

LIVELIHOODS **LOST**

CARACOL INDUSTRIAL PARK



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We had land that we had either received from our parents or that we had bought. With that land we could live. It represented all the little details that we need to live. Land represented life for us. The little money they gave us was gone in one month, two months.

– Jocelyn Prével

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Front Cover Photo by Marilia Leti / ActionAid

Photo of Jean Jocelyn by Marilia Leti / ActionAid

LAND WAS SEIZED, AND COMMUNITIES LEFT BEHIND, TO MAKE WAY FOR HAITI'S CARACOL INDUSTRIAL PARK

In January 2011, approximately 3,500 people were forced from their land in Northeast Haiti to make way for the Caracol Industrial Park, a compound of garment factories and related infrastructure funded by the Inter-American Development Bank and other international donors with earthquake reconstruction funds.

The land taken for the park was the most fertile agricultural land in the area. Almost overnight, the farmers and their families lost their primary source of income and food security. They waited almost three years for promised replacement land, only to be told that most families would instead receive an inferior and inadequate cash compensation package.

Almost all of those families now struggle to meet their basic needs.

On 12 January 2017, the seventh anniversary of the earthquake, the Kolektif Peyizan Viktim Tè Chabè, a collective of hundreds of displaced farmers, filed a [complaint](#) with the Bank's accountability office. The Kolektif, supported by [Accountability Counsel](#), [ActionAid](#) and local partners, is calling for fair compensation for their lost land and for the Bank to address the many other environmental and social problems, including pollution and poor working conditions, linked to the industrial park.

LIVELIHOOD IMPACTS OF CARACOL INDUSTRIAL PARK: FAMILIES IMPOVERISHED IN THE NAME OF DEVELOPMENT



Photo by Marilia Leti / ActionAid

In early January 2011, approximately 442 farmers and their families were cultivating land in Caracol-Chabert that would become the site of the Caracol Industrial Park. They grew mango, papaya, grapefruit, peppers, beans, corn, peanuts and bananas, among other crops. Some families also grazed cattle. The produce and livestock were both important sources of income and of food. Some of the larger plots supported agricultural workers in addition to the farm owners.

With no more than a few days' notice, that land was gone and, with it, their **livelihood: their means of living, of securing food, shelter, healthcare and education for their children and of recovering from crises.**

Of the 58 heads of displaced families that our partners interviewed in May 2016:

- 54 reported that they are now in an unstable economic situation, with 48 being forced to incur debts regularly.
- 46 reported being in a worse situation than before they lost their land.
- None had access to alternative livelihoods training and only one reported that a family member received a training.
- Six reported having no source of income at all, post-displacement.

Many of the farmers and their families were in a vulnerable situation, even before they lost their land. The Inter-American Development Bank's own reports estimated that **more than 75%** of these farmers lived below the poverty line. The Bank knew that they could be left **further impoverished** as a result of their displacement, even after compensation. Yet the Bank failed to follow even its most basic **safeguards**, in order to protect these families from that risk:

- Without adequate explanation, the Bank and its client abandoned an agreement to provide replacement land, instead paying cash compensation to almost all of the families. In doing so, they breached their obligations to favor 'in-kind' replacement assets (land): obligations that are the product of decades of experience showing that cash is inappropriate as a sole means of compensation, especially when the recipients are already vulnerable to impoverishment.
- Inadequate assessment and consultation led to an underestimation of the farmers' losses. Compensation packages also failed to fully take into account the sharp increases in cost of living in Caracol and surrounding areas, exacerbated by the influx of workers to construct and operate the industrial park.
- The lengthy delays in providing compensation left these families without the financial means to develop new, sustainable sources of income. Some interim compensation was paid, but this was not enough to establish a new livelihood. When compensation packages were finally offered, families - who had been struggling to make ends meet for years - felt they had to accept what little was offered.
- The amount of the cash compensation was insufficient to purchase new land and families received little or no support in order to establish alternative livelihoods. Some families report that they are still yet to receive the compensation that they are owed.

The families now struggle to pay for essential items, including food and education for their children. They mainly used the cash compensation to pay for immediate and unavoidable expenses that they previously paid with the income they obtained from their land.

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Entire families depend on these plots to feed their children and pay school fees, health care costs and reimburse debts.

- **The Environmental and Social Impact Assessment** summarizing community statements made in a public consultation held only after farmers were displaced.

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I've farmed my land for 21 years and was then forced to leave for the construction of this park. I grew black beans, cassava, corn, peanuts and bananas on my land and raise all of my children because of that land. I would hire 100 seasonal workers during our planting seasons. If we had the support we needed to farm our land, we would be doing well. Now that I've lost my land, I don't have a penny.

– Elie Josué

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Photo by Marilia Leti / ActionAid

THE WAY FORWARD

In spite of how they have been treated, the Kolektif believes that fair compensation remains possible. Working in collaboration with approximately 210 victims of the displacement, the Kolektif has developed a detailed proposal, including fair financial and non-financial compensation to reestablish sustainable livelihoods as well as specific support for their children's education. Their complaint seeks a constructive dialogue with the Bank and its client, facilitated by the Bank's independent accountability office.

Additionally, the Kolektif requests a new, meaningful, consultation process to explain the broader environmental and social risks and impacts of the Caracol Industrial Park to affected communities and to facilitate their input into how those risks will be managed.

For more information about the complaint, see accountabilitycounsel.org/communities/current-cases/haiti-caracol-industrial-park/.



#CARACOLHAITI

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