

## EFFECT OF MICRO FINANCING ON DISASTER MITIGATION

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### ABSTRACT

This research paper examined the effects of micro-financing on Disaster Mitigation. The research methodology applied consisted of both secondary and primary data. The major objective of the research study includes is to study the impacts of micro-financing on disaster mitigation and the dealing of micro-financing institutions with the disaster risks. The study found that the victims particularly women are most affected as a result of natural disasters while constituting 63% and 36% of males received relief from micro-financing institutions. The study further demonstrates that 5% of the victims receive support from and family and friends whereas 25% of the victims remain uncovered from support and relief. Furthermore, it was also determined that 90% of the victims who availed the facility of relief loan have returned back with required interest. On the basis of research findings, the paper suggested that MFIs should ensure disaster management in order to benefit all the victims form the relief products and services they are delivering. In this regard, Microfinance Institutions should attempt to develop special loan products and services for disaster victims. It was also analyzed that MFIs apply different strategies and frameworks such as DRM (Disaster Risk Management) to lower the risk of loan default.

**Keywords:** Disaster management, microfinance, beneficiaries, disaster risk management, impact.