

Distr.: General 10 June 1999

Original: English

**General Assembly** Fifty-fourth session

Item 20 (b) of the preliminary list\*

Strengthening of the coordination of humanitarian and disaster relief assistance of the United Nations, including special economic assistance: special economic assistance to individual countries or regions

**Economic and Social Council** Substantive session of 1999 Geneva, 5-30 July 1999 Item 5 of the provisional agenda\*\*

Special economic, humanitarian and disaster relief assistance

Collaborative efforts to assist Belize, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama and progress made with the relief, rehabilitation and reconstruction efforts of the affected countries

### **Report of the Secretary-General**

## I. Background

On 24 October 1998, Atlantic tropical storm Mitch transformed itself into one of the strongest and most damaging hurricanes ever to hit the Caribbean and Central America. During the following week, its effects were felt across Belize, Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua, even while the eye remained some 150 kilometres offshore. It then became stationary off the Caribbean coast of Honduras, causing torrential rains, flooding, landslides and high intensity winds. At its height, on 26 and 27 October, the hurricane reached Category 5 (the highest); it is one of only four hurricanes ever to reach that level during the twentieth century in a region often hit by tropical storms. During that period, hurricane Mitch sustained winds of almost 300

kilometres per hour and dumped heavy rains all over Central America.

- 2. No disaster is purely natural. The effects of hurricane Mitch were aggravated by man-made factors. Population pressures had resulted in large-scale deforestation and the cultivation of marginal lands without proper soil conservation. Those conditions left communities vulnerable to deadly floods and mudslides; flooding was aggravated by lack of adequate watershed management.
- The poor bear the brunt of disasters such as Mitch, since they have restricted access to land and often must live in marginal, high-risk areas, such as the banks of rivers and in gullies. Many of the poorest have been hit twice, as Mitch washed away both their homes and their sources of income. Mitch aggravated pre-existing social conditions, such as unequal access to employment, land and social services. A firm consensus exists within the Central American countries that the recovery process should incorporate efforts to

<sup>\*</sup> A/54/50.

<sup>\*\*</sup> E/1999/100 and Add.1.

transform the social and economic conditions underlying the ecological and social vulnerability of the region.

## II. Assessment of damages by the Economic Commission for Latin America and the Caribbean and the United Nations Development Programme

- 4. Under the auspices of the United Nations Resident Coordinator and financed by the United Nations Development Programme (UNDP), Economic Commission for Latin America and the Caribbean (ECLAC) damage assessment missions were mobilized immediately after the hurricane, initially visiting El Salvador, Guatemala, Honduras and Nicaragua. A subsequent mission to Costa Rica focused on indirect damages resulting from its economic ties with its neighbours, including reduced exports and non-payment of intraregional debt. Although Belize did not suffer the most devastating effects of hurricane Mitch, heavy rains and gusty winds took their toll on its fragile tourism industry, roads and educational facilities.
- 5. The ECLAC assessment revealed the following estimation of the humanitarian impact as of the end of November 1998, in numbers and as a percentage of the totals for each category for the whole region:

- 6. Total direct and indirect damages from hurricane Mitch in the four most affected countries were estimated to have reached over US\$ 5 billion. Mitch caused the widespread destruction of water distribution and sanitation systems, health-care centres, schools and other social infrastructure. It compounded existing chronic housing deficits. Stagnant water led to increased incidence of water-borne diseases and enhanced the threat of dengue fever, cholera and malaria. School attendance rates will decrease as a result of infrastructure damage and decreases in family incomes.
- 7. All of the above-mentioned countries suffered some degree of damage to road systems, resulting in the interruption of the trade flows within the region. Damages in the energy sector range from the temporary closing of plants to systematic energy rationing.
- 8. Most of the losses in the productive sector relate to agriculture. The destruction of plantations and crop fields has resulted in increased unemployment and a reduction in the foodstuffs available for poor families, and constitutes a serious threat to the food security of sections of the population. Reduced exports among the Central American economies constitute important indirect costs to the productive sector to the region as a whole.
- 9. Honduras demonstrates an unparalleled degree of direct and indirect damages that constitute a direct threat to the economic viability of the country. Initial estimates attributed 70 per cent of total direct and indirect damages to

Table 1

The humanitarian toll of hurricane Mitch

Category	Honduras (percentage)	Nicaragua (percentage)	Guatemala (percentage)	El Salvador (percentage)	Total (percentage)
Dead	5 657 (62.7)	2 863 (31.7)	268 (3.0)	240 (2.7)	9 028 (100)
Missing	8 058 (88.1)	948 (10.4)	121 (1.3)	19 (0.2)	9 146 (100)
Wounded	12 272 (94.8)	388 (3.0)	280 (2.2)	N/A	12 940 (100)
In shelters	285 000 (62.5)	65 271 (14.3)	50 000 (11.0)	55 864 (12.2)	456 135 (100)
Total evacuated	617 831 (52.3)	370 641 (31.4)	108 594 (9.2)	84 316 (7.1)	1 181 382 (100)
Total affected population <sup>a</sup>	4 753 537 (70.9)	867 752 (12.9)	734 198 (11.0)	346 910 (5.2)	6 702 397 (100)
As percentage of total population <sup>b</sup>	76.6	19.3	6.3	5.7	23.6

<sup>&</sup>lt;sup>a</sup> Includes the dead, injured and homeless, as well as those who suffered material and economic losses. In the case of Honduras, this includes many city inhabitants who, at the time of the assessment, were still without basic social services.

<sup>&</sup>lt;sup>b</sup> Source of estimate: Latin American Demographic Centre.

Honduras. The greatest losses are in agriculture, where not only were crops lost, but the topsoil itself was washed away by the torrential rains. Banana production, a chief source of monthly income, will take from 16 to 18 months to recuperate, while fields are cleaned of debris, topsoil replaced and new seeds planted. These losses, as well as the infrastructure damage, will have a sustained impact on the rest of the economy, especially small business, and will reduce per capita income.

- 10. In Nicaragua, damages are concentrated in the infrastructure sector, especially housing and roads. There is also significant damage to the productive sectors, namely agriculture, livestock and fisheries. The magnitude and economic implications of the disaster are severe and will be felt for several years. Hurricane Mitch also aggravated the already precarious conditions vis-à-vis health care, water and sanitation.
- 11. In El Salvador, the preliminary data showed most of the damages occurring in the agricultural sector. Guatemala also showed most losses corresponding to the agricultural sector, chiefly coffee, bananas, melons and basic grains. Close attention was given to the impact of Mitch on vulnerable populations, such as returned refugees and the internally displaced, in order to minimize the risk of eroding the gains made by those populations as a result of the peace process. Reconstruction in Guatemala will have as a defining characteristic its linkage to the peace process. This offers a further opportunity to pursue the consolidation of the process, since the priorities and themes of reconstruction and transformation are mirrored in the Peace Agreements.

Table 2
Central America: summary of direct and indirect damages (millions of United States dollars)

Sector	Direct damages	Indirect damages	Total
Social sectors (housing, health, education)	547.2	792.3	1 339.5
Infrastructure (roads, bridges, railways, water and sanitation, energy)	610.2	430.3	1 040.5
Productive sectors (agriculture, livestock, fisheries, forestry, industry, trade, services)	1 871.7	1 041.1	2 912.8
Environment	67.3	0.7	68.0
Total	3 096.5	2 264.3	5 360.8

### III. Initial response of the United Nations

- 12. The United Nations system, its funds, programmes and specialized agencies have been operating in Central America for close to 50 years. For the past decade, the United Nations has also been active in bringing the peace process within the region to a successful conclusion. With offices in every country, the United Nations has worked in close partnership with Governments and civil society to improve the lives and livelihoods of the poorest segments of society women, children and other vulnerable populations namely, those who suffered the most from hurricane Mitch.
- When the disaster struck, the United Nations system reacted immediately, taking advantage of its field presence and available stocks of medicines, food and materials. Together with the United Nations Resident Coordinators and the in-country United Nations disaster management teams (incountry representatives of United Nations agencies) in El Salvador, Guatemala, Honduras and Nicaragua, the United Nations Emergency Relief Coordinator/Office for the Coordination of Humanitarian Affairs activated their tools for the coordination of international response: (a) issuance of situation reports highlighting unmet emergency requirements in order to mobilize international assistance and summing up international response; (b) deployment of United Nations disaster assessment and coordination teams to assist the offices of the United Nations Resident Coordinators; (c) channel for cash contributions (US\$ 2.6 million) for relief and immediate rehabilitation; (d) airlifts from the Office for the Coordination of Humanitarian Affairs warehouse in Pisa, Italy, of emergency relief items and facilitation of shipments of water supply equipment; (e) the Office for the Coordination of Humanitarian Affairs in Geneva was also instrumental in the mobilization of military assistance from the Netherlands (40 rescue boats, 200 military personnel), and in the coordinated use of military assets from the United Kingdom of Great Britain and Northern Ireland (helicopters).
- 14. In the first weeks after the disaster, the United Nations system channelled over US\$ 12 million in emergency assistance. The availability of World Food Programme (WFP) food stocks in various locations played a crucial role in ensuring the immediate delivery of food to the affected areas. In all of the affected countries, the United Nations country teams worked to facilitate coordination and accelerate the implementation of already available donor support.
- 15. The Emergency Response Division of UNDP approved over US\$ 1.2 million in the aftermath of the hurricane to strengthen the capacity of the UNDP Humanitarian Coordinator to undertake crucial coordination and information-sharing activities.

- All the major United Nations agencies recruited additional staff or were strengthened with professionals seconded from other offices or from headquarters. In Honduras, the United Nations Resident Coordinator oversaw the creation of a decentralized field operations capacity in four locations to facilitate links with the affected population and to support and monitor the implementation of emergency programming. Over 150 local and international United Nations Volunteers were hired to help with the distribution of relief items and the evaluation of conditions in the emergency shelters. The International Organization for Migration (IOM) set up operations in Tegucigalpa to assist UNDP in carrying out a census of the people still in shelters and to support the construction of additional shelters for those unable to return home, with funds from the Government of Norway. In Nicaragua, UNDP sent focal points to the main affected areas to assist local authorities in the management of relief activities and the collection of information. The focal points worked to ensure transparency, efficiency and effectiveness in the distribution of emergency assistance.
- 17. In El Salvador, Guatemala and Honduras, the disaster management teams disseminated information on the hurricane through the creation of Web sites. These proved to be valuable sources of information on the activities of the United Nations and provided links to official governmental and Office for the Coordination of Humanitarian Affairs data on the disaster and to the work of non-governmental organizations. Together with the United Nations disaster assessment and coordination teams, the United Nations country teams served as clearing houses for information on the crisis for the international community during the many assessment missions that occurred after the hurricane.
- 18. The United Nations Children's Fund (UNICEF) approved funds from its Emergency Programme Fund and undertook assessments of the situation of women and children. The Pan American Health Organization/World Health Organization (PAHO/WHO) mobilized more than 60 specialists to bolster health systems. The Supply Management System, introduced to the region by PAHO/WHO was utilized in monitoring and categorizing the receipt of in-kind contributions. The Food and Agriculture Organization of the United Nations (FAO) approved emergency projects to provide tools, seeds and fertilizers to farmers affected by the hurricane.
- 19. After meeting with the Ambassadors of Honduras, Nicaragua, El Salvador, Costa Rica and Guatemala to the United Nations on 3 November 1998, the Secretary-General sent letters to the Presidents of the World Bank and the Inter-American Development Bank (IADB), and to the Managing Director of the International Monetary Fund, in which he

asked for their support in easing the debt burden for the most affected countries and in providing additional soft credits for rebuilding damaged infrastructure.

# IV. United Nations inter-agency transitional appeal

- 20. At the request of the Secretary-General, UNDP and the Office for the Coordination of Humanitarian Affairs brought together the United Nations system, the international financial institutions and the major non-governmental actors in providing emergency relief to the victims of hurricane Mitch to form an inter-agency task force. At the first meeting of the task force, co-chaired by UNDP and the Office for the Coordination of Humanitarian Affairs and held in New York on 18 November 1998, the need for a United Nations interagency transitional appeal coordinated by the Office for the Coordination of Humanitarian Affairs was underlined. Such an appeal would help to raise adequate support for relief needs and immediate rehabilitation, while forging links with longer-term rehabilitation. The United Nations country teams in Belize, El Salvador, Guatemala, Honduras and Nicaragua were to prepare the appeal, under the overall coordination of the United Nations Resident Coordinators and the Office for the Coordination of Humanitarian Affairs in Geneva.
- The Office for the Coordination of Humanitarian Affairs in Geneva held an information meeting with Geneva-based missions to the United Nations and international organizations in mid-November 1998 and then organized a series of sessions with an inter-agency working group to coordinate the preparation of the transitional appeal. The following agencies, programmes and funds submitted projects for inclusion in the appeal: FAO, IOM, the Office for the Coordination of Humanitarian Affairs, UNDP, the United Nations Educational, Scientific and Cultural Organization (UNESCO), the United Nations Fund for Population Activities (UNFPA), the Office of the United Nations High Commissioner for Refugees (UNHCR), UNICEF, WFP and WHO/PAHO. The appeal covered the following sectors: health, water and sanitation, shelter, food security, education, coordination/management, emergency telecommunications. The total amount of resources requested amounted to US\$ 153 million, of which 80 per cent related to needs in Honduras and Nicaragua, the worst affected countries. The appeal was launched during the first week of December 1998 by the Office for the Coordination of Humanitarian Affairs and UNDP in Geneva.
- 22. According to the Office for the Coordination of Humanitarian Affairs, response to the appeal to date stands

at 64 per cent, including contributions via non-governmental organizations. The WFP component, amounting to US\$ 63 million, has been almost completely funded but other requirements are still to be addressed. The Office for the Coordination of Humanitarian Affairs held a donor information meeting in Geneva on 26 March 1999 to raise awareness of outstanding needs, drawing attention in particular to relief/rehabilitation projects requiring urgent funding.

# V. Joint disaster response and recovery mission to Central America

- 23. The United Nations Under-Secretary-General for Humanitarian Affairs proposed the undertaking of a mission to assess the contribution of the United Nations system to the emergency response, to identify additional resources required by the United Nations country teams and to propose ways of integrating disaster-reduction components in the national reconstruction and transformation plans.
- 24. PAHO/WHO, the Office for the Coordination of Humanitarian Affairs, UNDP and UNICEF co-sponsored the mission, which was carried out during January and February 1999. The mission team met with United Nations staff, government counterparts and partners from the international community and civil society. Its main conclusions and recommendations can be summarized as follows:
  - 1. National Preparedness and Early Warning. The mission team suggested that the United Nations value added during the early phases of a disaster related mainly to its capacity to provide an independent assessment of damages, to mobilize the international response and to provide reliable and timely information to all actors. For that purpose, the United Nations disaster assessment and coordination teams proved to be extremely useful.
  - 2. The disaster management teams. Experience indicated that the disaster management teams worked most effectively when they could build upon previous collaboration and presence at the field level. The mission report noted that the United Nations system in Honduras had responded with a high degree of team spirit, relying on the particular skills of United Nations staff, rather than on strict observance of the respective mandates of each agency. Temporary assignment of public information officers would help ensure better communications with the media, the affected populations and the international community.

- 3. Deployment of local United Nations staff. The mission team noted the decentralized approaches taken to the United Nations response in all of the affected countries and, in particular, praised the efforts of the United Nations in Honduras, which had fielded interagency teams in seven locations that included 150 national and international United Nations Volunteers. These locally based staff helped local authorities and served as excellent sources of information with regard to on-site conditions.
- 4. Contingency funding. Additional emergency funding was needed to support transportation: the United Nations country teams were constrained by their inability to rent helicopters and rafts to transport relief supplies to areas cut off by the destruction of roads and bridges. The Office for the Coordination of Humanitarian Affairs had worked to expand contingency funding arrangements and, together with UNDP and the United Nations agencies concerned, would support the assessment of regional availability of helicopters and the development of contingency procurement agreements.
- 5. Disaster reduction. The United Nations system must work with its partners in the countries and within the donor community to heighten awareness of need to incorporate disaster mitigation into national reconstruction and transformation plans and programmes. Priority should be given to the most vulnerable populations. The United Nations should advocate increased attention to watershed and river basin management.
- 6. Strengthening of country teams. In order to accomplish recommendation No. 5, the United Nations country teams must be strengthened with respect to their own disaster response preparedness, their capacity to provide technical assistance in the assessment of current disaster management practices and in the preparation of disaster-reduction and mitigation strategies. Awareness within the United Nations system of tools of the Office for the Coordination of Humanitarian Affairs, such as the United Nations disaster assessment and coordination teams, the Office's Unit for mobilizing military and civil defence assets, and its warehouse, should be improved.<sup>2</sup>
- 7. The transition from relief to development. A more participatory, field-driven approach could improve the effectiveness of mobilizing resources for the recovery phase, combined with "flash" appeals to highlight the most urgent needs.

### VI.

# **Evaluation of preparedness and response to Mitch**

- 25. From 16 to 19 February, disaster preparedness and response experts met in Santo Domingo to examine the lessons learned from hurricanes Georges and Mitch. The workshop was co-sponsored by the Office for the Coordination of Humanitarian Affairs, PAHO/WHO, UNDP, UNICEF and the United Nations Decade for Natural Disaster Reduction. The meeting brought together a huge number of disaster management practitioners and specialists from the Caribbean and Central America. Some of the main recommendations of the workshop can be summarized as follows:
  - 1. The promotion of increased awareness of decision makers of the importance of vulnerability analysis, mitigation measures, and rapid damage and needs assessments.
  - 2. The establishment of a single national coordination mechanism for disaster management with representation of all sectors and of civil society from disaster-prone areas. Staff trained in disaster management should not be subject to frequent turnover.
  - 3. Contingency plans should be formulated at both the community and national levels, with high priority accorded to their development within national budgets. Guidelines and policies should use easily understandable language.
  - 4. Strategies to mitigate disasters and reduce environmental vulnerability should be incorporated into development projects.
  - 5. ECLAC and other organizations responsible for assessing damages from disasters should revise and unify methodologies to include indirect social and environmental costs, as well as the cost of modernization and transformation.
  - 6. Systems such as the PAHO Supply Management System, should be used to improve the management of emergency supplies.
  - 7. Journalists should be trained on disaster issues to help avoid the dissemination of rumours and incorrect information during and after disasters. Greater transparency in generating and disseminating information is necessary.

8. Early warning systems should involve local communities and be incorporated into a regular process as part of daily lives.

#### VII.

# Rehabilitation, reconstruction and transformation initiatives

- 26. The United Nations system continues to support immediate rehabilitation efforts while trying to focus attention on the root causes of the disaster. UNDP, the United Nations Environment Programme (UNEP), ECLAC and PAHO/WHO have participated in an Inter-Agency Technical Committee providing technical assistance to the regional integration system (specifically, the Central American Commission on Environment and Development) for the purpose of assessing environmental risk and vulnerability in the region, and preparing a regional strategy for development along more sustainable and less vulnerable lines.
- 27. The Committee is part of a broad alliance of national, regional and international institutions working together at the regional level to compile and revise inventories of information and maps on environmental risk and vulnerability. The group is helping to prepare case studies in rural and urban areas on the linkages between ecological factors, disaster preparedness and the level of damages sustained by natural phenomena, as well as to formulate regional projects for presentation to the international community.
- 28. The Global Environmental Facility, co-implemented by the World Bank, UNDP and UNEP, is co-financing projects to strengthen the Meso-American Biological Corridor and to create a Central America Fund for Sustainable Development (FOCADES). The Biological Corridor initiative is a central tool in regional efforts to change the development agenda in the wake of hurricane Mitch. It focuses on both conservation of biological diversity and mitigation of the effects of climate change. If successful, the project should facilitate the creation of a network of protected areas and fragile zones throughout Central America, thus helping to reduce vulnerability to future disasters.
- 29. FAO, in collaboration with WFP, has undertaken detailed crop and food supply assessment missions to Honduras and Nicaragua. In January 1999, WFP approved a protracted relief and recovery operation in El Salvador, Guatemala, Honduras and Nicaragua. Although the initiative has a regional structure, its primary focus is on the most affected country, Honduras, where agricultural production

was severely damaged in 100 per cent of the lowlands, where most commercial activities are based. The operation, valued at US\$ 73 million, will seek to contribute to the recovery and improvement of food security of the most vulnerable segments of the population, through the active participation of beneficiaries in the restoration of productive activities. It will begin in May 1999.

- 30. In February 1999, UNESCO fielded a mission to the region to help Governments to prepare project documents for presentation to the donor community within the context of the Consultative Group process. It approved an "Immediate Action Plan for the Countries Affected by Hurricane Mitch", which seeks to support the process of transformation in the region. This is being done through technical assistance, small projects for the affected population, as well as through the formulation of a "Special Strategy for Central America" for approval in the next UNESCO programme and budget. Pilot projects will promote community-based effects to use solar energy in rural classrooms.
- 31. UNDP and the Office for the Coordination of Humanitarian Affairs are working together to prepare United Nations country teams and their national counterparts to improve capacities for disaster prevention and response. UNDP has approved seed resources for the development of national disaster management plans and PAHO/WHO, UNICEF, UNDP and the Office for Coordination of Humanitarian Affairs have offered to provide additional expertise on a subregional basis through the creation of an inter-agency team of disaster specialists. This team would provide backstopping to the United Nations disaster management teams and to national authorities and, in time of disaster, would join forces with the United Nations disaster assessment and coordination teams to support disaster response. The Office for the Coordination of Humanitarian Affairs is working with national authorities in the region, and in the United States, to arrange high-level seminars to promote better coordination in the international use of military and civil defence resources in response to disasters.
- 32. Community participation and decentralization have been key themes in United Nations support rehabilitation and reconstruction activities. UNDP, IOM and the United Nations Centre for Human Settlements (Habitat) are supporting the resettlement of 1,200 families on the coast of Lake Xolotlan in Managua, by facilitating the re-establishment of social services and the resettlement of affected families to safer areas. The project works with the community to restore and strengthen municipal capacities and to generate employment through microenterprises.

- 33. In the municipalities of northern Nicaragua that were most affected by hurricane Mitch, United Nations support builds on previous collaboration in the area between UNDP and the United Nations Capital Development Fund (UNCDF) to reintegrate ex-combatants and generate employment. After the disaster struck, UNCDF approved an emergency grant for its participant communities, while UNDP, the Organization of American States (OAS), the International Labour Organization (ILO), the United Nations Centre for Human Settlements (Habitat) and UNFPA worked to restore permanent shelter, strengthen municipalities, re-establish social services and reactivate production.
- 34. In Guatemala, United Nations inter-agency efforts have focused on the eastern part of the country, which was the most affected by the hurricane. There, the United Nations country team is working to establish for the first time a fully integrated field presence to take advantage of the wide range of expertise available from the United Nations system to promote reconstruction and transformation at the local level.

### VIII.

### The Consultative Group process

- 35. In December 1998, IADB held the first Consultative Group Meeting for the Reconstruction and Transformation of Central America, in Washington, D.C. At that meeting, more than US\$6 billion was pledged from the international community in disaster relief, reconstruction assistance and debt forgiveness. A second meeting of the Consultative Group is to be held in Stockholm, in May 1999, co-hosted by IADB and the Swedish Government. The meeting is introducing several innovative aspects, including the discussion by experts from Governments, civil society and the international community during thematic workshops of issues crucial to transformation in the isthmus, namely on ecological and social vulnerability; decentralization and transparency.
- 36. The United Nations system is working to assist Governments to develop national strategies that address these concerns and to define with precision their national priorities. It is also promoting the participation by civil society organizations in the Consultative Group process, including the establishment of sustainable mechanisms for monitoring the reconstruction and transformation process in the wake of hurricane Mitch. In El Salvador, this approach has been particularly successful, involving the establishment and coordination, with UNDP support, of working groups on specific components of the reconstruction and transformation plan to be submitted formally by the Government to donors, with participation from a broad range of sectors.

37. At both the country and headquarters levels, the United Nations system is collaborating closely to ensure that it participates in the Stockholm meeting in a coherent and coordinated manner. The United Nations will present a single document for the region and will submit a unified pledge during the donor interventions.

### IX. Conclusions

- 38. Hurricane Mitch reflects a change in the global environment. Victims of tropical storms, flood and drought are increasingly becoming the beneficiaries of international emergency assistance. The United Nations must utilize the same creative energies it has applied to the political crises in Central America to the less controversial but equally destructive crises triggered by natural phenomena.
- 39. Experts are predicting that 1999 will be another severe tropical storm season for Central America and the Caribbean. The United Nations is working with the countries of the region to prevent another disaster on the scale of hurricane Mitch, by helping to create a more sustainable framework for development.

#### Notes

- <sup>1</sup> ECLAC defines direct damages as all damages to fixed assets (including property), capital and inventories of finished and semi-finished goods, raw materials and spare parts, which occur simultaneously or as a direct consequence of the natural phenomenon causing a disaster. The destruction of crops ready for harvesting must also be valued and included as direct damage. Indirect damages refer to damages to the flows of goods and services that cease to be produced or provided during a period of time beginning almost immediately after the disaster and possibly extending into the rehabilitation and reconstruction phase. Any calculation should extend to the period needed to restore all or part of the production capacity. It includes the costs or increase in costs, as well as losses income as the result of the impossibility or difficulty in producing goods or providing services.
- <sup>2</sup> The induction course for 24 new United Nations disaster assessment and coordination members was held by the Office for the Coordination of Humanitarian Affairs in Guatemala in April 1999.