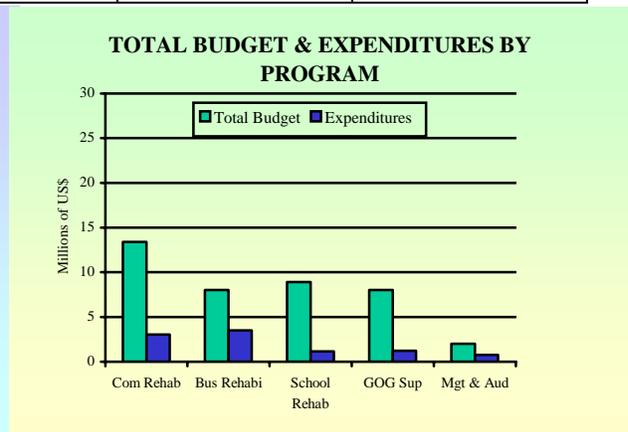
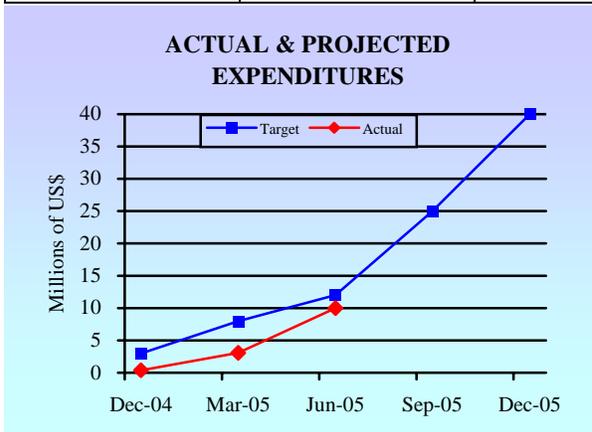




## USAID/Jamaica - CAR Hurricane Ivan Recovery Program in Grenada Quarterly Report for the Period Ending June 30, 2005

October 2004 SUPPLEMENTAL RECONSTRUCTION FUNDS – Expanded Reconstruction and Recovery Program (Dec 04-Dec 05)	TOTAL BUDGET  \$ 40,338,000	OBLIGATIONS  \$ 40,338,000	COMMITMENTS  \$ 40,338,000	EXPENDITURES  \$ 9,661,000
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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) directly impacted
- 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

The cost of Hurricane Ivan to Grenada's economy was nearly twice the value of its annual GDP. As a result, Grenada's capacity to respond to the disaster was severely limited, and its ability to finance reconstruction was non-existent as all major economic production and revenue generating sectors were destroyed.

USAID responded with a comprehensive, three-part hurricane recovery program for Grenada and other Caribbean islands, consisting of: (a) an emergency relief

response, (b) a Phase I immediate recovery program, and (c) a 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," has supported the people of Grenada to quickly revitalize and rebuild their lives and their economy. This, along with a medium term growth program, will allow Grenada the opportunity to place itself firmly on a sustainable development path.

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 \$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 constructing temporary shelters, ensuring short-term food security, and providing plastic sheeting, hygiene kits, water containers and purification units, chainsaws, and generators. Emergency relief operations ended in November 2004.

Phase I Immediate Recovery Program: USAID reprogrammed \$3.7 million of development assistance funds for a rapid response hurricane recovery program implemented between October 2004 and March 2005. This program had two components focused on addressing the immediate repair needs of communities and the rebuilding of the local economy. Phase I achievements included the repair of 38 homes, 11 medical clinics, and 4 schools (including 1 building at the teachers college), and land clearing and

hillside stabilization in 23 communities. A small business credit and technical assistance program worked to reestablish local businesses. A large, multi-sector training program upgraded the skills of hundreds who had lost jobs and trained many for new job opportunities in construction and other repair services. 804 people (71% female) trained in skill areas where employment is increasing - construction, tourism, sewing, boat repairs, and others. Of those trained, an estimated 51% have been re-employed, providing an immediate boost to household incomes. Partnering with three Grenadian lending institutions, the program approved more than 319 small business loans totaling \$590,000 to jump start the business sector. The assistance under the Phase I program formed a strong foundation for, and seamless transition to the larger Phase II recovery program.

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.

This twelve-month reconstruction and recovery program, January to December 2005, expands on Phase I efforts to restore people's economic livelihoods and address the shelter and social infrastructure needs of Grenada while reducing the country's vulnerability to similar disasters events in the future.

Phase II has four components focused on community rehabilitation, business and agriculture rehabilitation, school rehabilitation and re-supply, and support to the Government of Grenada. Considerable and very visible progress

has been made during the first half of 2005 as schools are being repaired, the housing stock is being restored, and businesses are rebuilding and reopening. Assistance to the Government of Grenada helped it to undertake a restructuring of its commercial debt, establish the Government's Agency for Reconstruction and Development (ARD) to oversee the recovery effort in Grenada, and replace lost revenues through a highly targeted reimbursement program.



Housing repairs underway in the Cemetery Hill section of St. George's, Grenada

#### Community Rehabilitation:

This \$13 million program activity rebuilds and repairs homes, repairs community centers which also serve as hurricane shelters, rebuilds an important medical facility, and restores public, historic sites frequented by tourists. An estimated 675 homes will be repaired through a combination of contracts, grants, and self-help housing programs. Up to 60 new homes will be built to replace structures that were totally destroyed by Hurricane Ivan. As of June 30, 2005, more than 200 homes have been repaired. The contract for new homes is in place and new housing construction has begun. One community center has been fully restored, a three will be completed by the end of summer. Repairs on a major drug rehabilitation center will begin later in the summer.

Repairs on one tourist site, the historic YWCA building, were completed in June and repairs at an additional three sites are underway. This component expects to benefit an estimated 2,625 people through direct interventions; indirectly it is responsible for a significant expansion of jobs in the construction sector.

A majority of the assistance and funding for these activities is provided through local non-government organizations, faith-based organizations, community-based organizations, associations, and local construction firms. This approach maximizes local ownership, generates income among the most vulnerable, and boosts the local economy. U.S. Peace Corps volunteers have actively assisted community groups where they live to participate in the program. USAID's implementing partner for the Community Revitalization component is PADCO, Inc.

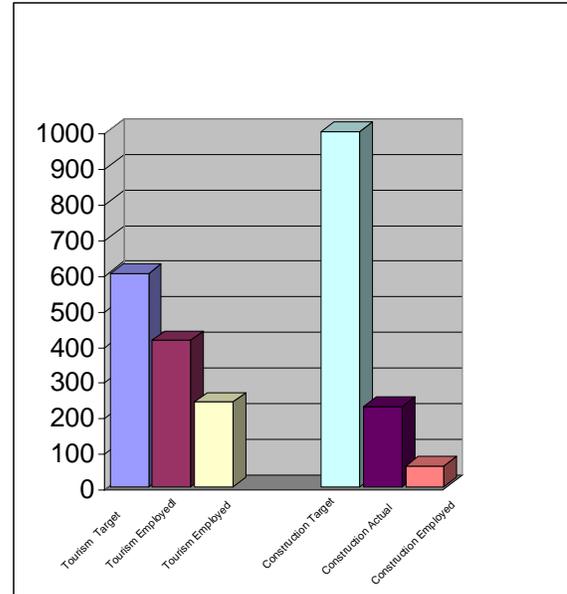
#### Business Rehabilitation:

To restore the livelihoods of those affected by the hurricane, USAID is providing \$8 million to rehabilitate the small business, agricultural, agribusiness, fishery, and tourism sectors. Building upon the momentum under Phase I, this fast moving activity provides technical services and financing to businesses hardest hit by Hurricane Ivan and continues the skills training initiated under the Phase I program. Over the last 6 months, 269 small and medium businesses strategically employed technical advisory services to restart their operations and 156 were awarded direct financial assistance to help them get back to full operation. Assistance provided is often used by businesses to leverage additional private investment finance. To date, about US\$233,000 has been

generated in this way for participating businesses.

To further assist affected businesses, the program established a Business Resource Center. The Center has assisted over 250 businesses affected by the Hurricane to re-establish. At the Center, businesses can access international telecommunications, business support services and technical assistance to help restore their links to suppliers, markets, clients, and financiers. A Center-sponsored Venture Capital Conference was held in June 2005 and resulted in 12 joint venture investment proposals that are currently being evaluated.

Skills training for unemployed persons continued. During this six month period, an additional 793 unemployed workers were trained in the construction, tourism, and other job sectors. The program sponsored a Job Fair in June to assist graduates to gain employment. The results of this effort are still being evaluated, but anecdotally the employment results appear to have been very positive. It is expected that a very positive impact will be registered in the next report.



Progress achieved in Phase II construction and tourism skills training and employment by June 2005

CARANA Corporation is USAID's primary implementing partner for this program component.

School Rehabilitation and Re-supply:  
 With about US\$9 million, USAID is building back 20 primary schools to better than their pre-hurricane conditions. During this calendar quarter, significant progress was achieved as one school was completed and 19 schools are under constructed were tendered and contracted. Many of these are in the initial phases of construction. As a result, a number of schools will be largely repaired prior to the initiation of the school year. Incorporating community involvement, local residents are hired on each construction site, providing a boost to household incomes within the benefiting community.



Children at Tivoli Primary School as repairs near completion in May 2005

USAID's implementing partner for this activity is PADCO, Inc.

Government of Grenada Support:

Because of the dramatic reduction in government revenues due to Hurricane Ivan and the increased costs to government of addressing the ensuing emergency, USAID is helping the Government to maintain basic operations with assistance totaling \$8 million. These funds finance specific identifiable and critical government expenses on a short term basis, including: (a) utilities and emergency repairs to basic public infrastructure; (b) development of debt restructuring products; and (c) establishment of a reconstruction management entity.

All three activities are on-going. To date, \$890,000 in utilities has been reimbursed to the GOG. Two US firms developed the products necessary for the GOG to make a debt restructuring offer to commercial creditors. Support to establish the new Agency for Reconstruction and Development (ARD) included three short-term US consultants, who finished in April and May. Salaries for four of the ARD permanent staff will continue through the end of the year, and

the costs of equipping and housing the ARD will be reimbursed.

Just seven months from its inception, the ARD is now serving as the primary focal point for donor coordination and for the Government's five-year hurricane recovery program. A series of traveling "CARAVANS" or community fairs sponsored by the ARD is assisting assisted local residents to understand the opportunities and programs available to help them recover from the affects of Hurricane Ivan. In addition, these fairs have become an important person-to-person means of disseminating hurricane and disaster preparedness information throughout Grenada.

**Summary of Achievements**

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

Community Revitalization and Rehabilitation

- 245 houses repaired
- One community center repaired
- Land stabilization and clean-up activities in 23 communities
- 11 medical clinics repaired
- One historic tourist site restored

Business Revitalization and Rehabilitation

- 1,594 unemployed persons trained in various skill areas; overall, 51% of those trained have been re-employed
- 319 loans for affected small businesses in the amount of US\$590,000 approved and disbursed
- 269 SME's received technical and grant assistance

- A Business Resource Center established and working with over 250 small businesses
- Additional private resources of \$233,000 mobilized for business loans

School Rehabilitation and Re-supply:

- 4 primary schools and 1 teachers' college restored

Government of Grenada Support:

- ARD staffed and operating
- Offer to creditors for debt restructuring completed
- US \$890,000 reimbursed to the GOG for basic government operations.