

Topic: Ruling in the case of the International Finance Corporation (IFC), World Bank.

Updated as of April 2025

No.	Date and Topic	Complainant	Allegations
Q-003	October 10, 2024 Ruling in the case of the International Finance Corporation (IFC), World Bank.	Jared Olsen	#1- The unethical conduct of the IFC is denounced for allegedly financing violent actors, human rights abuses, and killings. #2- It is alleged that the killings are linked to armed men reportedly affiliated with Dinant, including company personnel and security guards. #3- It is alleged that the IFC agreed to settle the lawsuit and/or accusations related to Dinant without any admission or acknowledgment of wrongdoing. #4- It is alleged that Dinant has suspected ties to regional cocaine trafficking. - It is alleged that, according to a declassified 2015 document from the U.S. Drug Enforcement Administration, during the 2017 drug trafficking trial in the United States of the son of a former president of Honduras, it was stated that properties owned by Facussé in the Aguán Valley were being used to land planes loaded with cocaine. #5- It is alleged that, during the 1990s, Dinant (then known as <i>Corporación Cressida</i>) and other agro-industrial corporations seized cooperative lands. Structural adjustment measures promoted by the IFC facilitated the sale of agrarian reform lands. #6- It is alleged that Dinant has never made public the original legal titles for the lands it acquired in the 1990s. Nevertheless, the IFC loan proceeded.

			#7- It is alleged that most of the killings in the area were targeted, reminiscent of 'death squad' activity. Private security forces contracted by Dinant have been linked to these acts, along with military special forces and police units. - It is noted that past allegations have linked 40 killings on Dinant properties to security guards employed by Dinant or its external security contractors. Furthermore, the IFC is considered to have failed in adequately supervising Dinant with respect to the measures required to mitigate abuse by its security personnel. #8- It is alleged that, in November 2022, Dinant's security guards, whom the company had long prided itself on as being unarmed and trained in human rights, were rearmed.
Description of the Facts	Allegations #1 and #3: - In 2017, a group of farmers, led by Earthrights International as their representative, filed a class action lawsuit against the IFC for the loan granted to Corporación Dinant. The lawsuit alleged that the IFC was responsible for financing the violence in the Bajo Aguan. - As announced on The IFC's website, IFC Asset Management Company reached an agreement, and the parties issued a joint statement. According to the joint statement the following: “...<i>The lawsuit against the IFC was dismissed outright, and the IFC was only a party to the agreement on behalf of AMC. The parties maintain their respective positions in the litigation. Neither the IFC, AMC, nor any affiliated entity or related parties admit any breach, unlawful conduct, or liability. In accordance with the settlement agreement, funds will be provided for community support interventions to be managed by an administrator, who is not a party to the litigation, in consultation with the plaintiffs and the members of the class action group. The community support interventions are intended to benefit farmer cooperatives and residents of the Panama locality, as well as other individuals in the Bajo Aguán region of Honduras. All parties are satisfied with the outcome and are pleased that this matter was resolved without further litigation...</i>” Allegations #2, 7 and # 8: The security guards on the farms have not been armed since 2013, and based on recent events, it was decided that the guards inside the palm oil extraction plant would be provided with rubber bullets and personal protective equipment.		

	No guard or personnel from Dinant has been accused in relation to these matters, nor has anyone been accused of acting outside Dinant's facilities and/or under Dinant's orders. Allegation #4: Due to its geographical location, Honduras has been subject to an increase in the operations of drug trafficking groups and the growth of their illicit business in the region, which is why the United States has identified Honduras as the primary drug transit country in the region. In this context, unfortunately, Dinant, like many other individuals and companies in the area, has been a victim of actions by drug traffickers who illegally used, without knowledge, cooperation, or permission, lands owned by the company. Dinant has always reported and cooperated promptly with the competent authorities. Neither Dinant nor its owners have been involved in activities related to drug trafficking or any other type of illegal activity. Allegations #5 and #6: The Agrarian Reform process in Honduras dates to the 1970s when the State, through the 'Agrarian Reform Law,' established the conditions under which individuals or legal entities could take ownership of lands granted by the State through the National Agrarian Institute. In 1992, the “Modernization and Development of the Agricultural Sector Law” allowed farmers who had benefited from the agrarian reform to sell the lands they had been granted. The conflict in the Aguán did not originate from an illegal act of dispossession by the State or by third parties, whether companies or individuals. Rather, it began when groups of people forcibly occupied productive oil palm plantations, attempting to justify their actions by invoking property titles that held no legal value, as the lands had been legally transferred decades prior to the invasions. At the time, Dinant legally acquired the lands that the cooperatives voluntarily sold, in accordance with the existing legal framework and without any form of coercion, based on the following negotiation terms: ▪ If the land had a plantation, the pricing factors included the type of species planted and/or the livestock present. ▪ In the case of oil palm, more specific criteria were defined based on the physiological state of the plantation (such as the age and health of the trees). ▪ Existing infrastructure on the land is to be purchased, such as fences, drainage systems, and internal roads. After the sale of the lands in 1997, the cooperatives were legally dissolved. Therefore, the individuals currently occupying the lands are not even legitimate representatives of the former cooperatives.
Company's Response	Allegations #1 and #3: Dinant is an open-door company and allowed the CAO to carry out an evaluation of its operations. Together, they established an improvement plan, which Dinant implemented and fulfilled without setbacks. Allegations #2, 7 and 8: • Dinant has publicly expressed its commitment to respecting human rights, is a signatory to the Voluntary Principles on Security

	and Human Rights and voluntarily decided to disarm its security guards on its farms since 2013. • Dinant has a human rights policy that is shared with all its employees and contractors. • Dinant has publicly called on the government to clarify, as soon as possible, the acts of violence occurring in the Aguan, and has made it available to support any investigations carried out. • Dinant is a member of the Voluntary Principles on Security and Human Rights. In addition to training its employees and contractors on these principles, the company has also provided training to communities within its area of influence. • Dinant sent a communication to Jared Olsen inviting him to visit Dinant's facilities, learn about its operations, and speak directly with the communities. However, as of today, the visit has not taken place. Allegation #4: • Dinant filed the corresponding complaint with the competent authorities. • Dinant strongly condemns the use of any of its properties for illegal activities, including those related to illicit drug trafficking. • Dinant does everything within its power to collaborate with Honduran and U.S. authorities in their efforts to combat drug trafficking, immediately reporting any illegal activity it discovers on its premises. Allegations #5 and #6: Dinant has provided the government with all the required information regarding its property titles, which have been audited many times by the competent authorities, financial institutions, certification bodies, among others, without any irregularities being found.
Status	Closed