

 Early Warning System

IFC-38754

Proteak Exp



Quick Facts

Countries	Mexico
Financial Institutions	International Finance Corporation (IFC)
Status	Approved
Bank Risk Rating	B
Voting Date	2016-12-20
Borrower	PROTEAK UNO, S.A.B. DE C.V.
Sectors	Agriculture and Forestry
Investment Type(s)	Loan
Investment Amount (USD)	\$ 37.00 million
Project Cost (USD)	\$ 74.00 million



Project Description

Proteak is an existing IFC client and the largest forestry company in Mexico. (Proteak is based in Mexico and has subsidiaries in Costa Rica and Colombia.) The Company is seeking additional IFC support for the implementation of its 2017 - 2019 investment plan which aims to expand its sustainably managed eucalypts plantations, the replanting of existing plantations, funding incremental working capital needs and refinancing existing debt (the "project"). This project will support the growth of a forestry player with strong focus on sustainability. Additionally, the project will contribute to reduction of carbon emissions (through carbon sequestration) and generation of employment in remote rural areas of frontier regions (Tabasco, Veracruz and Chiapas), where job opportunities are scarce. Proteak has requested IFC to provide an A loan and parallel loan of up to US\$ 65 mn.

IFC IDENTIFIED APPLICABLE PERFORMANCE STANDARDS

While all Performance Standards are applicable to this investment, IFC's environmental and social due diligence indicates that the investment will have impacts which must be managed in a manner consistent with the following Performance Standards:

PS 1 - Assessment and Management of Environmental and Social Risks and Impacts

PS 2 - Labor and working conditions

PS 3 - Resource Efficiency and Pollution Prevention

PS 4 - Community Health, Safety and Security

PS 5 - Land Acquisition and Involuntary Resettlement

PS 6 - Biodiversity Conservation and Sustainable Management of Living Natural Resources

PS 8 - Cultural Heritage
IFC's investment proceeds, IFC will periodically review the the project's ongoing compliance with the Performance Standards.

According to the IFC, the Company neither operates, nor plans to acquire or lease plantations or lands belonging to indigenous peoples or proximate to recognized indigenous territories thus PS7: Indigenous Peoples is not considered applicable. However, the company will add specific procedures for the application of free, prior and informed consent as per PS7, should they encounter concentrations of Indigenous People in neighboring areas.



Investment Description

- International Finance Corporation (IFC)

IFC is providing a loan to Proteak Uno S.A.B. de C.V. (“Proteak”), a forestry company in Mexico. The investment proceeds will be used for Proteak’s investment program which consists of expanding its eucalyptus planted area, the replanting of existing plantations, working capital financing and debt refinancing.

IFC will provide an up to US\$ 37 million senior loan for its own account and mobilize an up to US \$28 million senior loan from parallel lender(s). The total project cost is estimated at US\$ 74 million.



Contact Information

ACCOUNTABILITY MECHANISM OF IFC

The Compliance Advisor Ombudsman (CAO) is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an IFC or MIGA- financed project. If you submit a complaint to the CAO, they may assist you in resolving a dispute with the company and/or investigate to assess whether the IFC is following its own policies and procedures for preventing harm to people or the environment. If you want to submit a complaint electronically, you can email the CAO at CAO@worldbankgroup.org. You can learn more about the CAO and how to file a complaint at <http://www.cao-ombudsman.org/>



Other Related Projects

- IFC-31195 Proteak