

Public Information Summary

Host Country(ies)	Mexico
Name of Borrower(s)	Imperative Investments LLC
Project Description	The proceeds of the \$19,800,000, six-year DFC Loan will finance the development, construction, and sale of up to 5,020 low-income homes located in up to 25 housing developments across Mexico.
Proposed DFC Loan/Guaranty	\$19,800,000
Total Project Costs	\$55,336,980
U.S. Sponsor	Imperative Advisors LLC
Foreign Sponsor	None
Policy Review	
Developmental Effects	The Project is expected to have a highly developmental impact in Mexico by building over 5,000 homes in low-income, underdeveloped areas of the country. The housing deficit in Mexico accounts for about 28.1 percent of all homes and is driven by lack of affordability. Homes funded by the Project are expected to be affordable to households at the country’s poverty line and each home will qualify for a 30 percent subsidy from the Mexican government. Buyers are expected to receive training on financial literacy and to contribute a down payment worth up-to 10 percent of home value.
Environment	Screening: DFC’s loan to the Project has been reviewed against the 2017 Environmental and Social Policy Statement (“ESPS”) and has been determined to be categorically eligible. Loans to funds for investments in housing projects are screened as Category D projects under DFC’s environmental and social guidelines. In order to insure that the Borrower’s investments are consistent with DFC’s statutory and policy requirements, the Borrower will be subject to conditions regarding the use of DFC proceeds. In addition, each of Borrower’s investment in housing projects will be screened separately. The Borrower’s investment in the first two Developments has been screened as a Category B Project under DFC’s environmental and social guidelines because impacts are site-specific and readily mitigated. The primary environmental and social issues associated with the first two Developments include construction safety, structural safety of houses constructed, and having appropriate provisions for wastewater and solid waste disposal.

Applicable Standards: Under DFC’s ESPS, the Borrower is required to comply with the applicable regulations related to environmental and social performance and applicable provisions of the 2012 International Finance Corporation’s (IFC) Performance Standards (“P.S.”).

The Borrower’s investment in the first two Developments must be managed in a manner consistent with the following IFC’s Performance Standards:

- P.S. 1: Assessment and Management of Environmental and Social Risks and Impacts;
- P.S. 2: Labor and Working Conditions;
- P.S. 3: Resource Efficiency and Pollution Prevention; and
- P.S. 4: Community Health, Safety, and Security.

Based on a desk-review and correspondence with the Borrower, the sites for the first two Developments are not located in or near any protected area or sensitive ecosystem. Therefore P.S. 6 is not triggered at this time.

The first two Developments will also be required to meet applicable provisions of the IFC’s General Environmental Health and Safety Guidelines.

The first two Developments will result in minimal greenhouse gas emissions as no significant combustion unit is planned to be used during construction of these Developments.

Environmental and Social Risks and Mitigation:

The Borrower’s Environmental and Social Management System (“ESMS”) has all the required components to guide it in the proper management of environmental and social (“E&S”) issues which are associated with its planned portfolio of housing projects. DFC’s review of the Borrower’s ESMS has found it to be consistent with the IFC Performance Standards as it has adopted policies and procedures to identify E&S risks, develop appropriate management plans, and has adequate organizational capacity and monitoring and reporting systems.

Proceeds from the Borrower’s first investment will be used as a working capital for two Developments which will consist of a total of 600 single story housing units. The two housing

	<p>Developments (in Nacajuca and Centro Municipalities) are located in Tabasco State on the gulf coast of Mexico.</p> <p>The Borrower will implement its ESMS for properly managing the environmental impacts associated with the first two Developments. Key issues that have been incorporated into the ESMS for the Project for the first two Developments include procedures for: mitigating environmental and social impacts from construction such as pollution, erosion, land-clearing, noise and dust; conducting health and safety training of construction workers; emergency preparedness and response; and ensuring that environmental and social standards, guidelines and training flow down to those who are responsible for managing and conducting the on-the-ground work. Potable water and solid waste disposal services will be supplied by the municipal system. Construction wastes will be disposed of by an authorized third party company and sanitary wastes through the municipal sewerage system. However, a bio-digester will be used in case a Development does not get connected to the municipal sewerage network and the residues from the bio-digester will be disposed at a permitted facility by an authorized contractor. All residential units in the first two Developments will be required to comply with local life and fire safety and building codes. The Project for the first two Developments will also conform to the local worker safety standards.</p>
<p>Social Assessment</p>	<p>The Project will have impacts that must be mitigated in a manner consistent with the IFC PSs, DFC’s Environmental and Social Policy Statement and applicable local laws. DFC’s statutorily required language regarding the rights of association, organization and collective bargaining, minimum age of employment, and prohibition against the use of forced labor, will be supplemented with provisions concerning non-discrimination, hours of work, the timely payment of wages, and hazardous working conditions. Standard and supplemental contract language will be applied to all workers of the Project, including contracted workers.</p> <p>The Borrower has an Environmental and Social Management System which includes a Social Policy, Stakeholder Engagement Methodology and Plan and Grievance Mechanism plan that adequately addresses the Social risks associated with the Project. In addition to typical impacts from construction activities, the primary social issues associated with the Project include the need for appropriate and ongoing stakeholder engagement, and appropriate due diligence regarding cultural risk and land acquisition on a development by development</p>

	<p>basis. The Project will be required to provide detailed ecosystem services, indigenous peoples and cultural heritage information for each Housing Development including data regarding informal land use before the financing of individual developments takes place.</p> <p>This review covers the commensurate human rights risks associated with on-lending in Mexico.</p>
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