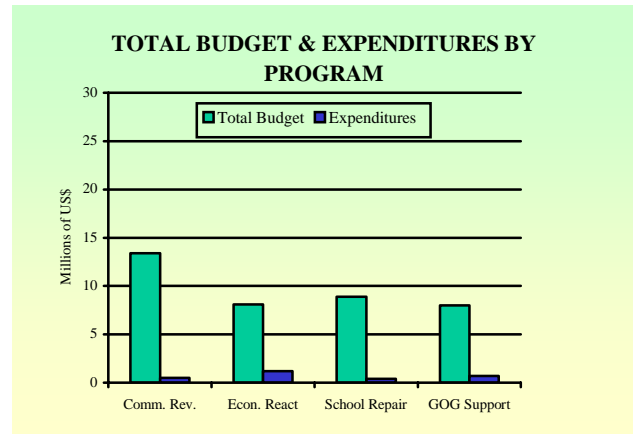
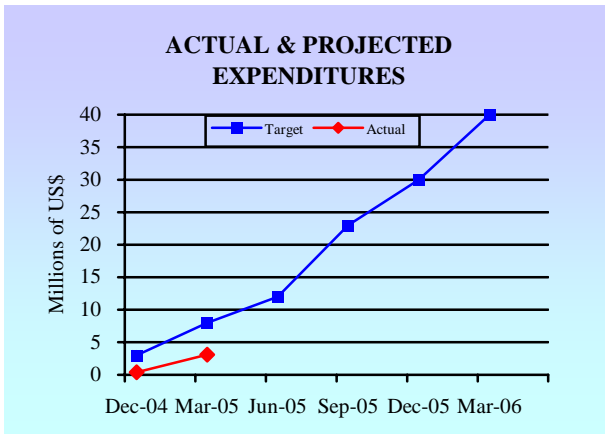


## GRENADA HURRICANE IVAN RECONSTRUCTION PROGRAM

### Quarterly Report Status as of March 31, 2005

October 2004 SUPPLEMENTAL RECONSTRUCTION FUNDS – Expanded Reconstruction and Recovery Program (Dec 04-Dec 05)	TOTAL BUDGET \$ 40,338,000	OBLIGATIONS \$ 40,084,000	COMMITMENTS \$ 33,084,000	EXPENDITURES \$3,017,000
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### IMPACT OF HURRICANE IVAN

On September 7, 2004, Hurricane Ivan pummeled the small island nation of Grenada. Having confronted its last major hurricane more than fifty years earlier, Grenada was unprepared for Ivan’s strength. Winds caused substantial damage to all six parishes on the island, including:

- 28 deaths
- 700 injuries
- 100% of the population (102, 632 persons) adversely affected

- 90% of homes damaged with 30% of all houses destroyed, leaving 18,000 persons homeless
- 100% of the population without potable water and electricity
- \$815 million in damages island-wide

Estimated damages on the island were nearly twice the annual national GDP. Grenada’s capacity to respond to the disaster was severely limited, and its ability to finance reconstruction immediately was practically non-existent as major revenue sectors were destroyed.

USAID responded with a comprehensive hurricane recovery program for Grenada and the other eastern Caribbean islands: 1) Emergency Relief, 2) Phase I Immediate Recovery Program, and 3) Phase II Expanded Recovery Program.

## **USAID'S HURRICANE RECOVERY PROGRAM**

USAID's hurricane recovery program for Grenada, with its emphasis on speed, self-help and "build back better", supported the people of Grenada to quickly recover, rebuild and resume their path to sustainable development.

### **Emergency Relief**

Within hours of Hurricane Ivan's departure from Grenada, USAID's Office of Foreign Disaster Assistance (OFDA) launched an emergency survival assistance program totaling more than \$2.3 million for hurricane-affected areas of the island. The program saved lives and provided emergency relief to those in greatest need. Activities included damage assessments, temporary shelter construction, short-term food security, and the provision of plastic sheeting, hygiene kits, water containers and purification units, chainsaws, and generators.

### **Phase I Immediate Recovery Program**

USAID reprogrammed \$3.7 million of existing development assistance funds for a rapid response six-month hurricane recovery assistance program between October 2004 and March 2005. This phase had two components focusing on revitalizing the communities and local economy. Phase I achievements include repairs to 46 homes, 11 medical clinics, and 4 schools (including 1 building at the teachers college), and land clearing and

hillside stabilization in 14 communities. Small business credit, technical assistance, and skills training was provided to those whose jobs were lost. Partnering with three Grenadian lending institutions, more than 240 small business loans totaling \$415,000 were provided to jump start the business sector. Over 800 people, 70% female, received training in skills areas where employment is expected to increase - construction, tourism, sewing, boat repairs, and others. Of those trained, over 50% have been re-employed, providing an immediate boost to household incomes. All of the assistance under Phase I provided a strong foundation and seamless transition to the larger recovery initiative under Phase II.

### **Phase II Expanded Recovery Program**

In October 2004, the US Congress passed a supplemental appropriation, which allocated \$100 million for hurricane recovery efforts in the Caribbean, of which \$40.3 million was approved for Grenada.

#### **\*\*Ivan Recovery Success Story\*\***

*Grenada provides safe harbor for 2,000 yachts and leisure craft annually, the basis for an important island industry that Hurricane Ivan left in tatters: yachts destroyed, docks and moorings lost, and associated businesses closed. Facing an upsurge in demand for yacht and boat repair, the Marine and Yachting Association turned to the USAID job skills training program to produce 50 new skilled craftsmen for three repair facilities. The skills training program ended at the end of March 2005. By April 5, 20 of 53 graduates had been hired at average salaries for the industry. 90% of these graduates were new to the trade, having become unemployed in other sectors after Hurricane Ivan*

This twelve-month reconstruction and recovery program, January to December

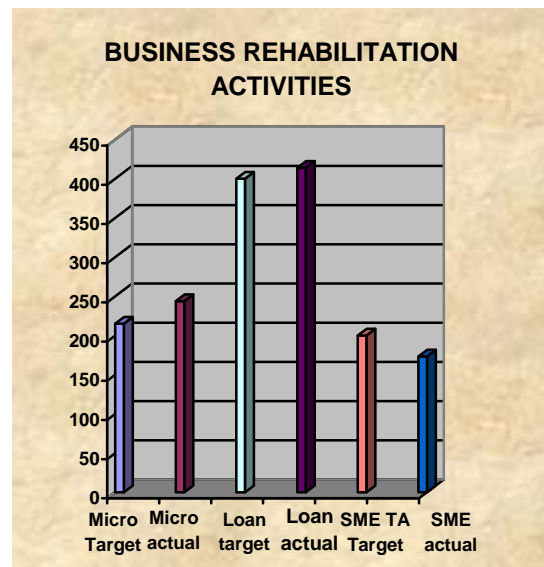
2005, expands on Phase I efforts to restore people’s livelihoods and shelter while reducing the country’s vulnerability to similar events in the future.

Phase II has four components focusing on community revitalization, business revitalization, school rehabilitation and re-supply, and support to the Government of Grenada. Considerable progress has been made during the first quarter of 2005, including a significant expansion of physical infrastructure repair to schools, new housing construction and business recovery activities. In addition, assistance to the Government of Grenada helped initiate a debt restructuring exercise and establish the Government’s Agency for Reconstruction and Development (ARD), which will oversee the recovery effort in Grenada for the next five years.

Community Rehabilitation: The \$13 million component continues to repair homes while initiating reconstruction of new homes destroyed in the Hurricane. An estimated 475 homes are planned to be repaired through self-help housing programs and up to 60 new homes will be built. To date, 41 homes are under repair and final contract negotiations with local construction firms for 60 new houses are underway. Two community centers are under repair, which will serve as future hurricane shelters for those communities. Repairs to two public tourist attractions (a historic building and a park) have been initiated. This component expects to benefit an estimated 2,625 people through direct interventions or indirectly through an expansion of jobs in the construction sector.

USAID’s implementing partner for the Community Revitalization component is

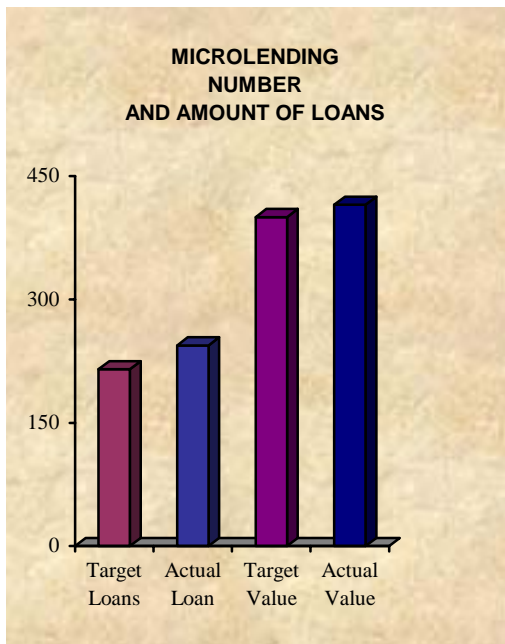
PADCO, Inc. A majority of the assistance and funding is provided through local non-government organizations, faith-based organizations, community-based organizations, associations, and local construction firms. This approach maximizes local ownership by Grenadians as well as boosting the local economy. Given the community focus, several U.S. Peace Corps volunteers have been actively assisting with rolling out activities within their communities, further deepening the overall U.S. Government recovery effort in Grenada.



Business Rehabilitation: To restore the livelihoods of those affected by the hurricane, USAID is providing \$8 million to rehabilitate the small business, agricultural, agri-business, fishery, and tourism sectors. Building upon the momentum under Phase I, this is the fastest moving component of the entire hurricane recovery program in Grenada. In the first quarter of Phase II, 173 small and medium businesses received technical assistance to restart their business activities; 47 received direct grants to help them get back to full

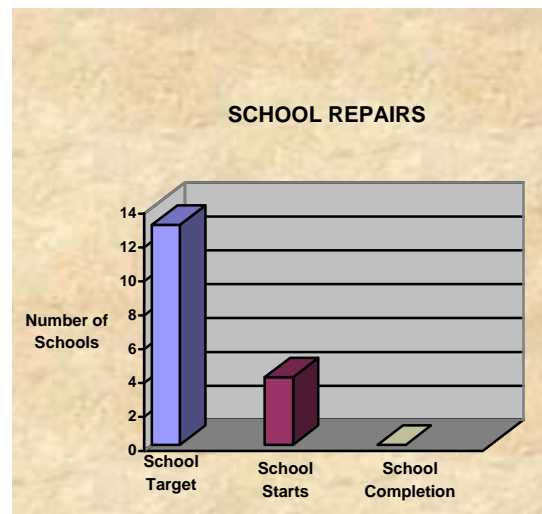
operation. In addition, this component has leveraged additional private sector finance totaling more than US\$233,000 for these small businesses. To further assist fledgling businesses, a business resource center was established where any business affected by the Hurricane can access international telecommunications, business support services and technical assistance to help restore their links to suppliers, markets, clients, and financiers. Skills training for unemployed persons continued from Phase I to Phase II. In the first quarter, an additional 307 unemployed workers received training in the construction, tourism, and other job sectors.

CARANA Corporation is USAID's primary implementing partner for this program component and a majority of the assistance goes directly into the hands of micro, small and medium business owners.



School Rehabilitation and Re-supply:  
With approximately \$8 million, USAID

aims to restore a minimum of 13 primary schools to their pre-hurricane conditions. Given the magnitude of each construction activity, this has been the slowest component to get underway. During this quarter, construction on four primary schools is underway, with at least four more starting in the next quarter. The aim is to have most of the schools completed by the start of the school year in September 2005. Building in community involvement, local residents are hired on each construction site, providing a boost to household incomes within that community. USAID's implementing partner for this activity is PADCO, Inc.



Government of Grenada Support:

Because of the dramatic loss of government revenues due to Hurricane Ivan, coupled with the increased costs to government of addressing the ensuing emergency, USAID is providing \$8 million to help finance specific and critical government expenses on a short term basis, including:

- Payment of utilities (US\$6.2m)
- Debt restructuring (US\$0.8m)
- Reconstruction management (US\$1.0m)

All three assistance activities are underway. To date, \$370,000 of utility bills have been paid with an additional \$1.2 million to be paid out in April. Two US firms are providing legal and financial services to the Government of Grenada for the restructuring of US\$1.7 billion in external debt.

Support to establish the Government's new Agency for Reconstruction and Development (ARD) has included 3 short-term US consultants and 4 permanent staff. The ARD will serve as the primary focal point for coordination of the Government's five-year hurricane recovery program.

### **SUMMARY OF ACHIEVEMENTS**

The following provides a complete summary of achievements to date under both Phase I and Phase II of USAID's Hurricane Recovery Program in Grenada.

#### **Community Revitalization and Rehabilitation**

- Repairs to 63 houses
- 2 community centers under repair
- Technical expertise to address land titling issues provided

- 5 sub-grants awarded for 20 stabilization and clean-up activities in 14 communities
- Repairs to 11 medical clinics
  - 2 tourism site repairs underway

#### **Business Revitalization and Rehabilitation**

- Over 1000 unemployed trained in various skill areas; 50% of those trained have been re-employed
- 244 loans for affected small businesses in the amount of US\$415,000 approved and disbursed
- 220 SMEs received technical and grant assistance
- A Business Resource Center established and working with over 100 small businesses
- Additional private resources of \$233,000 mobilized for SME loans

#### **School Rehabilitation and Re-supply**

- 7 primary schools and 1 teachers college under construction

#### **Government of Grenada Support**

- ARD staffed and operating
- Debt restructuring services contracted and work is underway
- Reimbursements totaling US \$370,000 for basic government operations disbursed.