Disaster Risk Mitigation: Potential of Micro Finance for Tsunami Recovery

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An Effort to Turn Local Tsunami Recovery into Regional Disaster Risk Reduction for the Poor

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Invest to Prevent Disaster: A Local View

1. Can microfinance be a tool to reduce disasters?

Access to microfinance facilities is increasingly becoming relevant for both the vulnerable poor and humanitarian sector. Relief and compensation efforts are useful, but not enough; they do not fully compensate or adequately help the poor recover all the incurred losses. Thus, in addition to relief or compensation, victims also need access to microfinance. Financial services enable the poor among victims to leverage their initiatives and accelerate the process of rebuilding their lives and livelihoods, as we have learned from our Livelihood Relief Fund (LRF), which reached 15000 small businesses after a 2001 earthquake. Microfinance can help the poor in moving out of poverty and the vulnerable in moving out of risk. Similarly, promotion of microfinance as a risk reduction investment can significantly reduce the total cost of financing post-disaster relief and reconstruction. Microfinance has helped victims of disasters accelerate their recovery and diversify their livelihoods with more productive sources of income. Microfinance as an emergency loan has also promoted a culture of preparedness as victims use it mainly to recover after a disaster.

2. What are the main limits or constrains of this tool in this context? What are the best conditions for its optimal functioning?

Though microfinance is an effective tool for risk reduction and risk mitigation, it has limitations. Firstly, microfinance cannot provide complete protection against disaster risks resulting in a loss greater than what a household can save or repay. A majority of microfinance programmes do not combine risk transfer or risk mitigation strategies along with microfinance. Secondly, microfinance services cannot immediately translate into a stand-alone enterprise for successful disaster recovery. Thus, providing a range of other services for accessing basic amenities, relief compensation and business development services, including marketing after a disaster, are crucial for the swift recovery of the poor. Thirdly, microfinance programmes have emerged in response to the needs of the poor. However, when it comes to financing disaster losses of the poor, commercial banks and microfinance institutions are unwilling to finance such losses.

Financial services enable the poor among victims to leverage their initiatives and accelerate the process of rebuilding lives and livelihoods, as we have learned from our Livelihood Relief Fund (LRF), which reached 15000 small businesses after a 2001 earthquake.

Thus, the poor remain marginalised. It is a common myth that disaster victims are unable to save and that they are unreliable borrowers. However, random and unreasonable flows of relief discourage savings and repayments. Fourthly, the economic losses of disasters are relatively higher for the poor. Loss estimations mostly bypass their loss of income and livelihoods. They usually suffer the longest and the most compared to other social groups. However, a vast majority of disaster victims in India have limited access to microfinance services, especially after a disaster or during recovery. In addition, they do not have any say in deciding the rate of interest or other terms of financial agreements. Market penetration in the lower income strata of India is low and even lower in disaster-prone areas. The spread of SHGs and vulnerable areas do not overlap.

Thus, the role of microcredit demands a cautious approach. Fifthly, the majority of financial institutions prefer dealing with large loans in small numbers to minimise administrative costs. However, a large number of small loans are needed to serve the poor among victims.

Some of the best conditions for optimal functioning of microfinance for disaster risk reduction and risk mitigation at grass roots level include, a) convergence of microfinance with microinsurance and micromitigation, b) adaptation of demand driven and decentralised approach, c) microfinancing on a cost-recovery basis and, d) increased investment in community-based microfinance initiatives. Microfinance has worked when: a) institutions established financial discipline through savings, and demonstrated a matching value themselves before lending; b) disaster-affected communities governed the design and implementation of schemes (by deciding rates of interest, amount, and repayment period); relief or savings preceded credit; c) microfinance programmes worked more closely with women; d) programmes were conceptualised, localised, and monitored closely; e) programmes leveraged maximum funds from formal markets; and f) a facilitative environment and enabling regulatory regime contributed to its success.

3. **Could work in India be used for deducting the impact of floods in other countries like Philippines? What would be required to achieve that? What are the future prospects for microcredit?**

India has mainly two sets of institutions offering microfinance, which are formal and informal institutions. Traditionally, the formal sector banking institutions in India, such as commercial banks, housing finance institutions (HFIs), NABARD, rural development banks (RDBs), land development banks and co-operative banks (CBs), have served the needs of the commercial sector only. It is difficult to assume that formal sector banking institutions in India have shown enough application of microfinance in the disaster context. We do not have any data or studies to prove in what way and at what scale or level formal sector institutions have played their role in disasters risk reduction through microfinance.

The All India Disaster Mitigation Institute (AIDMI), a small and informal microfinance institution that provided microfinance to small businesses after the Gujarat Earthquake of 2001 and the 2002 riots itself, and also with the Kheda Association, has had a fascinating and satisfying experience with microcredit. Disaster victims of both riots and earthquake used the provided loans for multiple purposes, including business recovery, housing reconstruction, insurance protection, education (including mitigation), and physical security. Similarly, the Self Employed Women's Association (SEWA) gave a major proportion of its loans to its women members immediately after the Gujarat earthquake. The loans were again used for multiple proposes to recover from the earthquake and reduce future vulnerabilities. The loans that are made available immediately after a disaster are more valued, repaid on time, strengthen trust and contribute toward risk reduction at the household level.

4. **What would the next steps be to expand the effectiveness of microfinance for disaster risk reduction? What is needed for microfinance to develop into a sustainable product for disaster risk reduction?**

Firstly, microfinance services have not penetrated deeply enough into rural, isolated, and vulnerable areas. There is an urgent need to replicate, develop and expand innovative products and set-up service networks that can function at breakeven.

Secondly, there is a need to recognise the fact that microfinance products can only become sustainable from a disaster risk reduction perspective when they are perceived as risk-transfer investments and converged with micromitigation and microinsurance, in order to pull a greater variety of risk and recovery initiatives. Microfinance alone cannot remove poverty; it must include mitigation measures.

Thirdly, there is a strong need to develop a stabilisation fund for microfinance institutions to help them respond to the overwhelming demands for loans and services immediately after a disaster. The majority of microfinance programmes to date in India take a supply-side and grant-based approach. There is a need to help them develop a demand-driven approach and to make them self-sustaining.

Fourthly, it is critical to link the poor and microfinance institutions with a formal financial system. We must strengthen links between microfinance institutions for the poor in the informal sector with formal sector institutions. In order to ensure the sustainability of investments in microfinance products, capital formation must take place at the community level, with the active participation of the poor. Poverty removal and disaster risk reduction are not two separate issues. Development cannot be achieved unless both of them are simultaneously addressed.

Fifthly, microfinance programmes must combine the developmental and disaster recovery needs of the poor. Victims work hard, recover, save, repay, and are willing to pay interest at market rates. Thus, lending should be based on market principles since large-scale lending cannot be accomplished through subsidies. ■

Mihir R. Bhatt
(from ISDR, Geneva, 2005, www.unisdr.org)

Disaster Risk Mitigation: Potential of Micro Finance for Tsunami Recovery

Introduction

On the occasion of the International Day for Disaster Reduction (October 12), and to mark the International Year of Microcredit, the secretariat of the International Strategy for Disaster Reduction (ISDR) is launching a global debate on how microfinance can reduce the impact of natural disasters on vulnerable communities.

Realising the important role microfinance plays not only in the region's development, but also in recovering from disasters like the December 2004 tsunami, the Government of India, through the National Institute of Disaster Management (NIDM), is graciously supporting this initiative by hosting this workshop.

As a partner to both UN/ISDR and the NIDM, the All India Disaster Mitigation Institute (AIDMI) has agreed to provide expert guidance and tsunami experiences in support of this initiative.

State of knowledge

Although the utility of microfinance for smoothing of socio-economic shocks has long been touted by the microfinance community, it is a relatively new topic for the disaster reduction community. Recognising the need to incorporate financial tools in disaster reduction strategies, the expertise and experience of microfinance practitioners is paramount to the disaster reduction mandate.

India and its neighbors are global leaders in terms of microfinance activity. At the same time, the region faces many natural hazards. This combination results in great capacity to compile and share successes, challenges and new ideas for microfinance for disaster reduction. The urgency for such cooperation has been enhanced by the 2004 tsunami and very recent Pakistan/India earthquake.

All photographs in this issue: AIDMI

After the initial relief is provided, a long-term strategy is needed for full economic recovery.

While there is already much knowledge and publications on this topic, new ideas and recent experiences in the south Asia region will serve to update and optimise practice in the field throughout the world.

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Aspects of microfinance for disaster reduction

UN/ISDR asked experts and colleagues from various backgrounds to share their points of view on the issue. These are summarised in the following 10 conclusions, available in more detail in the document UN/ISDR (2005):

1. Through its long-term impacts of reducing poverty and supporting sustainable development, microfinance reduces the vulnerability of the poor to disasters.
2. Microfinance cannot, however, provide standalone protection against disasters. It must be part of a greater strategy of disaster risk reduction.
3. In the aftermath of a disaster, microfinance can quickly provide relief, and then support sustainable recovery and

rehabilitation. Microfinance institutions (MFIs) can additionally provide post-disaster communication and coordination through their established community networks.

4. Microfinance requires a degree of self-management by clients and is normally community based, thus fostering recovery ownership, dignity and community cohesion during traumatic and unstable times.
5. Microfinance can reduce the cost of post-disaster recovery financing, while reducing aid dependency. At the same time, however, post-disaster aid can distort markets, adversely affecting microfinance performance.
6. MFIs must be prepared for disasters by developing disaster management plans that ensure the survival of the MFI and sustainable delivery of its services. Post-disaster activities must be carefully considered to prevent negative long-term impacts on local markets and MFIs.
7. To best reduce disaster impacts on a community, MFIs should offer a suite of flexible products to adapt to specific needs and situations.
8. Links and/or partnerships with the formal financial sector are needed to enhance liquidity and support institutional and managerial capacity.
9. Microfinance must be linked to disaster mitigation, especially during rehabilitation when the links between recovery and preparedness are clearly evident.
10. Education on microfinance and disaster mitigation is needed for both successful poverty reduction and disaster impact reduction.

The tsunami is an opportunity for exploring the potential of microfinance services for the poor among victims, especially in the housing and livelihood sectors.

Microfinance can fill transition gaps

Microfinance can provide a link between relief and development, thereby filling a multitude of gaps and deficiencies at all levels that can occur in the wake of disasters. These gaps represent some of the major challenges facing developing countries, and are optimally spanned through socio-economic transition. Table 1 shows some of the delivered services, impacts and programme changes of microfinance at different levels, aiding the transition from relief to development.

Table 1: Microfinance aiding the transition from relief to development.[1]

Level of impact	Relief	→	Development
development	recovery	→	sustainable growth
	emergency response	→	mitigation and preparedness
socio-economic situation	market stabilisation	→	market sustainability and growth
	aid dependance	→	self-sustaining finance system
	social support	→	social cohesion
implementing institution	social enterprise	→	economic enterprise
	disperse grants (charity)	→	profitable financial services
	limited emergency products	→	robust suite of flexible products
individual	targeted beneficiaries	→	financial services available to all
	victims in need of relief	→	aware and empowered population
	limited options for survival	→	self-managed economic strategy

Summary of microfinance tools for disaster mitigation

As previously discussed, as a tool for poverty reduction, microfinance reduces vulnerability and increases coping capacity against socio-economic shocks, including natural disasters. At the same time, microfinance can provide relief in direct response to disasters. Thus, it is possible to make microfinance tools a part of diverse disaster relief programmes or response. Microfinance tools are designed to absorb economic losses or to promote economy itself. However, disaster mitigation practices needs to be tied up throughout the life cycle of such products in order to make them sustainable and minimise non-financial losses. Table 2 summarises how various microfinance tools can be used for these two purposes. More on this gap is on page 12.

Table 2: Microfinance tools for disaster mitigation

Reducing vulnerability	**Disaster response**
Client-responsive loans	Adaptation of current lending: • loan restructuring • switch from group-based to individual liability • adapt current credit products to temporary recovery products • provide emergency subsistence loans • lending moratorium for MFI protection • loan forgiveness and write-offs (not recommended)
Housing improvement loans[2] • ensure disaster-resistance and building code compliance	Emergency reconstruction loans[2] • ensure disaster-resistance and building code compliance
Forced/compulsory savings[3]: • used to collaterise loans • usually not accessible until end of loan cycle	Adaptation of forced savings: • allow access so clients can withdraw as needed
Voluntary savings[3]	Voluntary savings • clients will withdraw as needed
Leasing for assets[4] • with option to purchase at end of cycle for residual price	Leasing for assets • likely increase in demand
Insurance[5] • best established before disaster	Insurance • applicable pay-outs made
Money transfer services	Money transfer services • remittances likely to increase
Grants and donations • used for increasing purchasing power and building financial discipline.	Livelihood relief (no repayment) • provision of income-generating items (kiosks, carts, machines, seed, stocks, etc.) • cash grants
Non-financial services: • training	Non-financial services: • training • information dissemination • distribution of supplies

Table contents compiled from World Bank (2005), AIDMI (2005) and Nagarajan (1998)

Summary

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Daniel Kull, UN/ISDR

[1] Based on personal communication with Mihir Bhatt, AIDMI.
[2] commonly called micro-credit
[3] commonly called micro-savings
[4] commonly called micro-leasing
[5] commonly called micro-insurance

International Workshop on Disaster Risk Mitigation: Potential of Microfinance for Tsunami Recovery

October 12th is celebrated every year as the International Day for Disaster Reduction, and 2005 is the United Nations' Year of Microcredit. In order to commemorate both of these occasions, and to deliberate on how best microcredit can be used to abate the impact of natural disasters, All India Disaster Mitigation Institute (AIDMI), with the United Nations' International Strategy for Disaster Reduction (UNISDR), and the National Institute of Disaster Management (NIDM), jointly organized a two-day International Workshop. The workshop was entitled 'Disaster Risk Mitigation: Potential of Microfinance for Tsunami Recovery', and was held in New Delhi on 14th-15th October 2005. The timing of the workshop was particularly apposite given its proximity to the Kashmir earthquake.

Shivraj Patil, Honorable Union Home Minister of GoI commences the workshop with the lighting of the ceremonial lamp.

The workshop was attended by an array of experts in microfinance and disaster risk reduction from across the world, in addition to representatives of the Government of India, including the Honorable Home Minister, Shivraj Patil, D. K. Sankaran, and M. P. Sajnani from the Ministry of Home Affairs. A field library of resources on disaster risk reduction and management donated by UNISDR was officially accepted by Shri Shivraj Patil. Delegates spoke on the strengths of microfinance as a tool for poverty and disaster risk reduction, and experiences of microcredit and Tsunami recovery were shared from the Philippines, Japan, Sri Lanka, Bangladesh, and India.

PG Dhar Chakrabarti of NIDM outlines the need for greater financial inclusion of the poor.

"Society is bigger and stronger than government, it needs motivation for action."
(Honorable Home Minister, Shivraj Patil, Government of India)

In his inaugural address, the Honorable Home Minister, Shivraj Patil reminded delegates that since one cannot accurately predict where and when disaster will strike, adequate protection and preparation is required. He reinforced the need for proper planning and regulation enforcement at the institutional level. He also underlined the importance of enlightening the public as to the necessity of prevention and preparation so that they may help themselves to reduce their disaster loss vulnerability.

He concluded by emphasizing that every activity must be done with a vision that allows for implementation, which in turn should be satisfactorily supervised, and that microfinance was such an activity. He described microfinance as a satisfying undertaking, although he urged that caution be taken in its provision since there is always potential for misuse.

The workshop represented a platform for the launch of a global debate on how microfinance can reduce the impact of disasters. This is the first time that the concepts of microfinance and disaster risk reduction have been addressed concurrently. The sharing of experiences from at home and abroad facilitated discussion on best practices, and ways in which the employment of the tools of microfinance could be beneficial in Tsunami recovery.

The Disaster Management Bill 2005 - India

The Honorable Home Minister also made mention of the importance of the Disaster Management Bill and its establishment of a mechanism for a holistic and coordinated approach to disaster management and prompt response to any disaster situation. In his address, M.P. Sajnani from the Ministry of Home Affairs (Government of India) also drew attention to the use of the newly established mitigation fund for projects exclusively addressing mitigation at national, state, and district level. He highlighted that the purpose will vary from district to district depending on their individual hazard profile.

The July 2005 Disaster Management Bill is a landmark step for disaster risk mitigation in India. The Bill will attempt to introduce a decentralized approach to disaster risk reduction and risk management from a grass-roots level.

The Bill will create a National Disaster Management Authority (NDMA) under the Chairmanship of the Prime Minister. At state and district levels, Disaster Management Authorities will also be created. In total, 525 separate funds will be created, and currently there are no conditions ensuring that the money is spent on preparedness, risk reduction and transfer, and mitigation, thus there is an inherent danger that relief and rehabilitation packages will absorb the funds. Therefore, it is crucial that the Bill is properly implemented across all areas of mitigation and relief, ensuring that its aim to turn disaster into opportunity with the minimum amount of loss or damage is realized.

The Home Minister outlined the role of the NDMA and its regional counterparts, and stressed the need for coordination between departments to ensure efficient and effective responses to disaster. This is particularly imperative imminently after the disaster since the initial response time is crucial. It is at this juncture that the regional Disaster Management Agencies will come into their own, since it is at district level where the action takes place in a disaster situation.

A paradigm shift from relief to mitigation is required at the institutional and local levels.

In his presentation, Santosh Kumar highlighted the need for a paradigm shift at the institutional and regional level, from the traditional relief and rehabilitation approach to disaster management, to a focus on prevention, preparedness, response and recovery. He argued that previously microfinance and mitigation measures were linked by default, not design, but that this should change in order that vulnerability and risk be reduced across society.

Next Steps

In addressing the outcomes of the workshop, and outlining the next steps, Mihir Bhatt of AIDMI put forth ten proposals for undertakings in order that a road map be formulated for the use of microfinance in Tsunami affected areas, and bring mitigation issues to the fore.

Five of these ten steps were related to the sharing of experiences and dissemination of cutting edge knowledge;

- Establishment of a working group through NIDM/NDMA for convergence of microfinance and disaster risk reduction.
- Establishment of regional learning group to facilitate exchange of experiences on application of microfinance and disaster risk reduction in the Tsunami region.
- Formulation of group to draft recommendations for inclusion of microfinance in Disaster Management Bill.
- Documentation of workshop outcomes for publication.
- Creation of training module for the training of trainers in the Tsunami areas.

Direct Action

The remaining steps were to take the form of direct action. These too related to regional and international experience sharing;

- Translate models of microfinance in Tsunami regions by DHAN, CARE et al. into demonstration models for application elsewhere.
- Regional exchange on experiences in Tsunami regions and beyond. Identification of best practice and innovations through field visits.
- Upscaling of current work in Tamil Nadu. Upscaling of investment by NABARD et al.
- Utilization of innovative experiments in Kashmir recovery as a learning experience.
- Shaping structure/functions of NDMA mitigation funds through dialogue.

Through greater international and regional collaboration, new innovations can be shared and applied, and microfinance and disaster risk reduction measures can be converged at the institutional and local levels. ■

Sharing International Experiences: Global Applications of Microfinance

As well as comparative experiences of microfinance and Tsunami recovery in India, international experiences and expertise were shared by the foreign delegates, representing activities in the Philippines, Sri Lanka, Bangladesh and Japan. This enabled attendants to draw parallels with domestic experiences, and to identify new and innovative ideas which could be applied in India. Challenges that have been faced and overcome were also shared allowing for the formulation of strategies for implementation in the Tsunami affected regions.

Bangladesh

Regarded as one of the pioneers of microfinance provision in the developing world, the Bangladesh Rural Advancement Committee (BRAC) has expanded since its establishment in 1972 to become the largest development organization in Bangladesh, employing 97000 permanent and temporary workers.

H. I. Adib of BRAC explains the impact of microfinance on vulnerability reduction.

BRAC offers three types of microfinance services: credit loans, savings schemes, and death benefits for members of the Village Organizations (VO) through which the programmes are administered. Since the inception of the microfinance programme in 1974, Adib outlined its growth to reach 64 districts representing 5.1 million members, with a combined savings balance of Tk. 8.52 billion (US$ 127.93 million), and a total loan disbursal of Tk 16.58 billion (US$ 248.78 million) to 4.3 million individuals.

Echoing what Krishna Vatsa had mentioned in his case study on the 1998 Bangladeshi Floods, H. I. Adib discussed the impact of microfinance on the recovery of victims, and on the reduction of vulnerability brought about by such schemes. He pointed to the fact that prior to the disaster, BRAC member households owned 50% higher net worth than non-BRAC members, and that member households had two times more savings than the comparison households. This significantly reduced the impact of the floods on these individuals, and their membership of VOs provided access to credit loans for consumption and reconstruction expenditure.

Adib used the example of the 2004 floods in Bangladesh to demonstrate the effect of reducing vulnerability through microfinance. The floods were more damaging than those in 1974, 1988 and 1998. However, unlike in 1974, the floods were not followed by famine. It was pointed out that food technology and government preparation and response reduced the likelihood of famine, although it was the increased immunity of individuals and communities which meant that food shortages were not a reality. The access to post-disaster loans and the 'credit plus' approach (provision of food, education and healthcare services in addition to credit) meant that individuals could utilize pre-disaster savings to recover, and had options to swiftly reestablish economic activity.

The Philippines

Maria Concepcion Antonio, Director of the Microfinance Unit in the Philippino Office of the President's National Anti-Poverty Commission, shared the experiences of microfinance in the Philippines, in a presentation entitled "Potential of Microfinance in the context of Disaster Risk Mitigation: Philippine Experience". The disaster proneness of the Philippines was explained, given that they are situated in the Pacific Ring of Fire, and susceptible to earthquake, typhoon, landslides, drought, civil disorder, and volcanoes.

"…to build sustainable financial institutions owned, managed, and controlled by landless poor women. CARD is committed to provide continued access to microfinance services to an expanding client base by organizing and empowering landless rural women." The mission of CARD, Philippines.

The Centre for Agriculture and Rural Development (CARD) of the Philippines is flanked by four mutually reinforcing institutions; bank, NGO, and development institute. They provide a number of financial services such as credit loans, through the bank (CARD Bank Inc.) at interest rates of 18-24% (amortized) for a period of 6-12 months. These are then renewable on payment of 50% of the amortization. A range of savings schemes are also provided to encourage sound financial practice and reinforce the assets created through loan provision. Through the Mutual Benefit Associations (MBAs) they are able to offer a range of financial and non-financial services such as a provident fund, life insurance, scholarship programmes, loan redemption and disability benefits. One hundred percent of MBA members are women, and MBA's serve 170,000 members/clients of CARD.

The experience of CARD in microfinance provision since 1986 has meant that they have grown into an efficient and wide-reaching organization. They are constantly upgrading and expanding the services which they provide, and working towards reducing community vulnerability through economic empowerment. Antonio also drew attention to the role of MFIs in disaster response. She argued that they are often the best placed to respond quickly to individuals known to them. They are a logical vehicle for disaster response because of their flexibility, knowledge and range of services.

Sri Lanka

Emil Anthony, a representative from SEEDS shared the Sri Lankan experience of Tsunami devastation and recovery. Suffering human losses of over 40,000 and 113,000 shelters destroyed, Sri Lanka required extensive reconstruction. Programmes included not only housing reconstruction, but also healthcare, education, and livelihood relief.

An important part of Savordaya's work in recovery was the assistance in psycho-spiritual healing of affected individuals. Recognizing that relief was not just confined to replacement of physical assets, extensive work was done to relieve the emotional trauma associated with such devastating loss.

"…to build sustainable financial institutions owned, managed, and controlled by landless poor women. CARD is committed to provide continued access to microfinance services to an expanding client base by organizing and empowering landless rural women." The mission of CARD, Philippines.

Economic relief entailed the provision of cash transfers, livelihood relief through cash for work programmes, and reestablishment of economic activity through microfinance. The explanation of the use and success of microfinance in Tsunami recovery in Sri Lanka demonstrates its potential for application in other affected regions.

Japan

No stranger to natural disasters, the Japanese have a long established history of disaster mitigation measures. Following the 1995 Kobe/Hyogo earthquake institutional mechanisms were put in place at the district level to provide financial response to disaster victims in the form of livelihood relief amongst others.

Mayumi Yamada from Kobe outlined the district response to the earthquake at the prefecture level, including disaster condolence/sympathy fund distribution, disaster support funds for livelihood and shelter, public donations, and the rapid creation of a reconstruction fund.

This was explained in terms of the "Hyogo Phoenix Model" of Reconstruction Fund operation, including microfinance application at the project level. Dr Yamada discussed the use of subsidies, a recurrent theme throughout the workshop, for enabling shelter reconstruction. Mention was also made of livelihood relief in terms of disaster recovery loans from support funds to restart enterprises. Loans were also provided to stabilize the livelihoods of the many displaced workers.

Yamada then went on to discuss the profiles of disaster victims and microfinance clients, of which there are many common characteristics. Thus she drew the conclusions that the provision of microfinance could reduce disaster risk amongst the poor and vulnerable members of the community. Examples of the application of microfinance for disaster management were given, including the use of housing loans with education to increase preparedness

The presentation concluded with the recommendations for strategies to effect a paradigm shift "from disaster victims to self-help individual and/or groups", which makes microfinance application possible. This in turn brings about a paradigm shift from microcredit to microfinance. It was argued that credit schemes should be complementary to saving and insurance schemes, and that the provision of loans/credit with education/training is more effective. ■

Exploring Experiences of Microfinance in India

Assembled amongst attendants were a number of experts and those experienced in the provision of microfinance in India. Whilst the microfinance sector is still in its relative infancy compared with other South Asian countries, it is rapidly expanding, and the results are already clearly visible.

The speakers discussed a number of different aspects of domestic microfinance provision, and explored a variety of possibilities for expansion, as well as challenges currently facing the sector.

It was generally concluded that there was a definite opportunity for the use of microfinance, not only in Tsunami recovery, but also for disaster risk reduction in vulnerable communities. Given India's propensity for disaster affliction, it was emphasized by all of the presenters that mitigation was essential if the impact of disasters in India was to be reduced.

There is no single model for microfinance and its application, and the presentations explored the variety of models in operation in India, illustrating their strengths and any challenges that have arisen in their implementation.

Self Help Group Model

The Self Help Group (SHG) model is one of the most widely used and fastest growing models of microfinance Sneh Lata Kumar spoke on Rashtriya Mahila Kosh's utilization of the SHG model with enormous success. She explained that SHGs are informal groups of people (usually women) who share a common concern or skill, and join together. These groups are also known as clusters and federations. Network support and peer pressure to repay is the main advantage in the self-help group model. It also taps the strength of informal information flows, which is essential for local economic development and the development of social capital.

Sneh Lata Kumar, RMK outlines the strengths of the SHG model.

Self Help Group-Bank Linkage Programme: NABARD model of microfinance

The National Bank for Agriculture and Rural Development (NABARD) already had experience in microfinance provision prior to the Tsunami disaster, which affected a number of their clients. Since the 1980's they have provided poor rural communities with access to financial services and working capital. The SHG-Bank Linkage Programme was initiated by NABARD in 1992, and has worked towards "down-scaling the banking sector to service the rural poor and provide microfinance at the least cost[1]". By March 2005, they had reached 160,000 SHGs through rural bank networks with a cumulative available loan fund of Rs. 69 billion (6900 crores). The use of SHGs has better facilitated the provision of finance by the banking sector, and the average repayment rate is testament to the success of the model - over 95%.

In the Tsunami affected regions, NABARD was able to reschedule, restructure, and refinance existing loans to be repaid over a 5-9 year period. In cases where agricultural assets had been completely destroyed, NABARD provided 100% refinancing to enable banks to provide fresh loans. The interest rate charged on refinancing fresh/rescheduled loans was reduced from 6% to 4.25%, with borrowers charged less than 7% interest on loans.

In terms of future work in the Tsunami region, NABARD has highlighted the need for greater organization of farming and fishing communities to form SHGs, Cooperatives, and Associations, which would better facilitate the application of microfinance through the SHG-Bank Linkage concept.

Microfinance in the Commercial Banking Sector

Traditionally, the provision of microfinance has been the preserve of MFIs and NGOs. However, as Maneesha Chadha explained, large international banks such as ABN Amro Bank are seeing the benefits of microfinance for poverty reduction. It has been recognized by the commercial

[1] Sukhbir Singh, Chief General Manager, NABARD Microcredit Innovations Department, Mumbai

sector that there is a potentially huge untapped market for credit provision for the poor. Whilst these institutions are ultimately concerned with the bottom line, they are also recognizing the importance of sustainable development and disaster risk reduction. A vast number of ABN AMRO clients were affected by the Tsunami since partner MFI's lost up to 40% of their portfolios, thereby greatly compromising their ability to provide recovery loans to their clients.

Chadha explained that the commercial sector could not provide subsidized loans, but could still provide credit to enable the disaster affected poor to rebuild and create assets, and thus increase their capacity to respond to disaster and avoid falling back into absolute poverty. It was also emphasized that work needs to be done in educating communities to reduce any inherent reticence in taking commercial loans, and to maximize the potential of credit through financial education.

The use of microcredit after disaster is spreading rapidly in India and South Asia.

Microfinance in the Tsunami affected areas: NGO and Government experiences

The level of NGO and INGO response to the Tsunami disaster was unprecedented. In coordination with various state and national government authorities, the relief and recovery programmes began. Speakers from CARE India, the DHAN Foundation, SEEDS India, and collectors from affected districts shared their experiences of microfinance provision in Tsunami recovery.

The general findings were that utilization of the SHG model was an effective means for credit provision, however, Santhanam from the Government of Tamil Nadu warned against the proliferation of SHGs and the potential for dilution of the quality of trainings.

Manu Gupta from SEEDS India highlighted the importance of capacity building in combination with microfinance activities. Illustration of their work in microfinance in the Tsunami-affected Andaman and Nicobar Islands demonstrated the benefits of capacity building in community-organized groups who operated revolving funds. G. S. Bedi from the Government of Tamil Nadu also pointed towards the importance of revolving funds for strengthening communities and building social capital through a sense of empowerment and ownership. These sentiments were also shared by Deva Prakash of CARE India who emphasized the importance of vocational/alternative livelihood training provision as a part of capacity building. This is strongly linked with concepts of disaster risk reduction since economic activity diversification reduces vulnerability to loss and reduces dependency on relief.

Echoing what Sneh Lata Kumar of RMK had mentioned on the insufficient supply of credit in India, Mehul Pandya from AIDMI discussed the gap that exists in the market for credit provision for the poor. He drew participants' attention to the fact that microfinance services need to be extended to reach the poorest of the poor, and that changes need to be made at the institutional level to ensure that the finance industries comply with government-directed quotas.

The future of microfinance in India

The conclusions drawn by Daniel Kull of UNISDR reflected the shared experiences and knowledge of the participants. It was generally concluded that:

- credit, rather than savings based models should be used
- Number of SHGs should be minimized to ensure maximization of effectiveness and efficiency, and should embrace changes in group structure
- Paradigm shifts from **beneficiaries** to **clients**, and from **relief** to **mitigation** are required
- Undertake the challenge to informalize the formal financial sector in India
- Poorest of the poor still need to be reached
- Communities' coping strategies should not be ignored
- Potential use of a mix of grants and microcredit (subsidized loans)
- Use of capacity building to maximize products of microfinance
- Reduce lead time in loan provision from 6-9 months to 3 months. ■

Identifying and Explaining Vulnerability in Disaster Prone Regions

It is generally believed that natural disasters indiscriminately affect all people without regard to caste, class, or gender. However, social reality reveals that certain groups of people are more vulnerable to natural and man-made disasters than others. Whilst many parts of the world are affected by natural disasters of devastating magnitude, history shows that vulnerability in the developing world exacerbates these effects. The governments in developing countries are often caught unaware at the time of disasters and their preparedness and response is often found wanting. The poor and marginalized groups in society suffer human and property loss unimaginable to the rest of the world, since it is poverty which renders them vulnerable and inhibits their capacity to recover. It has been estimated that 30% of disaster victims take between 5 and 20 years to recover. Victims become the poor of the development process, and 1 in 5 finds themselves trapped in a permanent state of crisis after a disaster.

The All India Disaster Mitigation Institute (AIDMI) recognizes that development and disaster are highly correlated, and it is their mission to reduce disaster risk in vulnerable communities through promotion of mitigation measures. Formed in response to the repeated 1987-89 Gujarati droughts, it has responded to 11 disasters across India, and gained considerable experience in the field of disaster relief, mitigation, and risk reduction, aim to enable disaster-affected communities to move beyond the relief phase and into the next phases of development.

Why are some individuals more vulnerable in the same disaster-prone area?

Consumption credit for products is becoming common but what about services?

There are a number of socio-economic reasons for disparities in vulnerability. Vulnerabilities are differentially distributed and are intricately linked to certain processes of marginalisation, which in turn are linked to the nature and direction of economic development. Generally speaking, vulnerable groups are those who are deprived of social, economic and political rights and opportunities due to pre-existing ideologies and social and economic conditions.

In many societies in which gender, caste, religious, regional, and class differentials are extremely pronounced and social exclusion is strictly adhered to, vulnerabilities are more marked. These social and economic cleavages increase vulnerabilities and are amplified by poverty, and are more pronounced in a disaster situation, producing new vulnerabilities. Thus, women, scheduled castes, marginalized tribes, and the landless are particularly vulnerable because they have far fewer resources under their own control. They have little place in decision-making systems and they suffer numerous forms of oppression - gender, cultural, political, and economic.

What made individuals in the Indian coastal regions of Tamil Nadu and Pondicherry so vulnerable to serious loss in the wake of the Tsunami?

The vulnerability of the inhabitants primarily stems from the inherent nature of their economic activity. According to estimates, 92% of India's workforce is employed in the informal sector. In the coastal communities in Tamil Nadu and Pondicherry, this figure is even higher, close to 100%. Almost without exception, residents are dependent on the product of small-scale fishing, and related activities. This lack of labour and production diversification exacerbates the vulnerability which stems from the relative economic underdevelopment of the region. Single-sector employment prevents risk transfer and multiplies vulnerability. In addition, the remote coastal location in the economic periphery and the socio-economic marginalization of its community members further exacerbate their risk and vulnerability to disaster losses. Location is particularly significant given that the southern coastal regions of India are disaster-prone and at risk from substantial devastation from hurricanes, cyclones, and tsunamis. The losses induced by the 2004 Tsunami are testament to the consequences of vulnerability.

Why were livelihood losses in the Tsunami so great?
Natural or man-made disasters lead to the breakdown of established work, the disappearance of economic activities, the disruption of raw material procurement, the marketing and distribution of goods, potentially the enforced displacement and physical relocation of workers. This has a profound and devastating effect on the earning capacity of individuals, and on the local economy. In the case of Tamil Nadu and Pondicherry, the decimation of fishing activities caused by the Tsunami meant the destruction of the earning capabilities of the inhabitant communities in coastal regions. No income from fishing and related activities meant that people were unable to meet their daily needs for survival, resulting in a subsequent dependence on external relief. An absence of alternative livelihoods resulting from the communities' monopsony of labour in the fishing sector meant that people could not immediately seek other employment.

What can be done to reduce vulnerability for workers in the unorganized sector?
Livelihoods are particularly precarious in the unorganized sector, and this is accentuated in disaster-prone regions. Any measures that enhance the socio-economic position of these workers and their families will reduce their vulnerability to disaster risk and loss. In particular, the employment of mitigation measures such as microfinance strategies serves to transfer risk. This is especially true of microinsurance initiatives which pool risk amongst different communities across a wide geographic area. The application of microcredit and microsavings schemes improves individuals' economic conditions which reduces susceptibility and increases recovery capacity. ■

Explaining Risk Transfer through Microinsurance

Ordinarily, conventionally high premiums render insurance inaccessible for society's poor. However, the concepts of risk transfer and risk spreading allows for the creation of low premiums accessible to thousands of otherwise ineligible individuals.

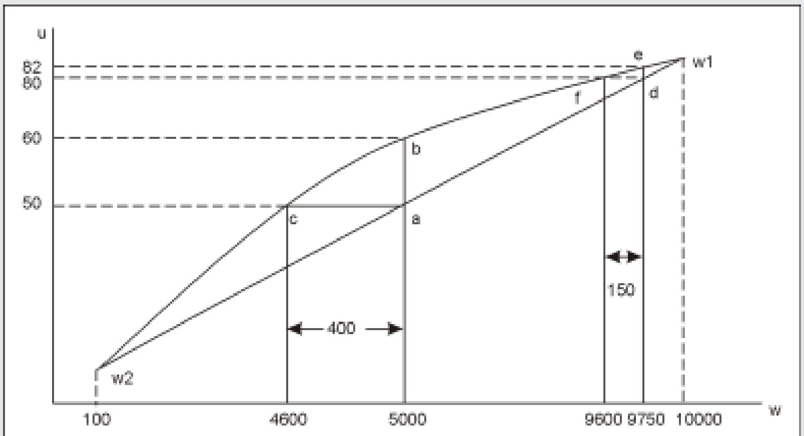
The benefits of insurance cannot be extolled highly enough by development professionals, researchers, and economists. Yet millions are denied access to this essential risk reduction tool, and these individuals are arguably most in need. They are typically poor and highly susceptible to disaster. Lacking the capital savings and capacity to recover from disaster unaided, when catastrophe strikes they are unprepared and are left to rebuild their lives with the aid of whatever assistance is provided.

There is a commonly held misconception that the poor of society are untrustworthy as beneficiaries of insurance, and are unable to meet payments. Reality has proved that this is not always the case through positive results in the fields of microcredit and livelihood relief. It is experts' firm belief that the poor should be able to reduce their vulnerability and mitigate risk in the future through disaster insurance.

However, the provision of low premium microinsurance policies makes insurance accessible to the majority of society's poorest victims. But how are insurance companies able to provide such low premiums?

The key to low premiums is the economic concept of risk transfer and spreading. When individuals in several communities in different geographic locations all take out microinsurance policies, the risk associated with administering each policy is spread across a large number of people and regions.

The likelihood of all of the regions being hit by disaster and everyone claiming simultaneously is remote which enables the policies to be underwritten by the insurance companies at such low premiums. Additionally, the low-income policyholders are insuring few assets at a low value, so even in a disaster situation, claims are not exorbitantly high. ■



How Low Premiums are achieved through Risk Transfer

Disaster Induced Market Failure: Using Livelihood Relief to Restore Local Markets

Although the government on a regional, and national level pledge compensation for disaster-induced losses, a loss of income is not compensated. Whilst physical assets are replaced, individuals are left without the means to earn an income, and are left dependent on relief. This relief may be slow to materialize, and in the cases of residents of illegally established communities, members of marginalised tribes and scheduled castes, the relief may not appear at all.

When relief programmes are implemented, many victims are often left wanting since these programmes do not provide for the reestablishment of livelihoods and earning capacity. The beneficiaries are not looked at as helpless victims who eke out an existence from relief packages, but capable people with hands to work, brains to think, and courage to pick up their lives and take charge of their recovery.

Following the 1998 Kandla cyclone, AIDMI established the Livelihood Relief Fund which is actively working on providing livelihood relief to disaster-affected victims across India. Since 1998, the LRF has grown steadily to reach out to victims of the Kandla Cyclone, January 2001 earthquake, the February 2002 riots, ongoing drought in the Gujarat region, the 2003 Squall, 2004 Tsunami, and 2005 Gujarat floods. There are now over 13,500 beneficiaries of the LRF.

Addressing disaster induced market failure

When disaster strikes, local markets cease to function properly. Supply is interrupted or curtailed, and demand for goods and services becomes almost non-existent. LRF seeks to restore the functioning of local markets with its market based and community driven approach to recovery. Once businesses are recovered and demand and supply are restored to a pre-disaster level, individuals have the opportunity to receive a second infusion into their business to promote further growth.

Since LRF is demand based and tailored to every stakeholder, it does not intervene in the market causing externalities. In the long run it becomes self sustaining as microcredit loans can be used and repayment into the Livelihood Revolving Fund allows the recycling of credit.

Moving beyond recovery - Local market development

The proper functioning of local markets improves the allocation of resources in the locality, and promotes growth. Vulnerability and disaster reduce the effectiveness of the market mechanism, therefore measures should be taken to ensure that disaster risk is reduced in vulnerable communities.

Risk transfer through microfinance is recognized by policy makers, disaster experts, academics and professionals as being an important tool in risk reduction for disaster susceptible individuals. Through microcredit loans, businesses are expanded, investments are made and demand is increased resulting in multiplier-led growth. Any improvement in socio-economic conditions constitute a reduction in vulnerability.

Safeguarding Assets created under livelihood relief

But what steps should be taken to safeguard these new assets created in the recovery process and reduce future disaster loss vulnerability?

Microfinance Solutions

The provision of microcredit and other microfinance services are crucial in the protection of assets created. Microinsurance schemes allow for protection in the case of disaster or other income-limiting event, and microsavings allow the establishment of a capital base from which future investments or recovery can be drawn. Through microfinance, microeconomies of scale can be realized which increase business capacity and further reduce risk.

Business and Contingency Plans

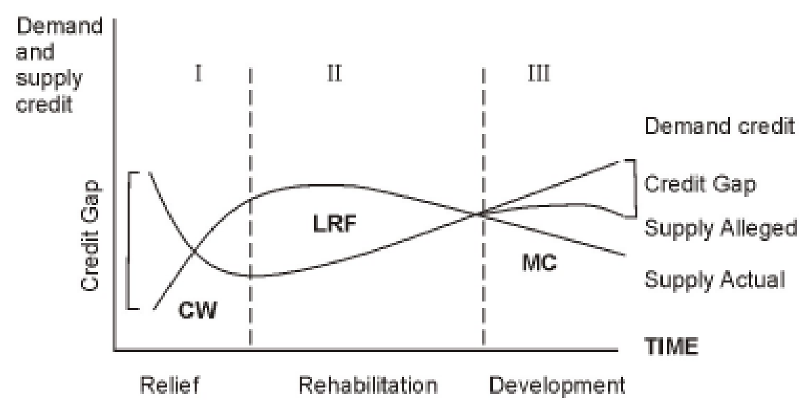
As part of any planned business expansion, asset creation, or capital investment, a business plan is required. These are mandatory in the case of microcredit, since proposals must be approved prior to a loan. In addition to this, entrepreneurs should be encouraged to formulate contingency plans in case of emergency or disaster, and set aside capital to provide for these eventuality so that they are less dependent on relief.

Capacity Building

Increasing the stakeholders' capacity is essential for asset protection. Capacity is built in the recovery and expansion of businesses, but this must be complemented by education, training, and updating. ■

Understanding the Gap: Lessons for the Public and Private Sector

After the initial relief phase of the recovery process, the demand for credit within the affected communities increases. When a degree of livelihood recovery has been achieved through cash for work programmes and livelihood relief initiatives, entrepreneurs require credit provision in order to further develop their enterprises. However, due to inherent market failures in the credit market for low-income entrepreneurs in the unorganized sector, there is a shortfall in supply, creating a credit gap.



Post Disaster Credit Gap

Current estimates put the demand for credit in India at Rs. 72000 crores, although only 8% of that demand is being met (Rs. 57.6 crores) by the market. Why is there such a shortage of supply in the market?

The Gap Explained

Prior to disaster, demand for credit in poor communities is high, but are denied access to conventional credit services because of their economic position and lack of capital or collateral. The diagram shows the initial credit gap in period I. During this period, disaster strikes, and a relief programme is initiated. Firstly a Cash for Work programme is begun which increases the demand for capital as individuals return to earning.

In period II of rehabilitation, demand for credit increases as enterprises recover and livelihood relief is provided, giving rise to the opportunity for expansion. In phases I and II, the financial industry, in both the public and private sectors increase the supply of credit available to aid economic recovery. However, as time progresses and enterprises grow, demand for credit is still increasing, although since relief programmes are no longer in operation, the supply of credit to poor consumers decreases. Once again a credit gap is visible in period III. A disparity also emerges between alleged industry supply and actual supply.

The same gap appears in the market for insurance provision for the same reason. Although insurance companies are required to provide services to a quota of low-income consumers, most would prefer to incur the financial penalty than make small, unsecured loans to entrepreneurs in the unorganized sector, or underwrite insurance policies for those with no collateral.

Industry provision of credit needs to increase to meet the excess demand in the market.

Bridging the Gap

The existence of this gap, itself an indicator of market failure, has implications for policy makers, and for the finance industries. Clearly there is a need for an increase in the supply of credit options for the poor, both pre, and post disaster. The provision of credit prior to a disaster serves as risk transfer and will mitigate the losses sustained in future disasters. Policy makers should increase the penalties for failure meet low-income quotas, and support Microfinance Institutions (MFIs) who provide microfinance services to low income entrepreneurs.

Work is also needed to dispel the widely held misconception that low-income businesspeople in the unorganized sector are unreliable and uninsurable against risk. However, reality and experience show that repayment of loans is prompt, and payment of insurance premiums upfront and in full are made. ■

Cash for Work Initiative: Building Markets for Credit

When the 2004 Tsunami struck southern India, the AIDMI team found that something was needed to make the first step towards livelihood recovery, to enable individuals once again to be able to meet the daily needs of their dependents. Thus the 'Cash for Work' experiment was borne to rebuild markets for credit.

How does livelihood relief work in the aftermath of a disaster? How does one set about re-establishing the means of recovering earning capacity? AIDMI have found that the first step is enabling individuals to earn a cash wage before their livelihoods can be reconstructed along with their homes and lives. However, this first step is often the most difficult to realize. The chaos of a disaster situation makes is difficult to discern the extent of damage; human, physical, and economic. However, frequently the damage to people's livelihoods is overlooked.

Cash for work revives purchasing power which rebuilds markets.

The Cash for Work programme differs from other conventional relief programmes in a number of ways. Firstly, embodying AIDMI's emphasis on bottom-up activities, the programme is entirely community-based and at every stage, decision-making, organization, record-keeping, and supervision responsibility lies with the community. This increases the capacity of the community and its members, and allows for the acquisition of new abilities.

Secondly, unlike many conventional top-down programmes, the Cash for Work programme does not encourage dependency, rather the opposite. In a disaster situation, it is financially infeasible and unsustainable for the physical replacement of lost assets. Therefore, the Cash for Work programme affords individuals the opportunity to return to the earning of a daily wage so that new assets are created and sustainable recovery is facilitated. This makes the programme efficient and non-patronizing. It also serves to dispel the myth that disaster victims are merely recipients of aid and eke out their existence from donations, since the programme does not constitute a lump sum transfer, which leaves recipients dependent on further relief when the cash expires.

The objectives of the Cash for Work programme are threefold;

- Restoration of a degree of earning capacity to those whose livelihoods have been taken away
- Repair and reconstruction of the tsunami damage.
- Contribution towards achieving long-term sustainable development.

Individuals are paid a cash wage (up to a maximum of Rs. 120/day depending on work undertaken) in return for their labour provision. Work initially concentrated on the cleaning of the affected areas in order for reconstruction to begin. Roads linking villages, which had been washed away or damaged, were then cleared and repaired, and access to markets was re-established.

The Tsunami waters took life, livelihood, and shelter. The need for shelter security was manifest, AIDMI were able to combine livelihood relief with shelter relief under the 'Cash for Work' programme. Like 'Cash for Work', 'Cash for Shelter' enabled one member per household to earn a cash wage for constructing temporary shelters.

The work not only provided much needed income, but also allowed for the implementation of mitigation and preparedness measures such as solid waste, drainage measures, and monsoon protection measures, in addition to shelter and infrastructural reconstruction. Disaster became the opportunity to make valuable improvements to community infrastructure.

To date, there are 1100 beneficiaries in ten coastal communities. Of the beneficiaries, 90% are women, who have benefited not only from the provision of a cash wage, but also from AIDMI's Alternative Livelihoods programme. Since the sole employer was the fishing sector, there was no alternative when fishing was decimated. AIDMI encouraged women with other skills such as weaving, coir production, tailoring, and incense making to train other women and begin production. It was explained that they could create new resources, which could be built upon in the future. Community work sheds are being established in villages, which act as a centre for training and manufacturing. The women are now using the skills acquired whilst participating in the Cash for Work programme, to oversee and organize production of these goods.

Aside from the obvious physical effects of the Cash for Work and Shelter programmes - the reconstruction of shelter and infrastructure, there have been tangible positive economic and psychological outcomes. The capacity of household economies is augmented by the cash wage, which is in turn translated to increased demand and economic activity within the communities. This creates a local multiplier effect thereby stimulating regional economic growth. In psychological terms, the provision of temporary employment and wage earning gives rise to a sense of normality, and serves as a form of displacement therapy. From this point, recovery and sustainable development can become a reality. ■

A Second Incarnation of the Cash for Work Programme: Flood affected Kheda

When the July 2005 floods struck the slum community of Indiranagar in the Kheda region of Gujarat, AIDMI were able to respond quickly and using their 'Cash for Work' experience in southern India, were able to implement the programme almost as soon as the waters receded. This time, 49 individuals benefited from being able to earn a daily wage again after the floods took away their earning capacity. Under the Cash for Shelter programme, 22 households benefited from both employment and habitat reconstruction. In this livelihood relief programme, youths under the age of 18 were able to be remunerated for their contributions to reconstruction.

In addition to the repair of flood damage to property, infrastructure and livelihoods, perhaps one of the most significant benefits of the programme is the opportunity it has given to construct a new drainage system. The first one of its kind in the region, it will make dramatic improvements to public health, sanitation, and disaster mitigation in the community, and would have been unattainable had it not been for the Cash for Work programme since it would cost around Rs. 60,000/-. There is a sense of enormous pride apparent as they proudly display the drainage canal system. It has given the community a renewed sense of optimism, and members have expressed that they feel a little more secure now that these measures are in place.

Already plans are in place for the commencement of Phase II of AIDMI's reconstruction programme in Kheda. As a result of consultations with the affected communities, it was found that around two-thirds of residents would be interested in taking out afat vimo (disaster insurance) policies to provide a degree of protection against future flood losses. The construction of Community Resource Centres are also being planned. They will enable capacity building activities and disaster preparedness measures by promoting awareness of health issues, and support healthcare and disease reduction measures in the community by providing chlorine purification tablets and insect repellent. ■

The restoration of earning capacity allows for the reconstruction process to begin.

Glossary of Key Terms

Microeconomics is a branch of economics concerned with the smallest level of activity in the economy, usually at the individual supplier and producer level. The combined interaction of these small (micro) units in several regional **microeconomies** form the larger **macroeconomy** on a national and international level.

Microcredit is the use of small loans (usually less than US$200), and support from local organizations called **microfinance institutions (MFIs)** to start, establish, sustain, or expand very small, self-supporting businesses. These loans are known as **microloans.**

The positive effects of alternative livelihoods programmes are not just economic, but psychological too.

Microsavings programmes are small-scale savings schemes available to those who would not otherwise be eligible for a bank account. These savings programmes are encouraged in poor communities as a method of risk transfer and mitigation. In some cases they are mandatory for recipients of **microloans** to ensure and enable loan repayment. It is also crucial for small business development and **microeconomic** growth.

Repayment: Microloans from an **MFI** are repaid by the individual or community who have taken out the loan. The total amount borrowed is repaid with interest set at a rate determined by the **MFI**, and the repayment schedule is anywhere from six months to over one year. The money is recycled as another **microloan**, thus multiplying the value of each dollar in defeating global poverty, and changing lives and communities.

What is the difference between microcredit and microfinance?

Microcredit covers loans and the credit needs of clients, while **microfinance** provides a broader range of financial services and creates a wider range of opportunities for success. Examples of these additional financial services include **microsaving**, **microinsurance**, housing loans and remittance transfers. The local **MFI** might also offer **microfinance** plus activities such as entrepreneurial and life skills training, and advice on topics such as health and nutrition, sanitation, improving living conditions, and the importance of educating children. ■

List of Speakers at the International Workshop on Disaster Risk Mitigation: Potential of Microfinance for Tsunami Recovery

Daniel Kull, UNISDR	Maneesha Chadha, ABN Amro Bank
D. K. Shankaran, Secretary, Ministry of Home Affairs, Government of India	Manu Gupta, SEEDS
Mayumi Yamada, Reseacher, UNCDR, Japan	Mehul Pandya, AIDMI India
Emil Anthony, SEEDS, Sri Lanka	Mihir Bhatt, Director, AIDMI India
G. S. Bedi, Collector, Cuddalore, Tamil Nadu	N. Vinod C. Menon, NDMA
Gen. (retd.) N. C. Vij, PVSM, UYSM, AVSM, Vice Chairperson, NDMA	P. K. Mishra, Member Secretary, NCRPB
H. I. Adib, BRAC, Bangladesh	Parveen Pardesi, Sr. Advisor, UNISDR
J. Saravanan, DHAN Foundation	PG Dhar Chakrabarti, Executive Director, NIDM
Krishna Vatsa, Government of Maharashtra	R. Devaprakash, CARE India
M. P. Manogaran, SSJHRD	R. Santhanam, Government of Tamil Nadu
M. C. Antonio, Philippines	Santosh Kumar, NIDM
M. P. Sajnani, Advisor, Ministry of Home Affairs, Government of India	Shivraj Patil, Honorable Union Home Minister, Government of India
	Sneh Lata Kumar, Rashtriya Mahila Kosh
	Sukhbir Singh, Chief General Manager, NABARD

Sharing Experiences of Tsunami Recovery, Mircofinance and Disaster Risk Reduction

Mayumi Yamada, UNCDR, Japan

Krishna Vatsa, Govt. of Maharashtra

G. S. Bedi, Collector, Tamil Nadu

Praveen Pardeshi, UNISDR

Mehul Pandya, AIDMI

Anil Sinha, GFDR; Shivraj Patil, Honorable Union Home Minister, GoI; Mihir Bhatt, Honorary Director, AIDMI

M. C. Antonio, Philippines

R. Devaprakash, CARE India

J. Saravanan, DHAN Foundation

Sukhbir Singh, NABARD

N. Vinod C. Menon, Member, NDMA

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