



IIC-ME4022A-01

PROCSA

This project is still under review by the EWS. Project information and/or project analysis may be incomplete.



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Quick Facts

Countries	Mexico
Financial Institutions	IDB Invest (IDBI)
Bank Risk Rating	U
Voting Date	2013-06-04
Borrower	Promotora PROCSA S.A.P.I. de C.V., La Casa Espacio Inmobiliario S.A. de C.V., and Casas PROCSA S.A.



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Project Description

SCOPE OBJECTIVE

PROCSA is a group of companies whose core activity is the development, design, construction, and sale of low-income, affordable, and middle-income housing in Mexico. Since its founding 53 years ago, PROCSA has provided housing solutions for more than 15,000 families. The purpose of this IIC operation is to provide PROCSA with financing to acquire land banking for future housing projects to be developed by the Borrowers.

ENVIRONMENTAL REVIEW

Environmental and Labor Issues This is a category III project according to the IIC's environmental and labor review procedure because it could produce certain effects that may be avoided or mitigated by following generally recognized performance standards, guidelines, or design criteria. The main environmental and labor considerations related to the project are: land purchases and permitting; assessment and management of environmental and social risks and impacts; workplace and labor conditions; efficient use of resources and pollution prevention; and community health and safety. During the project evaluation phase, visits were made to PROCSA housing developments in the Federal District and the states of Mexico and San Luis Potosi (in the case of the latter, construction is being carried out by a local contractor).

Land Purchases and Permitting: PROCSA's project management division ensures that the company purchases land only in areas designated for urban development, that the titles to such property are free and clear, and that these purchases comply with all applicable Mexican regulations. The company's licensing and permitting units are in charge of securing all the necessary licenses and permits for land purchases and housing development-related construction. Such permits include the pertinent land use certificates that ensure housing development construction is allowed on the land in question, in accordance with the relevant urban development and ecological zoning regulations. For example, among the applicable regulations for the Federal District is Regulation 26 (governing the construction of sustainable, low-income, and sustainable housing). As a matter of policy, PROCSA does not purchase land that could potentially entail the conversion or degradation of critical natural habitats. Land banking purchases for future PROCSA projects are regulated, in particular by urban development plans, and state and municipal ecological zoning regulations. Such purchases are made through sale-purchase agreements. It is common practice for PROCSA to purchase most of its land for its housing developments in areas formerly zoned for industry, where the land was used mainly for warehousing purposes. On land previously zoned for industry and currently authorized for housing developments, soil quality testing is conducted to ensure it is free of contaminants, such as fuel waste and heavy metals. Consequently, these projects do not involve involuntary resettlement, disturb protected areas or natural habitats, or impact indigenous communities.

Assessment and Management of Environmental and Social Risks and Impacts: With a view to assessing the environmental impact of its projects and ensuring compliance with applicable environmental regulations, the company engages the services of consultants who prepare and submit the required impact assessments for the approval of the pertinent authorities, such as the Secretariat of Ecology or the Secretariat of Urban Development and Housing. Beginning with the project planning phase, PROCSA endeavors to ensure that its housing developments are equipped with the necessary infrastructure to ensure access to electric energy, drinking water, sewage services, transportation, schools, shopping centers, and hospitals. At the request of the IIC, PROCSA has committed to: (a) strengthening compliance monitoring with environmental impact-related decisions issued by the relevant authorities by engaging an individual with a suitable background for this task; and (b) preparing a set of applicable written procedures in the event of chance finds of archeological remains, in accordance with the international best practices established in the International Finance Corporation's Performance Standard 8 on the protection of cultural heritage. The company will take steps to ensure that this procedure is implemented at its project sites during the construction phase in



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Investment Description

- IDB Invest (IDBI)



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Contact Information

ACCOUNTABILITY MECHANISM OF IIC

The Independent Consultation and Investigation Mechanism (MICI) is the independent complaint mechanism and fact-finding body for people who have been or are likely to be adversely affected by an Inter-American Development Bank (IDB) or Inter-American Investment Corporation (IIC)-funded project. If you submit a complaint to MICI, they may assist you in addressing the problems you raised through a dispute-resolution process with those implementing the project and/or through an investigation to assess whether the IDB or IIC is following its own policies for preventing or mitigating harm to people or the environment. You can submit a complaint by sending an email to MICI@iadb.org. You can learn more about the MICI and how to file a complaint at <http://www.iadb.org/en/mici/mici,1752.html> (in English) or <http://www.iadb.org/es/mici/mici,1752.html> (Spanish).



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Other Related Projects

- IIC-12200-01 Procsa II