

# **MITIGATING THE IMPACT OF NATURAL DISASTERS: LESSONS LEARNT FROM GRENADA**

**Presentation to:**

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- Grenadian reality prior September 7<sup>th</sup>, 2004
- Grenadian new reality
- Generic challenges left by two hurricanes
- Specific challenges – The tourism sector
- Generic lessons in best practices
- Lessons learnt in best practices – The tourism sector
- Application of lessons learnt – Sector's recovery
- Conclusion

# **Grenadian reality prior September 7<sup>th</sup>, 2004**

- **Last hurricane was in September 1955.**
- **At 12°N 61°W Grenada was considered too South of major storm tracks.**
- **Only one hurricane passed directly over Grenada since the turn of the 20<sup>th</sup> Century.**
- **Most Grenadians believed the island would not be struck by hurricanes.**

# Grenadian new reality

- **Hurricane Ivan (September 2004)**
  - 28 lives lost
  - \$EC2.2 billion damages
  - \$EC400 million damages to the tourism sector
- **Hurricane Emily (July 2005)**
  - 1 Life lost
  - \$EC140 million damages
  - \$EC 2 million damages to the tourism sector

# Generic challenges left by two hurricanes

- Average hurricane damage over past 30 years estimated at 2% of GDP. Damage caused by Ivan estimated at 200% of GDP.
- Rebuilding of housing stock, designated shelters, schools, public buildings, etc.
- Displacement of at least 8% of labour force.
- Rise in unemployment rate.
- Reduction of vulnerabilities.
- Local capacity to conduct damage assessment.
- Protection of vulnerable groups.

# Specific challenges – The Tourism Sector

- Reconstruction of hotels in high risk zones (**Direct damages**).
- Reduction of “Business Resumption Period” (**Indirect damages**)
- Loss in accommodation capacity.
- Loss in tourism receipts because of drop in arrivals.
- Marketing and positioning of destination.
- Financing the sector’s recovery.
- **Completion of CWC 2007 preparations.**

# Generic lessons in Best Practices

- **Before:** Lessons related to actions to reduce the impact, notification and being able to respond.
- **During:** Lessons related to evacuation and actions during the time community is disorganized and basic infrastructural services not functioning.
- **After:** Lessons related to repair and restoration of productive systems.

# Lessons learnt in best practices – The Tourism Sector

- Replace complacency with awareness of the importance of disaster preparedness activities.
- Establish MOU's between government and international agencies.
- Sector's disaster plan must complement national disaster plan.
- Periodic assessment of sector's readiness to cope with disasters.



# Lessons learnt in best practices – The Tourism Sector

- Adequate preparation of business units to ensure continuity of operations after the impact.
- Improved communication infrastructure.
- Social wellness of industry workers must be addressed simultaneously with the provision of relief supplies.
- Need for partnerships and collaboration.

# Lessons learnt in best practices – The Tourism Sector

- Need for specific initiatives (financing, training, investment promotion, etc.).
- Proper correlation between property values, types and levels of insurance coverage.
- Minimal bureaucracy.

# Application of lessons learnt – Sector's recovery

- **Programmatic mitigation measures** such as
  - Adoption & enforcement of building codes & standards to improve building design & construction (“**Build Back Better**”).
  - Safety and security.
- **Structural mitigation measures** such as
  - Enhancement of electrical grid systems and strengthening of utility lines in tourism belt.
  - Road conditions and traffic flows.

# Application of lessons learnt – Sector's recovery

- Partnerships and collaboration
  - USAID (PADCO & CARANA) tourism interventions (**Clear growth strategy**)
    - Direct assistance (46 operations; \$512,000)
    - HRD training (546 persons; \$307,000)
    - Direct technical assistance (\$65,000)
    - Rehabilitation of public amenities (\$600,000)

# Application of lessons learnt – Sector's recovery

- Marketing & positioning of destination
  - Refine marketing program based on export ready focus (**Ready, Near ready, Needs significant intervention, Should consider alternatives**).
  - Use of distribution channels
  - Continued product development

# Application of lessons learnt – Sector's recovery

- Minimal bureaucracy
- **Establishment of Tourism Task Force**
  - “External leadership,” Public / Private / Partnership, Task specific, Action oriented.
  - Accomplished access to major tourism assets, return of cruise ships within 65 days after hurricane Ivan.

# Application of lessons learnt – Sector's recovery

- Financing the sector's recovery
  - Government
    - Incentives (duty & tax concessions) for rebuilding accommodation plant
    - Financial assistance to tourist vendors
    - Negotiations with insurance companies
    - Business revitalization loan programme

# Application of lessons learnt – Sector's recovery

- Financing the sector's recovery
  - Non-government
    - Friendly governments
    - Regional and International organizations (USAID, CHA, HTA's)
    - GHTA (assistance to displaced workers, lobbying on members' behalf, etc.)



# Application of lessons learnt – Sector's recovery

- **Specific initiatives – Investment promotions**
  - Home stay programme
    - Target of 1,000 rooms
  - New investments

# Application of lessons learnt – Sector's recovery

## New investments within sector

- Savvy Grenada Ltd. (Port Louis, Mount Cinnamon, Tufton Hall, Mount Edgecombe Plantation, Azzura castle)
- **“When investing I believe in being ahead of the game” – *Peter de Savary***
- Why Grenada? (Porter's determinants – Factor & Demand conditions; Variables – Chance & Government)

# CONCLUSION

- Hurricanes tend to occur during the “Low Season.”
- “Timing advantage” is nullified by the scale of damages that is possible in “an instant.”
- Sharing of best practices and lessons learnt from actual experiences is very important.
- **Our hope is that our lessons would serve you well**

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THANK YOU