Mr. Dean Baker and Mr. Mark Weisbrot
Co-Directors
The Center for Economic and Policy Research
Washington DC
baker@cepr.net & weisbrot@cepr.net

May 28, 2014

Dear Sirs,

Re: CEPR blog "Dinant: We Don't Forcibly Evict; Government Security Forces Do That"

I write in response to the blog by Mr. Dan Beeton entitled *"Dinant: We Don't Forcibly Evict; Government Security Forces Do That"*, published on your website on May 8, 2014. I would like to address some of the allegations made by Mr. Beeton against Corporación Dinant and its owner, Mr. Miguel Facusse Barjum, and to tell you about important developments that are taking place in my company.

Mr. Beeton is right to refer to the recent media scrutiny faced by Dinant. It is no secret that Dinant has been at the center of considerable controversy over the land conflicts in the Bajo Aguán, brought to the media's notice by the CAO audit report of December 2013 on the IFC loan to our company. We strongly take issue with the unfounded assertions made in the CAO report – statements that the CAO themselves acknowledge on page 46, paragraph 1 of the report are *"allegations…[that] should not be confused with findings of fact."* Given the complexity of the land conflicts issue, the CAO report is deeply flawed, over-simplified and based on inaccurate and insufficient evidence. As a consequence, Corporación Dinant, its owners, staff, local farmers, suppliers, commercial partners and dependent communities have suffered unwarranted economic and reputational damage.

To address each of Mr. Beeton's allegations in turn:

- We categorically deny all of the very serious allegations of murder and human rights violations made against Corporación Dinant and its owner, Miguel Facusse Barjum. It is a terrible but rarely reported fact that 17 Dinant employees have been killed, almost 30 have been injured during forced entries to our properties, and five remain missing as a result of the land conflicts in the Bajo Aguán region. Dinant immediately welcomed the decision by the Honduras Attorney General to undertake a special investigation into the land conflicts in the Bajo Aguán, and we have repeatedly expressed our willingness to cooperate fully with any enquiry that seeks to bring to justice those responsible for the alleged murders. If Dinant security staff or contractors have made mistakes in the course of defending their lives and company property, then it is right that these be revealed by the Government

investigation and appropriate legal action taken. We ask that the same standard apply to all parties in the Aguán.

- At no point in our history have we engaged in forced evictions of farmers from our land. The removal of trespassers has always been undertaken exclusively by Government security forces, acting within the law and under direct instruction from the Honduran courts, whose rulings are based on evidence that proves beyond doubt that Dinant are the rightful owners of the lands in question. While Mr. Beeton makes light of this point in his blog, this is an extremely important distinction to make.

- Dinant is not in conflict with the genuine peasant associations of the Bajo Aguán or any other part in the country - we source much of our raw materials from nearby smallholder farmers and rely on local communities to maintain and harvest our crops. We remain committed to helping find a long-term solution to this conflict, which is why Mr. Facusse agreed to sell almost 4,000 hectares of land at below half the market price as a goodwill gesture to the government and to peasant organizations. Unfortunately, the fact remains that armed groups are using the land conflicts for their wider political objectives by terrorizing local communities and encouraging the illegal seizure of private lands. Dinant cannot resolve the land conflicts by ourselves. We ask that all stakeholders - the Honduran Government, civil society, financial institutions and NGOs such as CEPR – join us in trying to find a sustainable solution.

Dinant has zero tolerance for human rights abuses, such as excessive use of force, harassment, or improper searches of persons or property. We recognize that security is essential and sometimes difficult, but we believe that respect for human rights is universal. While Governments and their security forces must have sole responsibility for enforcing law and order, we know that we can help improve difficult situations by respecting and following local laws and international standards, by mitigating the potential for conflict, and by helping the public authorities as much as we can.

Under the guidance of one of America's top security and human rights experts, Mr. Charles McFetridge, we are implementing the criteria laid out in the Voluntary Principles on Security and Human Rights, which govern how we vet, recruit and train our security staff, and how they engage with members of the community. We are proud that we are the first to adopt this initiative in Honduras and throughout the global agribusiness sector. Furthermore, Dinant recently removed all firearms from security staff at all of its African Palm plantation sites. All firearms are kept under lock-and-key, supervised by the local Commander of the Joint Military Task Force.

I would welcome the opportunity to meet you, Mr. Beeton and Mr. Alexander Main, who has written about the land conflicts of the Bajo Aguán, to listen to your concerns and to provide you with further assurances about the improvements we are making as a company. I also invite you to visit our facilities in Honduras to see for yourselves the extensive resources we are committing to community engagement and environmental management.

Yours sincerely,

Yassid Kababie
Social Affairs Corporate Manager
Corporación Dinant
Barrio Morazán
Frente a Plantas Tropicales
Boulevard Suyapa
Tegucigalpa, Honduras

Tel: +504 2239-8800
www.dinant.com

cc. Mr. Alexander Main main@cepr.net and Mr. Dan Beeton beeton@cepr.net

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