



Some Clarifying Comments

**On the Concepts Involved in the
Application of the ECLAC Methodology**

General Comment

- ✦ **The DaLA methodology has been developed for use in developing countries where only limited amounts and levels of data are available**
- ✦ **Since we do the first part of the assessment at the sector level, we have to use the data that is available at that level and on which sector experts are used to work with**

Production Losses in Sectors

- ✦ In developing countries, there exist statistics on gross production (in volume and value) for all sectors
- ✦ At sector level, we do not have statistics on the inputs required to obtain the gross production
- ✦ Therefore, the losses that are estimated during an assessment are always in gross terms (not in net or value-added terms)

Impact of Disasters on GDP

- ✦ Having said that, we all know that the impact of losses on GDP must be measured in net or value-added terms
- ✦ Therefore, from the estimated gross losses in production for each sector, we must deduct the value of inputs

Impact on GDP..

- ✦ **In order to do that, the macro-economic assessment team usually has access to information that relates gross production to net production for each sector**
- ✦ **In fact, we take advantage of the value-added coefficients that can be obtained from net and gross production tables that are normally available in Statistical Offices (which are not usually available or used by sector specialists)**

To Summarize

In brief, then:

- 1. Damage is given as the value required to replace destroyed assets to the same quality/quantity that they were in prior to the disaster**
- 2. Estimated losses refer to gross production value**
- 3. At the macro level, impact on GDP is measured using the net (value added) losses**