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CARE INTERNATIONAL'S PERSPECTIVE

On the Transformation of Central America following hurricane Mitch

1 Introduction

Hurricane Mitch was one of the most devastating storms in the history of the Americas. It ravaged Central America, leaving in its wake death, destruction of people's homes and livelihoods, and heavily damaged infrastructure and social services. It set back the progress in economic growth made by Central American countries during recent years, put at risk their progress in democratization and underscored the need for better natural resources management.

Although Honduras and Nicaragua sustained the worst damage, neighboring El Salvador and Guatemala also experienced serious damage and loss of life. Approximately 10,000 Central Americans are reported dead and 8,000 missing. Entire villages were buried by mudslides or swept from the banks of rivers. Hundreds of thousands of people were left homeless. All told, more than 2.3 million people suffered direct or indirect consequences from Hurricane Mitch. Estimates of material losses and damages exceed \$5 billion.

Poor people, by and large, have suffered most from Mitch, because without insurance or money to pay for emergency medical care or home repairs or rebuilding, they have limited capacity to withstand and recover from shocks of the magnitude of this storm. This limited capacity is the result of decades of inequitable distribution of resources that has left poor families marginalized and disenfranchised.

While Hurricane Mitch was a terrible disaster, it also presents an opportunity to transform this historic inequity. The challenge facing Central American countries in the aftermath of Mitch is not only to rebuild their physical and economic infrastructure but also to undertake the longer term reweaving of the social fabric for a more equitable recovery and lasting prosperity.

It is the moment to seize new opportunities to create a different future, rather than try to rebuild the past. There is a chance to transform Central America.

To date, the international community has committed significant financial, material and human resources to assist host governments and civil society in their efforts to begin the task of "transforming" Central America. CARE believes that such support must continue over the medium- to long-term and that this support must not only target those affected by Mitch but take into consideration all marginalized and disenfranchised populations. Only through a long-term