

 Early Warning System

IIC-11611-03

TIGO



Quick Facts

Countries	Paraguay
Specific Location	Asuncion, Ciudad del Este, San Lorenzo
Financial Institutions	IDB Invest (IDBI)
Bank Risk Rating	B
Voting Date	2016-08-30
Borrower	Telefonica Celular del Paraguay S.A.
Sectors	Communications
Investment Type(s)	Loan
Investment Amount (USD)	\$ 70.00 million
Project Cost (USD)	\$ 165.00 million



Project Description

The use of funds of the project is to support (i) expansion of 3G network including the creation of fast mobile data network 4G-LTE in Asuncion, Ciudad del Este, San Lorenzo and surrounding areas, (ii) increase coverage for fixed internet and digital TV by connecting more homes to the network, and (iii) increase the network for Business-to-Business (B2B).

In terms of development impact and IIC's Business Priority Areas, the Project is aligned for (a) social inclusion and inequality, productivity and innovation; (b) promotion of infrastructure for development; (iii) support innovation and technological development and (iv) enhance private provision of basic goods and services, income generating opportunities and social mobility for vulnerable populations.

In addition, the Project is in line with the Paraguayan government's policy for Telecom implementation in the country, which is focused on accompanying the shift in telecom from voice to data, and on ensuring a universal and affordable availability of broadband. Furthermore, the investment proposal is aligned with the Global Connect Initiative of which the Paraguayan government is part of and whose main objective is to bring 1.5 billion persons to the online world by 2020 while at the same time reducing or closing the digital gap between those with Internet access and those without it.

Given the nature of the works to be carried out under this operation, potential risks related to this operation are expected to pertain primarily to Occupational Health and Safety (OHS).

This project has been categorized as B, as it has potential moderate environmental and social impacts and risks that are generally limited to the project site, largely reversible and can be mitigated via measures that are readily available and feasible to implement in the context of the operation.



Investment Description

- IDB Invest (IDBI)

Tigo Paraguay's has developed a coherent 5 years business plan that includes investing US\$ 617 million from 2016 until 2020 mainly to support its offer of mobile access to broadband, fixed business lines and licenses and/or acquisitions. Out of the US\$ 165 million (Project Cost) FY 2016 capex investment set in the 2016-2020 business plan, the IIC will support TIGO with up to US\$ 70,000,000 equiv. in local currency guaranies. The financing will have a tenure of up to 5 years including 2 years grace period of which Instituto de Prevision Social (IPS) will act as the Lender of record and IIC-IDB as Guarantor of IPS's credit exposure. As Guarantor, the IDB Group (AAA) will cover 100% of IPS exposure to TIGO.



Contact Information

For inquiries about this project, contact divulgacionpublica@iadb.org.

ACCOUNTABILITY MECHANISM OF IIC

The Independent Consultation and Investigation Mechanism (MICI) is the independent complaint mechanism and fact-finding body for people who have been or are likely to be adversely affected by an Inter-American Development Bank (IDB) or Inter-American Investment Corporation (IIC)-funded project. If you submit a complaint to MICI, they may assist you in addressing the problems you raised through a dispute-resolution process with those implementing the project and/or through an investigation to assess whether the IDB or IIC is following its own policies for preventing or mitigating harm to people or the environment. You can submit a complaint by sending an email to MICI@iadb.org. You can learn more about the MICI and how to file a complaint at <http://www.iadb.org/en/mici/mici,1752.html> (in English) or <http://www.iadb.org/es/mici/mici,1752.html> (Spanish).