Early Warning System

IIC-12088-01

Altan Redes S.A.P.I. de C.V.

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Quick Facts

Countries	Mexico
Financial Institutions	IDB Invest (IDBI)
Status	Approved
Bank Risk Rating	B
Voting Date	2017-09-26
Borrower	Altan Redes S.A.P.I. de C.V.
Sectors	Communications
Investment Type(s)	Loan
Investment Amount (USD)	$ 150.00 million
Project Cost (USD)	$ 150.00 million

Project Description

According to IIC website, the Project, located throughout Mexico, consists of setting up 14,000-16,000 radio sites over the next 10 years to provide a minimum population coverage of 92.2%. The PPP (Private Pubic Partnership) Agreement is a 20-year term concession, renewable for an additional 20 years. It was awarded to the Consortium based on the highest offered Target Coverage above the pre-established minimum population coverage of 85%.

It will involve providing an open and accessible network to the majority of the Mexican population by 2021, with a focus on rural areas: cities with population of less than 10,000 inhabitants and the 111 “pueblos mágicos” (magical towns) as defined by the Government (Secretary of Tourism-Sectur). The concession establishes that for each 100 urban areas to be covered, 15 must be rural populations.

Early Warning System Project Analysis

According to the IIC's Environmental and Social Sustainability Policy, the Project has been classified as a Category B operation since its potential environmental and social impacts and risks are, in general terms, 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.

Since the majority of the towers (approximately 80%) need for the project would have already been constructed and therefore the impacts related to construction of new towers is deemed to be low, the key E&S issues associated with the Project are anticipated to be related to those typical of telecommunications infrastructure construction, and underground and above-ground cabling. These include potential terrestrial habitat alteration (primarily during construction), avian collisions, visual impacts, production of hazardous materials and waste and those related with labor and working conditions (including employees' and contractor workers' occupational health and safety).

Investment Description

- IDB Invest (IDBI)

The transaction consists of the IDB Group participation in the long term debt financing for the peak funding needs for the deployment of the Mexican Government-sponsored Red Compartida public private partnership for an aggregate amount of up to US$150 million. The roll-out of Red Compartida is expected to generate an investment in excess of US$7 billion over the 20-year life of the concession.

Private Actors Description

IDB Invest lists the following private actor description on its website: "Altan Redes S.A.P.I. de C.V. (Altan) was awarded the international tender process for the design, deployment, operation and maintenance of Red Compartida by the Mexican Ministry of Communications and Transportation in November 2016. Red Compartida will be the first and only Mexican neutral wholesale 4G LTE mobile communications network that will provide mobile broadband coverage to at least 92.2% of the Mexican population. Structured as a public-private partnership, Red Compartida is expected to provide multiple benefits to the population, such as: increase high speed wireless broadband coverage, improve the quality of telecommunication services, contribute to lowering mobile telecommunication prices, allow for more competition in the telecommunication sector, promote productivity and competitiveness of the Mexican economy, foster innovation in digital services, and allow for better and more efficient use of the spectrum."

Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	Altán Redes de S.A.P.I. de C.V.	Client	-

Contact Information

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ACCOUNTABILITY MECHANISM OF IIC

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