Early Warning System

IFC-37968

Cabo Telecom II

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Quick Facts

Countries	Brazil
Financial Institutions	International Finance Corporation (IFC)
Status	Approved
Bank Risk Rating	B
Voting Date	2018-01-03
Borrower	Cabo Servicos de Telecomunicacoes Ltda
Sectors	Communications
Investment Type(s)	Loan
Investment Amount (USD)	$ 30.00 million

Project Description

The proposed project involves the expansion of Cabo Brasil (“Cabo” or the “company”), a “triple play” operator of a broadband network in the Northeast region of Brazil that provides cable television, telephony, and internet services. Cabo is a holding company that was formed around the acquisition of two companies in the northeast region of Brazil, Cabo Serviços de Telecomunicações Ltda., based in Natal, Rio Grande do Norte, and Videomar Rede Nordeste S.A., based in Fortaleza, Ceará. Cabo’s network includes approximately 267 kilometers of fiber and about 11,400 telephone poles that it owns. Cabo plans to expand its operation in the home cities of Fortaleza and Natal, as well as in the State of Sao Paulo in Brazil.

IFC’s proposed investment is for a loan of about $30 million for network expansion to increase Cabo’s number of subscribers from 154,000 in December 2015 to 250,000 in 2019, with 577,000 homes connected. This involves installing about 2,700 kilometers of above-ground fiber with 60,000 new telephone poles for which easements (rather than land acquisition) will be arranged. New data processing capacity and customer service by telephone will be provided in leased spaces in existing buildings. A new headquarters occupying 500 square meters of leased space in an existing building will be located in Poços de Caldas, and will include a warehouse for equipment such as set top boxes, supplying 13 new small Cabo stores in leased spaces in various cities, to provide space for sales and customer service.

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/