

RECOMMENDATION: The IFC and MIGA should participate in dispute resolution if so welcomed by complainants.

In certain scenarios, the engagement of the IFC/MIGA in a dispute resolution process initiated by a community complaint to the CAO could improve dispute resolution outcomes and help enable remedy. IFC/MIGA involvement, with the consent of the project-impacted community, could also help improve institutional knowledge to better predict and avoid adverse impacts of similar projects in the future. Accountability Counsel supported communities in Haiti throughout a dispute resolution process in which the Inter-American Development Bank (IDB) opted to actively participate as a party. The IDB commendably utilized its influence, resources, and expertise to work with the complainants to formulate and implement solutions toward restoring livelihoods of displaced farmers.

Adverse Impacts of Development Projects Can Worsen the Social and Environmental Situations of Communities

Following the 2010 earthquake that devastated Port-au-Prince and surrounding areas, the IDB fast-tracked a [large export-oriented industrial park](#) in Caracol intended to create an economic hub in a part of the country untouched by the earthquake. The IDB directly funded the project through an initial loan of \$55 million USD in 2011, followed by five other investments totaling \$242 million USD. Additionally, the IDB participated in several technical cooperation projects related to the industrial park.

Revelations about adverse social and environmental impacts of the project began to circulate. The Caracol Industrial Park [upended the livelihoods](#) of hundreds of Haitian farmers and their families, representing nearly 4,000 people, whose land, the most fertile agricultural land in the area, was taken almost overnight to make way for the project. Displaced community members lost their primary source of income and food security, and they waited almost three years for promised replacement land, only to be told that most families would instead receive an inferior cash compensation package that proved inadequate to establish new livelihoods. Farmers then organized into the Kolektif Peyizan Viktim Tè Chabè (Kolektif) and began documenting the severe harm experienced by their families. When their [letters](#) to the Haitian Government and IDB failed to produce meaningful results, they turned to the IDB's Independent Consultation and Investigation Mechanism ("MICI" in Spanish).

In January 2017, the Kolektif, assisted by Accountability Counsel and other partners, submitted a detailed [complaint](#) to MICI proposing dialogue with both the IDB and the Haitian Government as a way of resolving their concerns.

Staff with Expertise in Issues of Concern Can be Helpful in Dispute Resolution

After finding the complaint [eligible](#), MICI assessed that a facilitated dialogue process was viable and should be initiated. The IDB [agreed](#) to participate *as a party* in the process along with

representatives of the Kolektif and the Haitian Government.¹ All three parties, including representatives of the IDB, attended and actively participated in the six dialogue meetings (each lasting two days), and between meetings each of the parties made progress on a variety of agreed actions. After approximately a year and a half of engaging in dispute resolution, the parties (including the IDB) signed a [final agreement](#) to resolve the Kolektif’s complaint regarding the taking of their farmland for the Caracol Industrial Park. As a result of their active role, the IDB was at the table to agree to monitor the outcomes of the agreement and assist in the last mile of implementing remedy. In this instance, the IDB’s engagement and participation in the process was integral to more holistically addressing adverse social impacts to improve sustainable project outcomes. Moreover, the IDB’s continued engagement in the implementation of the agreement has been instrumental in addressing unforeseen issues and has contributed to creative problem-solving to push through stalls in implementation.

IFC/MIGA participation in dispute resolution processes, when so desired by adversely impacted communities, could contribute to understanding and improving project outcomes. This participation could be as a formal party to the dialogue or in a more informal capacity. The involvement of the IFC and/or MIGA could serve to encourage client engagement, design more effective remedies, restore its relationship with communities, and legitimize the institution’s commitment to improving project outcomes. To promote better dispute resolution outcomes, the IFC/MIGA should abide by the following principles:

- The IFC/MIGA should participate in dispute resolution in good faith when so desired by communities; accordingly, the IFC/MIGA should refrain from participating if so desired by communities;
- IFC/MIGA representatives in the dispute resolution process should have expertise in the areas of concern raised by the complaint;
- Whenever the IFC/MIGA does not participate as a party to dispute resolution, it should still avail itself to the process by providing resources to aid a successful dialogue, including by assisting in data collection and fact-gathering;
- The IFC/MIGA should encourage the good faith participation of clients throughout dispute resolution; and
- The IFC/MIGA must actively cooperate and participate in monitoring meetings to assess progress in implementing the dispute resolution agreement.

¹ The Glossary of [MICI’s Policy](#) expressly identifies IDB management as a potential “party” for the purposes of consultation/dispute resolution.