floods, and cyclones, which frequently damage crops, reduce yields, and drive food insecurity. In 2016, consecutive droughts left 6.5 million people food insecure, while nearly 25% of the population was undernourished between 2016 and 2017 (World Bank, 2017; World Food Programme (WFP), 2014). Such shocks erode household resilience, particularly among rural and low-income communities.

Institutional and environmental challenges compound Malawi's exposure to climate risks. Limited adaptive capacity, under-resourced disaster response systems, and fragmented policy implementation hinder effective risk management (Government of Malawi, 2016). Environmental degradation further worsens vulnerability, with deforestation reducing forest cover from 3.9 million hectares in 1990 to 3.2 million in 2010, driven by agricultural expansion, charcoal production, and unsustainable land use

(United States Agency for International Development (USAID), 2012). Severe soil erosion, estimated at 20 tonnes per hectare annually reduces crop yields by 4–25%, while competition over scarce water resources exacerbates exposure to droughts and floods (Coulibaly et al., 2015). Limited access to sustainable technologies, weak integration of climate adaptation measures, and gaps in financing further restrict Malawi's capacity to manage and recover from climate shocks.

Social and gender-related vulnerabilities intersect with these systemic challenges. Cultural norms and social inequalities restrict women's access to land, credit, education, and decision-making spaces, increasing their exposure to climate risks and limiting their adaptive capacity (FAO, 2020; UN Women, 2021). Women represent 65% of smallholder farmers but often lack secure land tenure, access to irrigation, and climate-smart agricultural inputs (ActionAid, 2015). These inequalities affect household food security and reduce resilience to disasters, particularly in rural communities where reliance on natural resources is high. Youth, persons with disabilities, and other marginalised groups face similar barriers, further entrenching multidimensional poverty and climate vulnerability. While these social dynamics are critical drivers of risk, a deeper exploration of their differential impacts is provided in Section 5, where gender, age, and other intersectional factors are analysed in detail.

4 National Policies, Strategies, and International Frameworks

4.1 Review of CDRFI- and Gender-Related National Policies, Strategies, and International Frameworks

Malawi has strengthened its institutional and legal frameworks for disaster risk management and collaborates with multilateral climate finance mechanisms such as the Green Climate Fund (GCF), Adaptation Fund (AF), and Global Environment Facility (GEF). Projects like M-CLIMES (Scaling Up Early Warning Systems) and the Social Support for Resilient Livelihoods Project (SSRLP) have supported community adaptation and targeted marginalised groups.

Despite these advances in strengthening Malawi's institutional frameworks and expanding access to climate finance mechanisms, significant challenges persist in implementing gender-responsive CDRFI approaches. Systemic gender inequalities remain insufficiently addressed, and most beneficiaries are unfamiliar with insurance products and risk transfer mechanisms. Uptake is constrained by requirements such as formal identification, bank accounts, and distance to financial institutions. Many CDRFI-aligned actions are donor-driven and operate outside Malawi's formal budgetary system, which weakens scalability and sustainability. The Ministry of Finance and Economic Affairs (MoFEA) lacks the legal authority to coordinate these financial flows, leaving funds off-budget and often unavailable at local authority level (World Bank, 2022; Government of Malawi, 2023).

4.1.1 Disaster Risk Management Frameworks

The National Disaster Risk Management (**NDRM Policy 2015**) mainstreams Disaster Risk Management (DRM) into development planning but does not reference CDRFI instruments such as sovereign risk insurance or contingency funds. It highlights the absence of dedicated budget lines, with climate finance accounting for only 0.5% of the national budget (Malawi Government, 2020). This underfunding undermines DRM interventions overall. Critically, the policy lacks a gender-responsive financing mechanism, quotas for women's leadership in DRM structures, or provisions to address the specific barriers faced by women and marginalised groups, such as low land ownership (less than 20% of rural women) and limited access to financial services, leaving these populations without targeted support (UN Women, 2024).

The **Disaster Preparedness and Relief Act (1991)**, in force until replaced by the **Disaster Risk Management Bill (2023)**, was gender-blind. It did not require gender integration in preparedness, risk assessment, or recovery efforts. This misalignment with frameworks such as the Sendai Framework (2015–2030), Hyogo Framework for Action (2005–2015), and the Beijing Platform for Action (1995) limited women's participation and representation in DRM.

4.1.2 Financial Inclusion Frameworks

National Strategy for Financial Inclusion III (NSFI III, 2024–2028): The **NSFI III** sets ambitious targets: 90% financial inclusion and 5% exclusion by 2028 (Malawi Government, 2020). It emphasises gender-specific strategies and encourages financial institutions to design products such as climate risk microinsurance and gender-sensitive credit schemes. However, significant gaps remain. As of 2023, only 69% of women had access to financial services compared to 82% of men (World Bank, 2023). Insurance penetration is below 2%, with women especially excluded. Table 3 highlights these disparities across products and instruments, showing persistent barriers such as collateral requirements, fees, distance to services, and low financial literacy (FAO, 2020).

Table 1. Gendered Access to Selected Products

Product/Instrument	Women's Access & Highlights	Barriers/Notes
Bank Accounts	27 % (vs 37 % for men)	Distance, ID, fees, perception, literacy
Mobile Money	40 % adoption among Micro, Small and Medium Enterprises (MSME)s, men higher uptake	Phone ownership, digital skills
VSLAs/Microfinance	High women's participation	Requires group membership, capital
Insurance (incl. microinsurance)	< 2 % insurance penetration, very low for women	Product availability, awareness, and cost
Credit Schemes	Low formal uptake, small microcredit growing	Asset/collateral, documentation
Pafupi Savings/Agency Banking	Significant inclusion gains for rural women	Ongoing need for outreach, education

Source: FAO, 2020

The strategy lacks a framework for integrating CDRFI tools, fails to collect gender-disaggregated data, and provides no mechanisms for consulting women and marginalised groups on financial needs. These gaps limit its ability to strengthen women's resilience to climate risks (Reserve Bank of Malawi, 2023).

4.1.3 Gender and Social Development Frameworks

National Gender Policy (2012)

The **National Gender Policy** promotes gender mainstreaming across sectors but does not explicitly address DRM or CDRFI. While acknowledging women's vulnerability, it fails to establish financing mechanisms or funds to support women during disasters and makes no provisions for insurance or risk transfer solutions. This leaves women and marginalised groups without timely access to climate-resilient financial tools, undermining their ability to recover from shocks (World Bank, 2020; UN Women, 2020).

4.1.4 Climate Change Frameworks

National Climate Change Policy (2012)

This policy emphasises adaptation, mitigation, and capacity building, but does not integrate Gender Equality and Social Inclusion (GESI) into the broader climate consideration. As a result, groups disproportionately affected by climate change are not adequately targeted (FAO, 2020).

4.1.5 Resilience and Long-term Development Frameworks

National Resilience Strategy (2018–2030)

The **National Resilience Strategy** categorises households by resilience status but overlooks marginalised groups and their specific financial needs (Government of Malawi, 2018). Women in rural areas remain excluded from financial services (69% vs. 82% of men, World Bank, 2023), limiting their ability to access microinsurance or weather-indexed solutions. Without assessing and incorporating gender-responsive financial instruments, the strategy risks reinforcing inequalities.

Vision 2063

Vision 2063 is Malawi's overarching development blueprint and provides a clear mandate to integrate a gender-responsive and inclusive approach across all development planning. It explicitly recognises gender inequality as a constraint across sectors and commits to "gender transformative approaches that aim to reduce gender power imbalances which hinder the economic empowerment of women," as part of a broader strategy, thereby providing an opportunity to embed a **gender-responsive and inclusive approach** across development planning. Building on the National Gender Policy and laws such as the Gender Equity Act and Marriage, Divorce and Family Relations Act, as the Vision commits to addressing **gender inequalities** as part of Malawi's long-term transformation agenda. The Vision also focuses on climate-smart agriculture, environmental sustainability, and disaster-resilient livelihoods, thus providing a strong basis for ensuring that CDRFI frameworks are designed and implemented in ways that close the gender gap in resilience and access to finance, rather than reinforcing existing inequalities.

4.2 Programmes and Initiatives on CDRFI

Given Malawi's high exposure to climate-related disasters, several programmes and initiatives aim to enhance CDRFI and strengthen resilience among vulnerable groups. While many programmes demonstrate progress on financial protection and inclusion, comprehensive integration of gender-responsive product features is still missing in many instances. This chapter focuses on programmes and initiatives relevant for gender in CDRFI. For further CDRFI-relevant programmes and initiatives, please find more details in the Malawi stocktake and gap analysis.**

Malawi National Social Support Programme (MNSSP)

The MNSSP is a five-year social protection initiative providing non-conditional safety nets to ultra-poor households, with a strong emphasis on gender-sensitive interventions. In 2021, it reached 1.1 million households, 60% of which were women-headed (MNSSP, 2021). By linking beneficiaries to health, education, and financial literacy services through community-based targeting, the programme has strengthened women's decision-making power and economic participation.

However, while MNSSP provides critical social protection, it currently mostly operates independently from the CDRFI mechanism. One way to enhance the timely support to vulnerable women during climate events could be through linking the programmes' beneficiary registry and delivery system with climate risk financing instruments, such as shock-responsive social protection or forecast-based financing. Additionally, the poorest and most isolated women face barriers to participation due to requirements for identification, community engagement, and upfront contributions. To improve gender-responsiveness, the programme could simplify enrolment processes, reduce hefty documentation requirements, and ensure that benefit delivery channels are accessible to women with limited mobility or financial access.

Social Cash Transfer Programme (SCTP – Mtukula)

The SCTP, Malawi's flagship unconditional cash transfer program, was launched in 2006 and scaled under MNSSP II to reach 300,000 households by 2021, with 55% women beneficiaries (Government of Malawi, 2021). The programme has improved food security and access to basic services, particularly for women-headed households.

However, its contribution to climate-related financial resilience remains limited. While SCTP provides essential income support, the programme's shock-responsiveness could be strengthened. Currently, there is limited capacity to scale up cash transfers, either vertically (increasing benefit amounts) or horizontally (expanding coverage) when climate shocks occur. Furthermore, when scale-up happens, it remains short of factoring in gender dimensions, such as prioritising women-headed households or adjusting benefit amounts to account for women's differentiated needs during climate events. Strengthening these shock-responsive mechanisms with an explicit gender lens can enhance the programme's potential to build long-term resilience for vulnerable women.

Multi-Actor Partnership on CDRFI (CARE Malawi)

The Multi-Actor Partnership, implemented by CARE Malawi and local Non-Governmental Organisation (NGOs), builds community-level capacity in financial literacy, disaster preparedness, and access to microinsurance. By 2020, it had reached 20,000 households, 60% of which were women (CARE Malawi, 2020). This initiative has improved knowledge of climate risks and introduced women to parametric insurance products designed for smallholder farmers.

Nonetheless, the programme lacks comprehensive gender-disaggregated data, making it difficult to measure women's uptake of insurance and risk financing tools.

Village Savings and Loan Associations (VSLAs)

Malawi has over 60,000 VSLAs with 1.2 million members, 75% of whom are women (UN Women, 2020). VSLAs provide informal microfinance options that allow members to save, access small loans, and smooth consumption during shocks. For many women, participation in VSLAs enhances their economic decision-making power and access to household financial resources, contributing significantly to financial inclusion.

However, VSLAs are rarely linked to formal CDRFI instruments such as weather-indexed insurance or parametric products. Without these tools, their ability to protect members, especially women farmers, from climate-induced losses remains limited.

** Global Shield Secretariat. 2025. Malawi: Gap Analysis Report on Climate and Disaster Risk Finance and Insurance: Contribution to the In-Country Process of the Global Shield against Climate Risks in Malawi. Lilongwe: Global Shield against Climate Risks. https://www.globalshield.org/wp-content/uploads/2025/09/Global-Shield-Malawi_Gap-analysis.pdf

Ecosystem-Based Adaptation for Resilient Watersheds and Communities (EbAM)

The EbAM programme promotes sustainable land management and ecosystem-based adaptation, explicitly identifying gender integration as a priority. A dedicated gender assessment informed project design, helping address barriers faced by women in adopting adaptation practices.

However, data on actual women beneficiaries remains scarce, making it difficult to evaluate the program's effectiveness in empowering women financially and supporting their access to CDRFI tools.

Transformational Adaptation for Climate Resilience in Lake Chilwa Basin

This initiative supports ecosystem-based adaptation, community enterprises, and VSLAs, with a strong focus on women's participation. While it strengthens local livelihoods and promotes savings, it does not integrate risk transfer as parametric microinsurance products. Furthermore, the absence of gender-disaggregated data and limited coordination with national CDRFI frameworks restricts its scalability and impact on women's financial resilience.

Africa Risk Disaster Financing Programme

This programme enhances Malawi's capacity to assess climate-related risks and develop risk transfer solutions such as sovereign insurance. It contributes to improved national-level planning and financing mechanisms but lacks a gender-responsive approach. There is no collection of sex-disaggregated data or consideration of women's unique vulnerabilities in risk models. Aligning the programme with social protection schemes like SCTP and VSLAs could strengthen outreach to women-headed households and improve inclusivity.

Malawi Catastrophe Deferred Drawdown Option (Cat-DDO)

Launched with the World Bank, the Cat-DDO provides Malawi with immediate liquidity following declared disasters, supporting agricultural inputs, livestock support, and social protection schemes. While it improves national response capacity, it lacks gender-sensitive targeting criteria. Without dedicated safeguards, funds risk bypassing the most vulnerable women and girls during crisis recovery. Linking Cat-DDO disbursements to programmes like SCTP and VSLAs, which already reach large numbers of women, would improve equitable access to emergency financing.

Forecast-Based Financing (FbF) Pilot

Implemented by the Malawi Red Cross with support from WFP and the German Red Cross, the FbF pilot provides early funding and relief supplies based on climate forecasts, reducing disaster impacts before they occur. Community training and evacuation planning have been central to its success.

However, women's participation in trigger design, planning, and monitoring remains limited. Greater gender mainstreaming is needed to ensure women benefit fully from anticipatory financing tools.

While these initiatives demonstrate significant progress in improving social protection, financial inclusion, and community resilience, Malawi's CDRFI ecosystem remains fragmented and uneven. Women's participation is relatively high in programmes like MNSSP, SCTP, and VSLAs, yet few initiatives provide gender-responsive risk transfer tools.

Below are examples of how GESI-sensitive CDRFI initiatives in Malawi are gaining momentum.

Africa Disaster Risk Financing Programme (ADRFi)

Launched with grants totalling \$9.25 million from the African Development Bank, ADRFi aims to bolster Malawi's resilience against climate-related shocks. The programme supports the development of climate risk management solutions and sovereign risk transfer mechanisms, benefiting smallholder farming households, including women and children, who are particularly vulnerable to droughts and other climate hazards.

Malawi Multi-Actor Partnership (MAP) on CDRFI

Established under the InsuResilience Global Partnership, MAP is a collaborative platform involving the government, civil society, and the private sector. The partnership focuses on implementing a poverty-focused, gender-responsive, and human rights-based approach to CDRFI. It emphasises the importance of integrating gender considerations into CDRFI programmes to ensure equitable outcomes

Civil Society Network on Climate Change (CISONECC) Initiatives

CISONECC, with support from CARE Malawi and the government of Germany, organised an orientation meeting on gender-responsive CDRFI for civil society organisations. The session aimed to raise awareness and equip participants with tools to effectively incorporate gender into these initiatives, ensuring inclusive and effective strategies to combat climate and disaster risks in Malawi.

Transformational Adaptation for Climate Resilience in the Lake Chilwa Basin

This ecosystem-based adaptation initiative promotes gender-inclusive access to climate-resilient livelihood opportunities, including financing for women-led enterprises. It incorporates training and access to small-scale climate-smart technologies for female farmers and fishers.

In most programmes, gender considerations are partially integrated, focusing primarily on participation rather than tailored financial products that meet women's needs. The absence of gender-disaggregated data further limits the ability to track women's access to CDRFI instruments and measure programme outcomes effectively. Expanding gender-sensitive CDRFI instruments across existing programmes and linking them more strongly to national financing frameworks could enhance Malawi's climate resilience and improve protection for women, female-headed households, and other marginalised groups.

5 Differential Vulnerabilities to Climate and Disaster Risks

The majority of Malawi's population depends on climate-sensitive livelihoods such as agriculture, livestock, and fishing, making them highly vulnerable to climate shocks. Although several policies and programmes aim to support at-risk populations, deep socio-economic inequalities, gender gaps, and unequal access to financial protection continue to drive disproportionate vulnerabilities.

5.1 Gender-Differential Impacts of Climate and Disaster Risk

In Malawi, women and marginalised groups face heightened exposure to climate shocks due to their heavy reliance on climate-sensitive sectors, limited control over resources, and social barriers that restrict decision-making power (Denton, 2002; United Nations Development Programme (UNDP), 2010). Poverty compounds these risks: as of 2023, 71.7% of the population lives on less than \$1.90 a day, and 58% are multidimensionally poor, facing overlapping deprivations in education, health, living standards, and employment (Malawi Multidimensional Poverty Index (M-MPI), 2020).

Women, who make up 65% of smallholder farmers, are particularly affected by climate variability and food insecurity. Agriculture in Malawi is predominantly rainfed, and recurrent droughts and floods disrupt production, threatening household nutrition and incomes. Limited access to land rights, climate-smart technologies, and financial services further constrains women's adaptive capacity (ActionAid, 2015). As a result, female-headed households tend to be overrepresented among Malawi's poor, accounting for 71.4% of individuals, with fewer opportunities to diversify livelihoods or recover after disasters (Malawi Multidimensional Poverty Index Report, UNDP, 2022).

Social and cultural dynamics exacerbate these vulnerabilities. Harmful gender norms and power imbalances can restrict women's participation in climate-related decision-making at household and community levels, thus perpetuating their exclusion from resource allocation and leadership roles (UNDP, 2010). For example, women are less likely to engage in cash crop production and remain more dependent on natural resources, leaving them highly exposed to environmental degradation and climate variability. A UNICEF (2020) report further highlights the compound-

ing effects of climate stress, noting that increased droughts and floods have pushed women into negative coping strategies, including unsafe sexual practices, early marriage, and transactional relationships, increasing their vulnerability to Human Immunodeficiency Virus/Acquired Immunodeficiency Syndrome (HIV/AIDS).

Access to CDRFI instruments remains extremely limited among women. Low land ownership (less than 20%), minimal access to formal financial products, and structural barriers such as identification requirements and literacy gaps restrict their ability to benefit from insurance products, climate-contingent transfers, and other financial risk management tools. Without targeted strategies to expand access to gender-responsive CDRFI mechanisms, women remain less able to anticipate, absorb, and recover from climate shocks.

5.2 Differential Vulnerabilities of Affected Groups

Vulnerability to climate and disaster risks in Malawi is shaped by intersecting identities such as gender, age, disability, geography, and socio-economic status. These overlapping factors create compounded vulnerabilities, particularly among groups already marginalised.

In rural Malawi, where smallholder farming dominates, climate shocks directly affect livelihoods. Women account for about 70% of full-time farmers and produce over 80% of subsistence crops (UN Women, 2024). Despite recent government investment of USD 57 million in irrigation infrastructure (Green Africa Magazine, 2025; SubSahara Farming, 2025), irrigation coverage remains limited, leaving rural households dependent on rainfed agriculture and exposed to recurrent droughts and floods (The Nation, 2025). This dependence, combined with limited access to extension services, credit, and climate-resilient technologies, exacerbates women's inability to manage climate-related risks (World Bank, 2023; International Fund for Agricultural Development (IFAD), 2022).

The lakeshore and riverside communities around Lake Malawi, Lake Chilwa, and the Shire River represent another vulnerability hotspot. Over 1.6 million people rely on Lake Malawi for fishing, farming, and domestic water, with 90 % of the country's fish catch sourced from the lake (Living Lakes, 2025; Mongabay, 2025). Although the fishing sector is predominantly male-dominated, with men typically engaged in fish capture, the M-CLIMES project (GCF M-CLIMES Annual Performance Report CY 2023) reports that women are more involved in post-harvest activities such as fish processing and trading. While men face direct livelihood impacts from reduced catches, women involved in fish value chains experience knock-on effects through reduced supply for processing and trade. Additionally, women and girls in these areas shoulder disproportionate burdens, responsible for water collection, subsistence farming, and caregiving. Declining water levels, saline intrusion, and depleted fish stocks have deepened household insecurity, particularly for female-headed households.

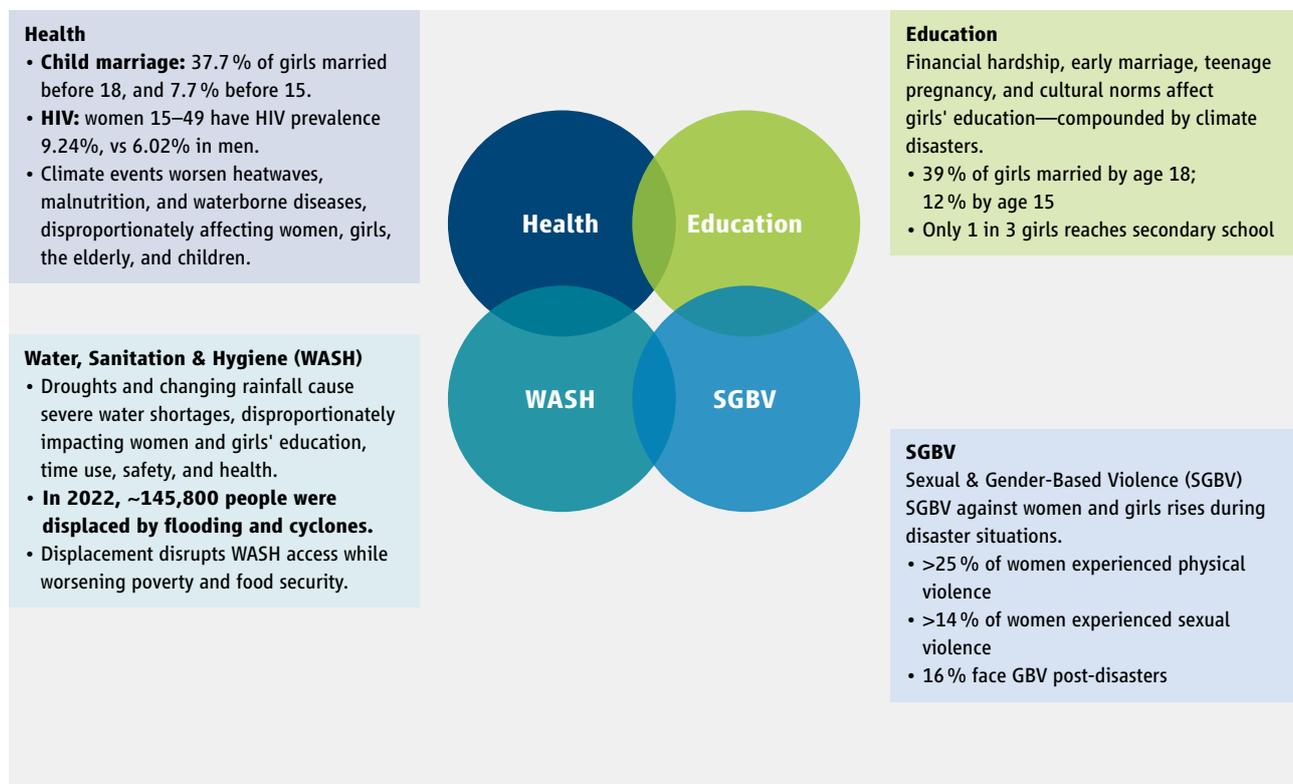
Malawi's patriarchal social structures and entrenched inequalities further amplify risk for specific groups:

- › Female-headed households tend to have smaller sizes, lower educational attainment, and lower incomes (UN Women, 2024).
- › Women in male-headed households often lack decision-making power and control over productive assets.
- › People with disabilities, the elderly, and minority groups face restricted mobility, exclusion from information channels, and limited access to adaptation resources.
- › Youth populations, making up over 67 % of the population (Government of Malawi, 2017), face constrained livelihood opportunities, with young women disproportionately affected by early marriage, unpaid care work, and limited education.

Despite growing climate risks, CDRFI programmes have yet to adequately target these highly exposed groups. Most initiatives remain focused on consumption support rather than risk financing tools such as microinsurance, emergency cash transfers, and climate contingency funds. Moreover, early warning systems and disaster preparedness frameworks often overlook women's access needs and local knowledge.

Building inclusive, gender-responsive CDRFI models featuring targeted and accessible risk financing and insurance products, and integration of women's traditional knowledge will be essential to reduce vulnerabilities and strengthen equitable resilience across Malawi's climate-sensitive regions.

Figure 4. Gender-Differentiated Impacts of Climate Disasters and Compounded Vulnerabilities in Malawi



Source: OPM, based on UN Women, UNICEF, World Bank, and OCHA data.

6 Gender and Social Inclusion (GESI) in Financial Services and Insurance Markets

Women and marginalised groups in Malawi face significant barriers to accessing financial services and insurance products, which could help them adequately manage climate risks. However, even though women make up the majority of smallholder farmers, they end up having substantially lower rates of financial inclusion, limited insurance coverage, and restricted access to digital financial tools. This section examines these gender gaps across the three areas, i.e., access barriers to financial services, a marked digital inclusion divide, and the design of insurance products.

6.1 Access and Barriers to Financial Services

Access to financial services remains deeply unequal in Malawi. According to the National Strategy for Financial Inclusion III (2024–2028), 82% of adult men have access to formal financial services compared to 69% of women (Reserve Bank of Malawi, 2024). The disparity is more pronounced in rural areas, where only 14% of women access formal services.

Several structural and social barriers restrict women's participation in insurance markets specifically:

- › **Limited insurance access:** Many agricultural insurance products, particularly index-based and crop insurance, require land ownership or cooperative membership, excluding women who often lack secure land rights due to patrilineal inheritance systems and cultural restrictions.
- › **Low financial literacy:** Limited understanding of financial products, combined with language and literacy challenges, reduces uptake of savings schemes, microloans, and insurance products.
- › **Documentation and mobility constraints:** Requirements for formal identification and travel to financial institutions disproportionately affect rural women, persons with disabilities, and elderly populations.
- › **Inadequate gender-responsive products:** Few financial institutions design products tailored to women's needs, such as flexible savings plans, microinsurance, or emergency cash transfers triggered by climate shocks.

These barriers leave women less able to anticipate, absorb, and recover from climate shocks, perpetuating inequality and increasing dependency on informal coping strategies.

6.2 Financial and Digital Inclusion

Malawi's progress toward digital financial inclusion remains slow, limiting the effectiveness and scalability of insurance solutions. With a Digital Economy Score of 43%, the country is still in the early stages of leveraging technology for financial protection (World Bank, 2023). Only 43% of adults hold accounts with a formal financial institution, and a 10% gender gap persists: 48% of men compared to 38% of women.

This digital divide constrains access to tools critical for financial inclusion and insurance coverage, including:

- › Mobile-based microinsurance and parametric insurance products.
- › Digital payment systems for timely payouts following climate shocks.
- › Climate risk modelling and early warning platforms.

While 53% of women reported saving money in the past year, only 40% used digital payments, reflecting limited trust, infrastructure, and digital literacy. Barriers are particularly severe in rural areas, where women face restricted access to smartphones, limited internet coverage, and high data costs.

Integrating digital innovation into CDRFI mechanisms offers significant potential to improve efficiency, transparency, and inclusivity, particularly in delivering fast and secure payouts during climate-related disasters.

6.3 Insurance Product Design

Malawi's insurance market for climate risk is nascent and dominated by one-size-fits-all models that fail to reflect the needs of smallholder farmers, women, and marginalised communities. Low awareness of insurance benefits, combined with limited product diversity, has constrained uptake and effectiveness.

Emerging evidence highlights the need for integrated approaches that bundle insurance with complementary services:

- › **Agronomic tools:** Pairing climate insurance with stress-tolerant crop varieties or climate-smart farming practices could improve insurance adoption and enhance resilience (Lybbert & Carter, 2015; Ward et al., 2020).
- › **Financial linkages:** Bundling microinsurance with savings products, credit schemes, or market access support creates a more robust safety net for smallholder farmers.
- › **Targeted communication:** Households require clear, reliable information about coverage, triggers, and payouts to build trust in insurance mechanisms.

Furthermore, limited research exists on how current microinsurance products affect value chain actors such as agro-input dealers, processors, and small enterprises who are also vulnerable to climate shocks. Developing inclusive, gender-sensitive products that support both producers and value chain participants could enhance system-wide resilience.

Digital financial services present an opportunity to expand CDRFI, but Malawi's low digital penetration (43 % Digital Economy Score) and persistent gender gaps limit scalability. At the same time, Malawi's insurance market remains nascent, with most products designed as one-size-fits-all and lacking integration with complementary services such as savings, credit, and climate-smart technologies. Without targeted policy reforms, digital infrastructure investment, and product innovation, Malawi risks leaving women, female-headed households, and other marginalised groups without the financial tools needed to withstand and recover from climate shocks.

7 Recommendations

7.1 Policy Recommendations

Building on the preceding analysis, this section presents actionable recommendations to strengthen gender-responsive climate disaster and risk finance in Malawi. The recommendations are grouped around three themes: (1) enhancing the policy and institutional environment, (2) expanding inclusive financial products and delivery channels, and (3) improving data systems and monitoring frameworks. Each recommendation identifies responsible actors and also provides indicative timeframe, where possible.

For Governments

Integrate gender in national policies: Since countries are expected to mainstream Nationally Determined Contributions (NDC) commitments into their domestic policies, strategies and budgeting cycles. The NDC acts as an accountability framework, translating international climate commitments into sectoral investments, legal reforms, and measurable domestic action. The government has the opportunity to use the NDC review process (deadline of September 2025) to advocate for binding financial commitments within the CDRFI framework and allocate resources explicitly for gender-inclusive disaster and climate resilience projects and activities. **Further, they can establish measurable targets and indicators related to gender outcomes within the NDC** to facilitate tracking progress. Including goals like higher subsidy rates (e.g. 75% instead of the current 50%) for women, youth, and other marginalised groups and implementing a **quota** system to ensure a minimum percentage of subsidised premiums in the NDCs sets specific targets for women's and vulnerable groups' participation in CDRFI schemes.

For the Private Sector

Sustained, **multi-channel awareness campaigns** are essential to bridge the knowledge and trust gaps that inhibit the uptake of insurance and other financial services among women and marginalised groups. **Building on successful national platforms like Financial Literacy Week**, an effort spearheaded by the Reserve Bank of Malawi (RBM) to create localised, gender-sensitive educational materials provides a critical opportunity to address the unique barriers faced by women in rural areas, such as limited mobility and competing household responsibilities. Linking these efforts to community-based financial education programmes has the potential to create an impact. Training and empowering respected female community leaders, extension agents, and women group organisers to deliver financial literacy and insurance education can create impactful community outreach and play a powerful role in shifting social norms. Community outreach, particularly when led by female champions, can play a powerful role in shifting social norms and building confidence among first-time users.

To overcome deep-rooted barriers affecting uptake among women and marginalised groups, such as affordability, cash flow volatility, and scepticism about the value of stand-alone insurance, stakeholders should prioritise the development of **bundled financial products** that combine insurance with other services like credit or inputs. This design lowers entry barriers, builds trust, and provides more immediate, visible value. Such approaches have shown proven benefits in pilot studies and align with emerging good practices in gender-responsive, offering scalable pathways for rural and urban women.

Most existing products are not designed to align with irregular cash flows, risk profiles, and the needs of those in informal trade, microenterprise, or services, creating a need for **flexible, small-value, and inclusive insurance products**. RBM, Insurance Association of Malawi, mobile money operators (e.g., Airtel Money, TNM Mpamba), and NGOs like WFP and World Vision have piloted some products like Village Savings and Loans Associations to increase gender financial inclusion. These pilots have also leveraged female agent networks and waived formal documentation requirements to drastically increase women's uptake of savings accounts. These approaches should be applied to insurance products, which can offer affordable premiums and simplified application processes, catering effectively to the needs of all genders and marginalised groups.

Insurance Certification Programmes for insurance professionals that focus on gender disparities and challenges in the agricultural sector raise standards for all providers, promote inclusion, and embed gender sensitivity and knowledge of marginalised groups' challenges into licensing requirements. As highlighted in the gap analysis, insurance among women, especially rural, poor, and informal sector women, is hampered by agent bias, lack of culturally attuned services, and limited agent understanding of specific needs and constraints women face. Insurance professionals are the front line for product design, outreach, claims processing, and customer experience. Certification programmes focusing on gender equity and social inclusion ensure that products are better designed, and service delivery is sensitive to women's needs.

For Implementing Institutions

Developing and rolling out online and **mobile-based platforms** with simplified explanations of risk financing tools ensures accessibility for women with limited formal education and literacy. Leadership in developing such tools by Malawi financial regulators (i.e. RBM), key government ministries, private telecoms, fintech partners, and insurance industry bodies would support and enhance existing digital finance inclusion programmes like Pafupi, Malawi Social Cash Transfer Programme (SCTP) and initiatives under the National Financial Inclusion Strategy. Such tools can help close the knowledge gaps for women and allow them to better understand and uptake risk financing products offered alongside cash benefits, expand the use of mobile money and digital platforms to reach women farmers, addressing barriers related to low literacy and restricted mobility. Closing the digital gap requires:

- › Expanding digital literacy Programmes targeted at women and marginalised groups.
- › Investing in Information and Communications Technology (ICT) infrastructure to support mobile-based CDRFI platforms.
- › Designing gender-responsive digital financial products, such as micro-payment options, group accounts, and bundled savings-insurance products.

Agriculture cooperatives, input suppliers and local retailers have established relationships and credibility among locals, who prefer dealing with familiar organisations rather than distant or unfamiliar financial institutions. Developing partnerships with these actors, can therefore, enhance CDRFI delivery. Given the high trust level already cultivated, **agricultural cooperatives, input suppliers, and local retailers** can serve as distribution points for financial products, including insurance policies, can create better reach and acceptance of innovative insurance products. Staff within cooperatives, retailers, and suppliers can help communicate the value of financial products in local languages, using culturally relevant examples. They are well-positioned to support inclusive, sustainable, and group-based solutions.

Gender audits ensure CDRFI programmes deliver on their promise for women and marginalised groups. Conducting regular **gender audits** of CDRFI programmes allows systems to become truly inclusive and effective at scale. Regular audits allow systems to identify gaps and drive corrective action, thereby improving transparency and enabling programmes to become truly inclusive and effective at scale.

In Malawi, savings groups, most commonly Village Savings and Loans Association (VSLAs), are prevalent, providing over 600,000 Malawians with access to savings, credit, and social support structures at the community level. With more than 75% of women being members, these grassroots organisations enable collective saving, which substantially improves household's ability to smooth consumption, invest in productive assets and recover from shocks. However, while savings groups offer crucial short-term liquidity, their self-managed funds can be rapidly depleted in face of large-scale or covariate shocks such as droughts and floods. **Combine CDRFI products with established savings groups or microfinance initiatives** addresses these gaps by leveraging existing trust networks, regular meeting cycles, and financial education frameworks provided by such groups. This integration also facilitates group premium payments, peer support in filing claims, and collective negotiations for better terms.

7.2 CDRFI Instrument Recommendations

Macro

At the macro level, strengthening Malawi's legal and institutional framework is essential for gender-responsive CDRFI. The **Disaster Preparedness and Relief Act (1991) should be revised**, ensuring that it incorporates modern financial risk transfer mechanisms like weather-index insurance, contingent credit, and sovereign risk financing. The suggested revisions should be done by embedding gender-responsive approaches within these tools to ensure that women's specific vulnerabilities and needs are considered.

Equally important is creating a **cohesive gender-inclusive framework that links CDRFI with social protection systems. Pre-agreed rules and standardised procedures for triggers, targeting, and payout can improve coordination, bringing predictability and reliability, and thereby closing gender and access gaps, by ensuring comprehensive support across all genders during climate induced disasters.**

Underpinning these efforts, dedicated funding for inclusive CDRFI initiatives, along with robust systems for collecting and disseminating of sex-disaggregated data, is critical for both equity and effectiveness in Malawi's resilience-building efforts. Accessible and up-to-date data allows policymakers, programme managers, and service providers to pinpoint gaps, monitor progress towards gender equity, and iteratively improve the reach and relevance of CDRFI products. Collecting sex-disaggregated data, therefore, is essential for identifying who is being served, who is left out, and why.

Meso

At the meso level, closing critical gaps in accessibility, trust, inclusion and efficiency of CDRFI product distribution requires strengthening of distribution channels and community-based risk-reduction mechanism. Developing partnerships with communities and high-quality distributors. Without strong partnership-based distribution channels, efforts are duplicated, and some segments remain underserved. Well-connected distribution channels are crucial for reaching a large number of smallholder farmers with CDRFI products.

Complementing these distribution efforts, the establishment of **risk pools at the community level** that include both men and women, offer a promising mechanism for expanding coverage. These pools generally established by local groups with support from NGOs or the government and managed through members' contributions. To ensure these pools are gender-responsive, external partners (who often have access to sex-disaggregated baseline data) can provide templates, training, or digital tools for local data collection and privacy compliant management. As new members join, the pool collects basic sex-disaggregated demographic and economic data, which informs participation rates and potential vulnerabilities. For example, National Smallholder Farmers Association (NASFAM) can lead community-based risk pools by helping farmers assess climate risks and inform the design of gender-responsive agricultural insurance.

Micro

Given the lower purchasing power and different risk profiles compared to male farmers, the design of tailored CDRFI products could increase uptake among vulnerable groups. Barriers such as inflexible premium schedules, inappropriate coverage types, high minimum premium payments, and product complexity have been identified as major obstacles preventing vulnerable groups (especially women) from accessing financial protection. Products that specifically address these concerns, i.e., by allowing small and flexible payments, group coverage, local language or pictorial instructions, or premium subsidies for low-income farmers (both men and women), show higher rates of uptake in Malawi*** and other low- and middle-income countries.

- › Subsidies for **Women Farmers**: Provide subsidies or premium financing for women farmers to reduce the cost barrier to insurance. Existing state led programmes like the Farm Input Subsidy Programme (FISP), have historically included fertiliser, seed and sometimes insurance component for smallholders, as gender targeting strengthens, these can be expanded with more explicit quotas and dedicated financing for women farmers. Ministry of Agriculture, Ministry of Gender, Community Development and Social Welfare, and Ministry of Finance are central to policy design and funding for subsidies targeting vulnerable group, including women farmers
- › **Micro-Insurance Products**: Develop micro-insurance products that address specific constraints women farmers face in Malawi, including limited assets ownership, irregular cash flows, and exclusion from financial services. Products should feature low premiums thresholds, flexible payment options (such as instalments via mobile money), and simplified enrolment that does not require formal documentation or land titles as collateral. Given that over 75 % of VSLA members are women, it makes sense that integrating micro-insurance with existing saving groups can leverage trusted networks and enable premium payments, reducing individual cost burdens meanwhile expanding coverage against drought, floods and crop failure.

Insurance providers and microfinance institutions in partnership with Agri-input suppliers and the Ministry of Agriculture should collaborate and create bundled products that combine insurance with other services like credit or inputs. Bundled solutions can enhance uptake and resilience among women-headed households who heavily rely on subsistence farming and have limited access to standalone insurance or credit products.

Insurance providers, in collaboration with mobile network operators and under the oversight of financial regulators should offer flexible payment mechanisms, such as paying premiums in instalments or mobile money payments. This will reduce the upfront financial burden and encourage participation from low-income women and vulnerable farmers, who often lack lump-sum cash reserves.

The government should raise the subsidy rate for CDRFI premiums targeted at women and vulnerable groups. The government already subsidises agricultural insurance premiums up to 50 % but raising the rate to 75 % instead of the current 50 % for women, youth, and other marginalised groups could help overcome the financial barriers faced by women and vulnerable groups in accessing CDRFI.

The government and relevant regulatory bodies could establish and implement a quota system to mandate that a minimum percentage of subsidised premiums be allocated to women, youth and vulnerable groups. This may help ensure subsidies reach intended beneficiaries and support gender equity in access to CDRFI

Stakeholders could digitise insurance distribution channels and education by developing mobile applications and digital tools for enrolment and information dissemination. Special emphasis should be placed on using Short Message Service (SMS) and voice messaging to reach women and farmers with limited literacy or internet access. Digital payments systems may also facilitate premium payments and claim processing, reducing barriers related to mobility and time constraints for women and other marginalised groups.

*** Giné, Xavier, and Dean Yang. "Insurance, Credit, and Technology Adoption: Field Experimental Evidence from Malawi." *Journal of Development Economics* 89, no. 1 (2009): 1–11. <https://doi.org/10.1016/j.jdeveco.2008.09.007>

7.3 Conclusion on Strengthening Gender in CDRFI in Malawi

Strengthening gender in CDRFI in Malawi requires a multifaceted approach that addresses the complex interplay of social, economic, and environmental factors affecting vulnerable populations, particularly women and youth in rural areas. The review highlights several key areas for improvement and potential strategies to enhance inclusivity in CDRFI:

- › **Policy Integration:** While Malawi has made strides in developing policies that promote gender equality and financial inclusion, there is a need to explicitly integrate gender considerations into CDRFI-related strategies, policies and frameworks. The National Financial Inclusion Strategy provides a foundation, but a comprehensive national CDRFI strategy with strong gender components is crucial.
- › **Tailored Financial Products:** The development of CDRFI products must consider the specific needs and constraints of women and vulnerable groups. This includes designing microinsurance products with gender-specific premium subsidies, flexible payment options, and bundled services that combine insurance with credit or agricultural inputs.
- › **Digital Innovation:** Leveraging digital technologies can help overcome barriers to access for marginalised groups. Initiatives like Financial Literacy Week by the RBM demonstrate the potential to enhance climate risk assessment and loan processes.
- › **Capacity Building:** Strengthening the technical and administrative capacities of key institutions is essential for expanding inclusive CDRFI products and services.

- › **Education and Awareness:** Improving financial and insurance literacy among vulnerable groups is critical. This requires targeted awareness campaigns, community-based training sessions, and the use of local languages and culturally appropriate messaging.
- › **Addressing Structural Barriers:** Efforts must be made to tackle underlying issues such as limited land tenure rights for women, socio-cultural norms that restrict women's entrepreneurial activities, and the disproportionate burden of household responsibilities on women.
- › **Data Collection and Analysis:** Enhancing the collection and analysis of gender-disaggregated data on CDRFI uptake, claims, and impacts is crucial for evidence-based policymaking and product development.
- › **Collaborative Partnerships:** Strengthening collaboration with grassroots organisations, women's groups, and youth associations can improve outreach and ensure that CDRFI initiatives are responsive to local needs and contexts.
- › **Integrated Approach:** CDRFI should be integrated with broader resilience-building initiatives, including climate-smart agriculture training, savings groups, and social protection programmes.

By addressing these key areas, Malawi can work towards a more inclusive CDRFI landscape that effectively supports the resilience of all its citizens in the face of climate change and disaster risks. This approach not only enhances the adaptive capacity of vulnerable groups but also contributes to broader national goals of sustainable development and poverty reduction.

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