Early Warning System

IFC-37677

VMLA - Peru

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Quick Facts

Countries	Peru
Financial Institutions	International Finance Corporation (IFC)
Status	Hold
Bank Risk Rating	C
Voting Date	2016-08-30
Borrower	VIRGIN MOBILE PERU SA
Sectors	Communications
Investment Type(s)	Loan
Investment Amount (USD)	$ 13.00 million

Project Description

IFC will be providing a financial package of up to US$13 million to fund VM Peru (VMP). VMP will be offering mobile phone services primarily to the youth segment, with a targeted offering that will expand mobile broadband usage with attractive data packages.

The IFC's stated goals for this project include targeting youth, an innovation/demonstration effect, productivity enhancement and economic growth through increased broadband connectivity, infrastructure sharing, and availability, affordability & inclusion of underserved markets.

As VM Peru operates virtual mobile telecom services using leased office space and no other infrastructure, the main environmental and social risk in this project is expected to be in the company’s management of human resources. That risk is expected to be low, so the project is classified as Category C according to IFC's environmental and social review procedure. Still, VM Peru will be required to implement policies and procedures to manage its human resources in compliance with IFC Performance Standards.

Investment Description

- International Finance Corporation (IFC)

The proposed IFC investment is in the form of a C Loan of up to US$13 million. Together with Sponsor equity, IFC funds will help the Company to roll-out operations in Peru.

VMLA follows a branded venture capital model, with independent private investors funding a venture supported by a well-known consumer brand, “Virgin Mobile”. Main shareholders of VMLA are Temasek with 17.9%, ePlanet Capital with a 11.1% stake, Hermes Growth Partners with 12.5% and Virgin Enterprises with 6.8%, followed by several other institutional investors, founding partners and management.

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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/