

Project Summary for Public Disclosure

Project Name	Cellular Network and Cloud Services Expansion Project (the “Project”)
Country	Russia
Sector	Information and Communication Technology
Concept Approval Date	May 9, 2020
Board Approval Date	December 15, 2020
Total Project Cost	USD 565 million
Loan Amount	USD 300 million
Borrower	Mobile TeleSystems Public Joint Stock Company
Implementation Agency	Mobile TeleSystems Public Joint Stock Company
Project Context	Enhanced country wide focus on Information and Communication Technology especially around (i) key sectors of economic and social development achieving digital maturity; (ii) increased access to broadband and telecommunications network for the Russian population; and (iii) larger investments in information technology domestic solutions.
Project Objective	The Project aims to (i) improve mobile network penetration across Russia; and (ii) provide for cloud based services for enterprises.
Project Description	The components of the Project include: (i) Upgrade of cellular network infrastructure including installation of new cell towers; (ii) Deployment of cloud services infrastructure.
Expected Benefits	The Project’s impact will be contribution to (i) increasing the availability of broadband internet services for households; (ii) increasing the share of Russia in the worldwide data storage and processing volume; (iii) improving digital integration of small size cities and urban settlements with the mainstream economy; and (iv) data security benefits and cost savings derived by enterprises by migrating to cloud based services.

Environmental and Social Aspect	The Project has been categorized as Category B in line with NDB's Environment and Social Framework (ESF). The impacts and risks are general environmental repercussions related to civil works, occupational health and safety risks associated with working at heights and electrical safety, electromagnetic field impacts from cellular networks, and electrical waste generation and disposal. These risks will be mitigated by the development of environmental and community health impact studies and implementation of an environmental and social impact management plan. The Project will comply with the requirements of the country system and NDB's ESF.	
Financing Aspect	The total cost of the Project is estimated to be USD 565 million. Financing sources are as follows:	
	Source of Fund	Amount (USD million)
	New Development Bank	300
	Other financing sources (borrowings, equity)	265
Implementation	The Project commenced in 2019 and will take 8 years to be executed until (and including) 2026. Procurement will be carried out by MTS in accordance with its existing procurement procedures and applicable Russian legislation.	
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