

Haiti: Where Did the Money Go?

What the American Red Cross Does Not Want You to Know

By Center for Economic and Policy Research

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In-depth Report: HAITI

Filmmaker Michele Mitchell presented her documentary, "Haiti: Where Did the Money Go?" at a <u>congressional briefing</u> sponsored by Rep. Yvette Clarke, Rep. Barbara Lee, and Rep. Donald M. Payne (CEPR Co-Director Mark Weisbrot spoke at the briefing, and CEPR helped to publicize the event.) Through visits to Haiti in 2010 and 2011 in which she conducted interviews with IDP camp residents, NGO spokespersons, aid workers, and others, and through other background research, Mitchell examines why so many people (currently halfa-million) remain stuck in tent camps with few services, despite the billions of dollars pledged for relief following the earthquake. The film is currently airing on dozens of PBS stations around the U.S.

One NGO that Mitchell focuses on, in interviews, and in on-the-ground examination of the situation in IDP camps, is the Red Cross. Mitchell notes that the Red Cross is the biggest NGO operating in Haiti, and American Red Cross (ARC) Senior Vice President International Services David Meltzer is provided with a significant portion of screen time to explain the Red Cross' activities in Haiti, and why some services - such as shelter and sanitation appear to be so sorely lacking. As the Huffington Post's Laura Bassett describes:

A senior Red Cross official for international aid is interviewed extensively throughout the film, and Mitchell said she repeatedly asked ARC to answer questions and corroborate facts during the production process.

Despite the prominent role that Meltzer has in the film, and Mitchell's apparent reaching out to the organization, staff from the American Red Cross attended the briefing yesterday, handing out copies of a document titled "Correcting Film@11's Errors and Distortions on the Haiti Response" (which we have posted here in PDF format). The several ARC staffers from the Washington office also interrupted a panelist (see video here, at 50:40) by complaining that the film was imbalanced and that Meltzer was not given sufficient notice ahead of the event (he was invited six days earlier, according to organizers).

But most of the "inaccuracies" to which the ARC refers actually appear to be differences of opinion, or different interpretations of observations on the ground. Despite the good deal of screen time Meltzer receives in the film, the ARC suggests, according to the Huffington Post, that its services were not "presented in a balanced and accurate manner," and has reportedly urged PBS stations not to show the documentary. The ARC's <u>handout</u> even goes so far as to refer to "Haiti: Where Did the Money Go?" as a "so-called documentary."

Of course, scrutiny and criticism of the Red Cross' efforts in post-quake Haiti are not new;

this blog has <u>chronicled some of them</u> going back to just months after the quake. And Mitchell's questions, and overall conclusion that the recovery and reconstruction effort has failed many Haitians is not a unique one. Most <u>two-year retrospectives in the media</u> this month made many of the same points.

Mitchell told the <u>Huffington Post</u>:

"The thing is, I went to Haiti twice ten months after the earthquake to see what was happening, and then at the 20-month mark, and we have pictures," she told HuffPost. "The camp situation had deteriorated. There were camps of 5,000 people with six toilets between them. There were millions of people in tents during the hurricane, and they were terrified. I like happy endings, and I wish I could report that 'disaster relief 2.0' had worked, but the picture tells a different story."

Portions of the film were previously available as <u>web reports</u>, yet "ARC spokesperson Laura Howe said people at the organization were 'blindsided' by Mitchell's film and disappointed that they weren't able to see it before it was delivered to PBS."

But Red Cross staff in Haiti have not always been willing to talk to journalists, as Aljazeera's Sebastian Walker shows in his September 2011 report, "Haiti After the Quake". His attempts to interview Red Cross staff on camera at one IDP camp are rebuffed; the men get into a car and drive away. Mitchell, as described, had much better luck, interviewing Meltzer at length.

So what does the Red Cross find so objectionable?

First, the <u>ARC takes issue</u> with the statement that "The money was raised quickly and the clear implication is that it would be spent quickly," saying, "The American Red Cross repeatedly informed the public and donors *in writing* that its relief and recovery efforts in Haiti would last three to five years." This may be true, but it was appeals stressing emergency relief that doubtlessly reached the great majority of people who gave to the ARC in the days and weeks following the quake, when presumably the ARC raised the majority of funds for Haiti relief. Third party appeals also stressed this, such as from the <u>White House</u> ("You can also help immediately by donating to the Red Cross") and <u>CNN</u> ("The American Red Cross' primary focus during the initial response of an emergency is food, shelter and meeting other basic needs").

The ARC objects to the narration, "We see tarps but they are torn. We did see pots, but many were being sold for food," stating "The global Red Cross network distributed more than 1 million relief items such as tarps, tents and kitchen sets in Haiti. We continued to distribute tarps to camps up until the fall of 2011." But the expected life span of a tarp is six months at most; the majority of the 500,000 people who remain displaced will continue to need new ones, as long as they are forced to live under them. Shelter provision has been woefully lacking for the great majority of IDP camp residents.

The ARC takes issue with the statement, "We did see water but most wasn't clean enough to drink," which in the context of the film refers to water in IDP camps. Surprisingly, the ARC says that it s "has never received a report – substantiated or unsubstantiated – that 'most' of the water 'wasn't clean enough to drink." The ARC is part of the Water Sanitation and Hygiene Response (WASH) Cluster, so it should receive updated information on potable water from the UN, including bulletins from the Office for Coordination of Humanitarian

Affairs, which <u>reported in October 2011</u> [PDF] that "In August, only 7 per cent of the people [in IDP camps] had regular access to drinking water, compared to 48 per cent in March."

But even worse, as shown in this <u>Aljazeera report</u>, there are camp residents who reported becoming ill after drinking water provided by the Red Cross. Ricardo Caivano, country director in Haiti for the American Red Cross, admitted in the Aljazeera interview that the water the ARC was delivering was not necessarily safe to drink, and that the Red Cross recommended boiling it first.

The ARC claims it "false" to say that "No one knows how credible or effective NGOs are because they don't report to anyone," saying the ARC "is congressionally chartered, is audited, must file annual tax returns with the IRS, is monitored by watchdog groups and is transparent with the public and donors who entrust their contributions with us."

But to our knowledge, the ARC does not report to any authorities in Haiti about its activities. It is also ironic to note that ARC cites that it "is monitored by watchdog groups" in its defense. While audits of NGOs generally make sure the numbers add up, they don't audit effectiveness or what percent of funds are spent on in-country overhead, for instance. The same can be said for the IRS Form 990 which NGOs fill out. While it is interesting to see that the CEO of the Red Cross received a million dollars in reported income, it tells you nothing about specific relief efforts.

The trend seems to be for the ARC to have become less transparent about its activities in Haiti. An NPR report on Haiti this month stated, "A spokeswoman for the American Red Cross declined to provide a local overhead breakdown." Although ARC did provide the Chronicle of Philanthropy with updated numbers on money "pledged or spent" on Haiti relief and reconstruction in 2011, a "spokeswoman declined to specify what share has actually gone out the door." Perhaps this is because last year in talking to the Chronicle, there was an almost \$100 million difference between the amount the ARC said was "committed" to be spent in 2010, and how much actually was spent – a huge sum by any standard. (The Chronicle reported last year that the ARC "expects to have committed \$245-million by the one-year anniversary of the earthquake." They ended up spending only \$148.5 million.)

One aid shortfall that the film focuses on is provision of latrines. The ARC used to provide updates on how many latrines they have built in Haiti, which have been pretty few, but has not done so since 2010. Their one-year report [PDF] after the earthquake stated simply that they had built "hundreds of latrines." Their two-year report [PDF] uses a much more vague figure, stating that "364,300 people benefited from water and sanitation activities". "Water and sanitation activities" is a very broad category, and the ARC does not break down this number further, to describe how people might have benefited.

The ARC objects to the "Claim that 'the Red Cross is the decision maker' in Camp Caradeux, calling it a "false conclusion." But the filmmakers do not make this claim; this is a statement made by Wilma Vital, actually a resident of camp Toussaint L'Ouverture, which is comprised of former Camp Carradeux residents who were forcibly displaced and who do not enjoy the T-shelters, latrines, or other services now available in neighboring Camp Carradeux.

The Red Cross is the biggest NGO in Haiti. Wilma's statement that the Red Cross "is the decision maker" where she lives, in a camp badly in need of more and better services, is her opinion, and certainly one that has merit.

The ARC objects to the statement that "NGOs effectively shut out the overwhelming majority of the public by holding meetings and discussions in English and French, not Creole, the language of the people of Haiti." But the ARC's response doesn't even address this claim, as it refers only to the ARC's efforts to distribute a selection of texts in Creole. As the ARC must realize, the claim here is a reference to the meetings of NGOs within the UN Cluster system – where key discussions on coordinating efforts on issues like shelter, water distribution and rural needs take place. These discussions – as everyone, including the Red Cross, is well aware – take place in French and English only.

Overall, the ARC's response to the film is unfortunate, in that it appears defensive – an attempt at saving face instead of a sincere evaluation of both successes and shortcomings. If the ARC truly welcomes the tracking of its efforts "by watchdog groups," it should welcome the questions raised in the Film@11 documentary. Hopefully the film will lead to a more productive debate on the role of NGO's in Haiti's relief and reconstruction process where it is, after all, the well being of the people of Haiti — and the country's future capacity to be sovereign and independent — that should always be the main concern.

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