

Government of Grenada and U.S. Investors Reach Agreement to Resolve Kawana Bay Arbitration

Government to compulsorily acquire the 5-star resort development and seek new partner to finish project that stalled in 2021 under the prior government.

ST. GEORGE'S, GRENADA (August 31, 2023) – The Government of Grenada and a group of U.S. investors that had been working through True Blue Development to build the Kawana Bay resort near world-famous Grand Anse Beach, jointly announced the resolution of a dispute that had been under arbitration since 2021 before the World Bank's International Centre for Settlement of Investment Disputes.

Prime Minister Dickon Mitchell, elected in 2022, led efforts to reach an amicable outcome to the impasse, which had halted construction of the five-star resort two years ago under a prior government, even though 92% of available units at Kawana Bay had been sold or committed for sale to international investors.

As a result of the agreement, the Grenadian government will assume ownership of the Kawana Bay Project and Property and seek a new developer to complete the project, which had already reached an advanced state before the dispute arose.

Importantly, in accordance with Grenadian law, owners and investors in Kimpton Kawana Bay will be entitled to seek compensation from the Government of Grenada pursuant to Grenadian law for the compulsory acquisition of the Property.

The Prime Minister, the Honorable Dickon Mitchell, stated, “the Government of Grenada desires a fair and equitable resolution with all owners and committed purchasers at Kimpton Kawana Bay, whose citizenship status in Grenada is unaffected by this negotiated agreement. In fact, the Citizenship by Investment program remains active and strong, and we anticipate its continued contributions to the Grenada economy and our people.”

True Blue investors responded, saying, “We commend the Government of Prime Minister Dickon Mitchell for working with us to resolve this situation in an atmosphere of mutual respect and trust. We have always believed that the Kawana Bay Project will make a tremendous contribution to Grenada's economy and are pleased that the Kawana Bay Project will now move forward unburdened by a dispute that arose under a previous government.”

A spokesperson for the Grenadian government said, “Grenada welcomes foreign investment and respects the rule of law. It was time to move beyond this unfortunate episode, which needlessly impeded development of Kawana Bay, a property that will

be a mainstay of Grenada's tourism and leisure industry. We appreciate the True Blue investors' contribution to Grenada's economy and their working with the Government to negotiate a resolution to this dispute that will benefit all Grenadians."

Under terms of the agreement, the Government of Grenada will obtain the entire Kawana Bay resort through a compulsory acquisition and take steps to ensure that the project is completed and built out to its fullest potential, for the benefit of the tourism industry and with maximum employment for Grenadian citizens top of mind.

True Blue Development will no longer be involved, and the ICSID arbitration is discontinued.

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