Early Warning System

IFC-42497

Phoenix Tower B4

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Quick Facts

Countries	Brazil
Financial Institutions	International Finance Corporation (IFC)
Status	Proposed
Bank Risk Rating	B
Voting Date	2019-04-26
Borrower	PHOENIX TOWERS PARTICIPACOES S.A.
Sectors	Communications, Infrastructure
Investment Type(s)	Loan
Investment Amount (USD)	$ 225.00 million
Project Cost (USD)	$ 225.00 million

Project Description

Phoenix Tower do Brasil (“PTB” or “Phoenix” or the “Company”), an existing IFC investee company, has invited IFC to upsize its senior secured loan exposure from BRL150 million (~US$40 million) to BRL225 million (~US$60 million) to fund the expansion of its operations in Brazil. Having recently acquired a competitor in Brazil, K2 Towers Brazil, the Company is seeking to “future-proof” its operations to meet the coverage densification requirements for Fourth Generation (“4G”) and future generations through small cells. The Company is also planning to build new Built-to-Suit (“BTS”) towers to meet the network expansion requirements of mobile network operators in Brazil (the “Project”). IFC’s interest in the IFC’s interest in the Project is premised not just on supporting the growth of a performing client with a solid operational track-record, but also future-proofing Phoenix for the coverage densification required for the deployment of 4G and future generation networks in Brazil.

People Affected By This Project

Enhanced and expanded mobile telecommunications access: This Project expands tower sharing and enables mobile operators and internet service providers to share infrastructure cost and improve the quality and reach of their networks. In particular, the expansion will be achieved through the deployment of BTS sites for traditional coverage as well as small cell infrastructure which is an innovative technology in its nascent stage that brings better coverage to support data traffic in high density areas such as office towers and shopping malls.

Expanded access to ICT technologies: The expected impact is on market competitiveness by supporting the growth of a second-tier provider deploying the innovation of small cell infrastructure that could potentially advance the market by pushing the incumbents to adopt the technology. While the tower sharing economy is moderately developed in Brazil with about 75,000 cell sites and 60,000 base stations deployed in Brazil with about 65% of the towers being independently owned, the tower sharing market is dominated by 3 large players who do not seem to be deploying the towers that are needed to support the higher data traffic densities required for 4G and 5G, or to be investing in small cell technology.

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/