

 Early Warning System

IFC-36136

Robi Axiata II



Quick Facts

Countries	Bangladesh
Financial Institutions	International Finance Corporation (IFC)
Status	Active
Bank Risk Rating	B
Borrower	ROBI AXIATA LIMITED



Project Description

The proposed investment involves a corporate A-loan of up to \$66 million in the company on IFC's own account and an additional B-loan of \$33 million. Apart from this IFC could in the future invest up to US\$25 million in a pre-IPO equity investment in the company. This if done, will be through purchase of secondary shares to be currently held by Axiata the holding parent company of Robi. The proceeds of IFC's proposed debt investment will be used to partially finance the capex program of the company for 2015, including its network expansion (the "Project"). This network expansion is likely to increase access to voice and data services, especially in rural areas, benefitting in particular small and medium enterprises, and creating additional employment opportunities during construction and operations of the company. Robi is one of Bangladesh's leading mobile operators and also a part of Axiata Group Berhad ("Axiata" or "the Sponsor"). With subscriber market share of 21.6% it has the third largest subscriber base amongst the mobile telecommunications company in Bangladesh. The company's network currently extends across 98% of the Country and provides mobile telecom services to over 21 million subscribers.

OVERVIEW OF IFC'S SCOPE OF REVIEW

IFC's review of this project consisted of appraising technical, environmental, health and safety ("EHS") related information submitted by Robi Axiata (hereafter referred to as "Robi" or the "Company") including Health, Safety and Environment policies/manual/procedures, Occupational Health Safety and Security Policy/Procedure specially linked to tower operations, company's Code of Conduct and Business Ethics, Supplier Management Guideline (to ensure EHS compliance monitoring of suppliers, contractors and business partners), Supplier Conduct Principles (SCP), specific policies including those for transport, waste management, generator fuel handling, several checklist and audit forms developed to operationalize policies and procedures, internal audit reports, accident register and analysis reports, training records etc. Human Resource policies and procedures including company code of conduct for employees and those related to management of contractors/supply chain were also reviewed and assessed. The appraisal also involved discussions with senior management, technical and EHS teams and visits to the company's corporate head office in Dhaka and site/zonal offices in Pubail on 25th and 26th February 2015

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 If IFC's investment proceeds, IFC will periodically review the the project's ongoing compliance with the Performance Standards

Significant community health, safety and security issues are not expected to arise in this project hence PS 4 does not apply. The requirement of new land for the Project will be fairly limited. Any land required for network infrastructure (towers, base stations) will comprise of small plots of land. Company will lease / purchase those directly from the legal owners through a purely market-based transaction. Project does not involve any involuntary land acquisition or resettlement. As such, PS5 - land acquisition and involuntary resettlement does not apply. IFC's review also indicated that no significant impacts related to Biodiversity (PS6), Indigenous Peoples (PS7) or Cultural Heritage (PS8) are expected due to the company's operations hence these do not apply

ENVIRONMENTAL AND SOCIAL CATEGORIZATION AND RATIONALE

Telecom network operations involve a limited number of specific environmental, health & safety and social impacts, which can be avoided or mitigated by adhering to generally recognized performance standards, guidelines or design criteria. This project proceeds will be used for upgrade and expansion of a cellular network and for increasing its coverage and capacity in rural area of Bangladesh. The key issues associated with the project are implementation of a policy and procedures for



Investment Description

- International Finance Corporation (IFC)



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-44302 Robi Axiata IV