Early Warning System

IFC-39715

Zain Iraq II

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Quick Facts

Countries	Iraq
Financial Institutions	International Finance Corporation (IFC)
Status	Proposed
Bank Risk Rating	B
Borrower	ATHEER TELECOM IRAQ LIMITED
Sectors	Communications
Investment Type(s)	Loan
Investment Amount (USD)	$ 300.00 million
Project Cost (USD)	$ 348.00 million

Project Description

The proposed investment will be mainly used to support the investment program of the company throughout 2019, including the expansion of the 3G network and enhancement of capacity and quality of the 3G network, which is the only means to access to broadband for many of the Iraq population. The roll-out program will partially involve transformation of existing 2G sites to 3G by installing radio equipment on existing towers, development of new rooftop sites and greenfield tower sites, network and power modernization through software investments and license applications. The company is also considering expanding its fiber-optic network installation.

Investment Description

- International Finance Corporation (IFC)

The total project cost is US$ 348 million to be funded with IFC syndicated facility of US$300 million and internal cash generation of US$ 48 million.

The proposed investment of up to US$300 million consists of an IFC A Loan of up to US$100 million, a loan of up to US$75 million from the Managed Co-Lending Portfolio Program (“MCPP”), and B/parallel loans of up to US$125 million.

Private Actors Description

Zain Iraq is 76% owned by Mobile Telecommunications Company K.S.C. of Kuwait (“Zain Group” or the “Group”). The remaining shares in Zain Iraq (24%) are owned by Mr. M. AlCharchafji, an Iraqi national and one of the founding shareholders.

Zain Group is a Kuwait based telecommunications group, with operations in 9 countries in Middle East and Africa. The Group owns majority stake in the businesses in Kuwait (100%), Iraq (76%), Sudan & South Sudan (100%), Jordan (96%), Bahrain (55%), minority stakes in Saudi Arabia and Morocco and has a management contract in Lebanon. Zain Group is listed on the Kuwait Stock Exchange. Kuwait Investment Authority (“KIA”) owns 24.6%, Omantel Telecommunications recently acquired 21.9% and the remaining 53.5% shares are owned by public shareholders. KIA is a sovereign wealth fund of Kuwait.

Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	Atheer Telecom Iraq Limited	Client	-

Contact Information

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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/

Bank Documents

- Environmental & Social Review Summary