INTERNATIONAL FINANCE CORPORATION
WORLD BANK GROUP



2nd India Specific working group: Green Power for Mobile

Creating Opportunity
Where It's Needed Most

11 Oct 2011

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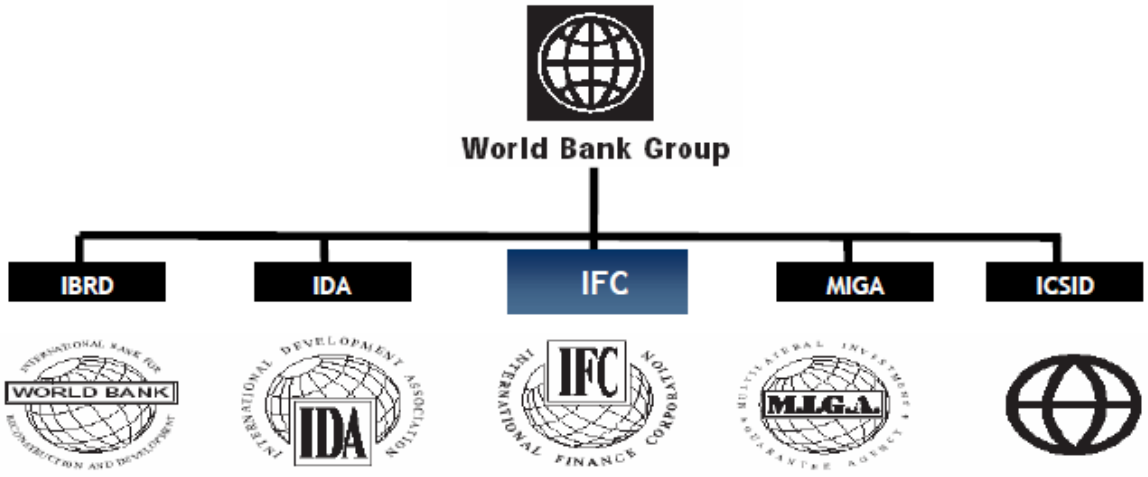
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Green Telecom Advisory

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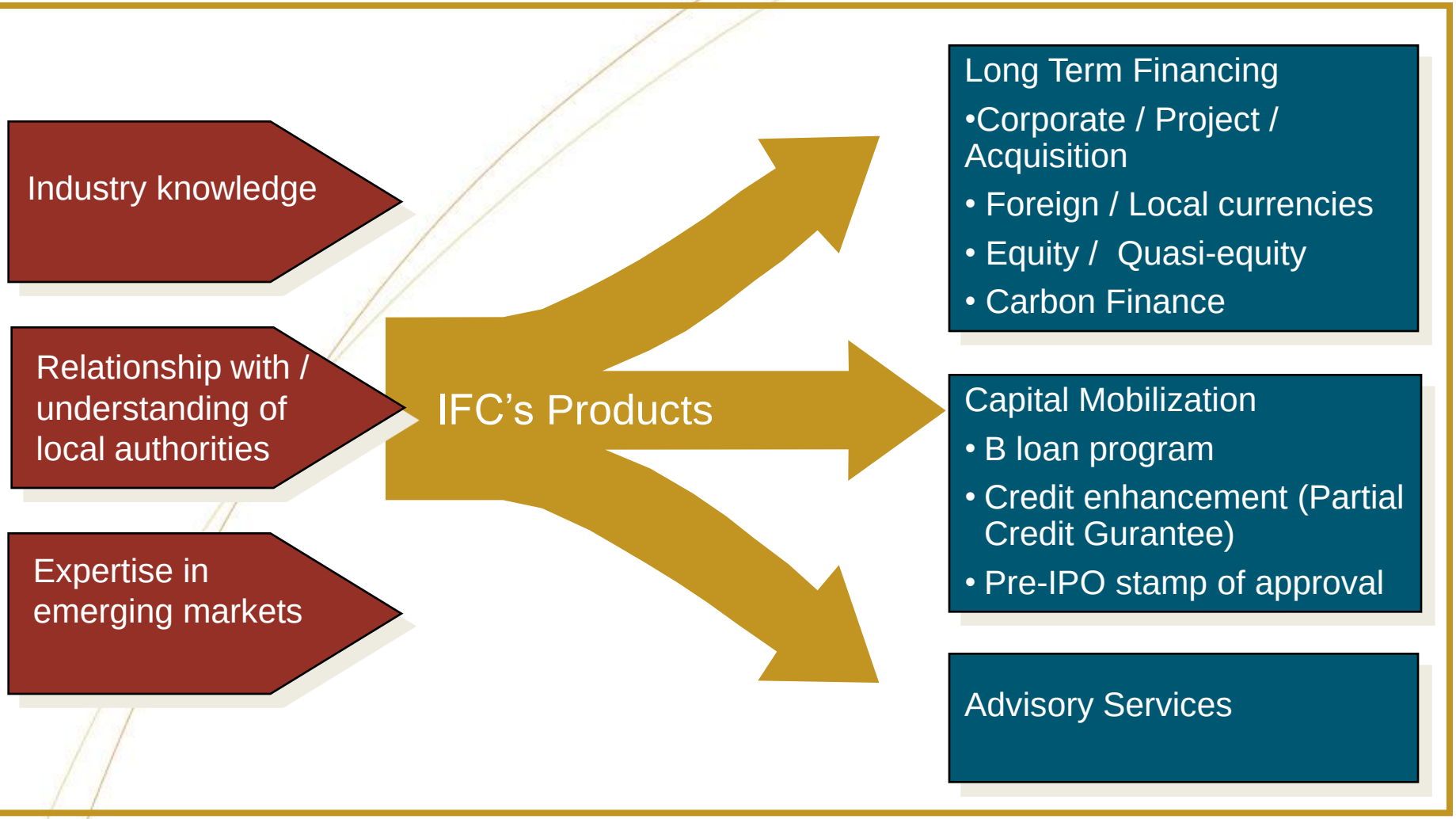
IFC – An Overview



- IFC, founded in 1956, is the private sector arm of World Bank
- Promote & support economic growth by catalyzing private sector investment in developing countries
- Legally distinct part of the World Bank Group with a shared Board of Directors and President, but separate development mandate, Articles of Agreement, staff, capital base, operating/financial policies
- Only global multilateral source of debt and equity financing for private enterprise in developing countries
- Over 102 offices worldwide in 92 countries with 55% of IFC's 3,438 staff in field offices.

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IFC Value Added



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IFC's Credentials in Telecom in South Asia

India

Idea Cellular

IFC US$84 million
Loan

2008

Maldives

Wataniya

IFC Total
US$20 million
Loan

2005

India

Applied Solar

Applied Solar Technologies

IFC US$10 million Loan
US$ 5.5 million equity

2010

Sri Lanka

Dialog

Dialog

IFC US$15 million loan

2005

Sri Lanka

Suntel

IFC Total
US$7.5 million
Equity

2005

Bangladesh

Grameen Telecom

Grameen

IFC Total
US$ 20 million *Loan*

2005

India

bharti

Bharti Telecom

IFC US$20 million
Equity

2005

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Advisory Services – Green Power for Telecom Project, India

Client Need

- ✓ MNOs and Tower Companies (in India, base station tower infrastructure is outsourced) looking to reduce OPEX of off-grid base stations currently powered by diesel for 24/7 by substituting with renewable energy

Support provided through a partnership with GSMA

- ✓ Piloting of RE base stations with 2 entities (direct implementation support)
- ✓ RFP definition and evaluation
- ✓ Joint project where GSM implementing partner:
- ✓ Supply template PPA agreement and provide
- ✓ Procurement model analysis (Capex vs Opex)
- ✓ Indian ESCO and Vendor Mapping
- ✓ Resource Mapping India (solar, wind with operator network overlay)
- ✓ Case studies and bi-annual reports
- ✓ Green Power for Mobile network design tool and training
- ✓ Creation of pipeline for investment

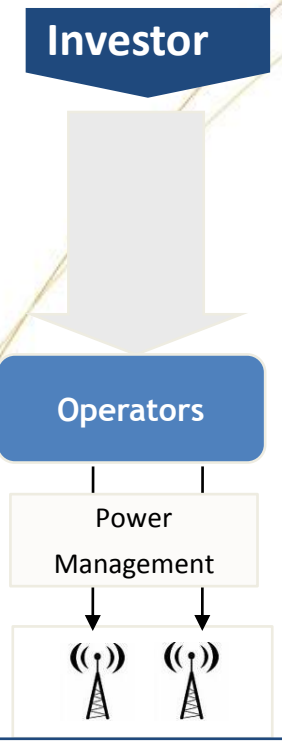
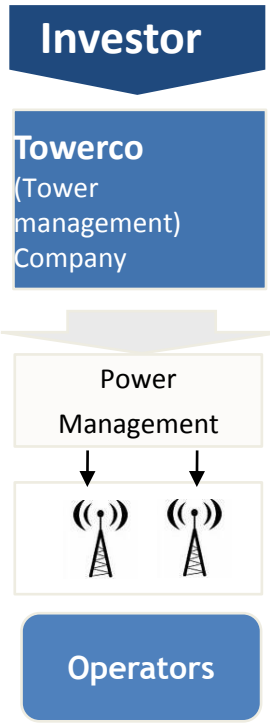
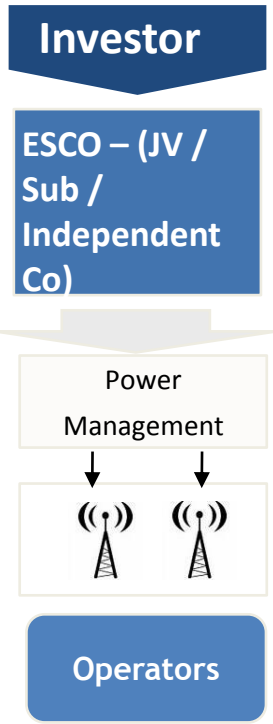


Expected Impact

- ✓ RE base station sites deployed
- ✓ Vendor landscaping & resource mapping reports
- ✓ Working Groups
- ✓ Renewable Energy generation
- ✓ CO2/ GHG mitigation
- ✓ Large Scale investments in Renewable Energy Business models

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Potential Business Model for Green Telecom Investment

	1 Asset purchase	2 Tower manager investment	3 Separate ESCO
Description	• Direct investment by Telco and running the business	• Investment by a Tower management Infra-co	• Being part of a ESCO which could be a JV / Sub / Independent Co
Model			

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Potential Investment Products



- Corporate and JV
- Typically 5-15% shareholding (not to exceed 20% of total equity)
- Long-term investor, typically 6-8 year holding period
- Not just financial investor, adding to shareholder value
- Usually no seat on board
- Infraventures (early equity investments)

- Subordinated loans
- Income participating loans
- Convertibles
- Other hybrid instruments

- Senior Debt (corporate finance, project finance)
- Fixed/floating rates, US$, Euro and local currencies available
- Commercial rates, repayment tailored to project/company needs
- Long maturities: 8-20 years, appropriate grace periods
- Range of security packages suited to project/country
- Mobilization of funds from other lenders and investors, through cofinancings, syndications, underwritings and guarantees

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