



March 13, 2013

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Sent by electronic mail (Salva la Selva [info@salvalaselva.org](mailto:info@salvalaselva.org))

Re: Petition against IFC funding for Grupo Dinant (Project number 27250) - Honduras: World Bank palm oil loans linked to murders

Dear Ms. Rodríguez

Thank you for your letter describing your concerns regarding the situation in the Bajo Aguán in Honduras in relation to IFC's project with Corporación Dinant (#27250).

As you note in your letter, CAO is conducting a compliance investigation regarding IFC's social and environmental due diligence in relation to IFC's investment in Dinant. We note your concerns that the remit of the CAO audit is too narrow to address your questions regarding IFC's financial support for the project. CAO is mandated to investigate concerns related to IFC's social and environmental due diligence and related issues of harm.

CAO's audit of IFC with regard to Dinant was triggered by the CAO Vice President in April 2012 in response to concerns raised by civil society. An appraisal (desk review) of the investment was conducted by CAO in August 2012. On this basis CAO decided to proceed with a full compliance audit.

The Terms of Reference, which inform the scope of the CAO audit, require an assessment of whether IFC exercised due diligence in its review of the social risks attached to the Dinant project. Beyond this, the audit will also consider whether IFC responded adequately to the context of intensifying social and political conflict surrounding the project following their investment; and whether IFC policies and procedures provide adequate guidance to staff on how to assess and manage social risks associated with projects in areas that are subject to conflict, or conflict prone.

During the course of the audit, CAO is gathering information from IFC officials, affected communities, management of the client company Dinant, and representatives of civil society working on the issues. The CAO audit team, including two panelists expert in the management of conflict in private sector projects, convened this past week in Washington, DC. CAO expects to finalize the audit report during the summer months.

I hope this serves to clarify the scope of CAO's audit of IFC in the context of our mandate and the concerns you raise in your letter. I kindly refer you to IFC to provide specific clarifications on their financial support to Corporación Dinant, including the status of disbursement of their loan.

Yours sincerely,



*per.*  
Meg Taylor  
Compliance Advisor Ombudsman  
Vice President, World Bank Group

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