

PRESS RELEASE

TELEFÓNICA, FACEBOOK, IDB INVEST AND CAF CREATE INTERNET PARA TODOS PERU TO EXPAND INTERNET CONNECTIVITY IN LATIN AMERICA

- **About 100 million people in Latin America do not have adequate access to mobile broadband and to the social and economic benefits provided by internet access**
- **Internet para Todos is helping to solve the problem of mobile rural connectivity with an economically sustainable business model based on open access principles and new technologies**

Lima, 24 February 2019. Telefónica, Facebook, IDB Invest and CAF (Development Bank of Latin America) are launching Internet para Todos (IpT) Peru, an open access wholesale rural mobile infrastructure operator which aims to help bridge the digital divide in Latin America. The goal is to bring mobile broadband to remote populations where conventional telecom infrastructure deployment is not yet economically feasible.

About 100 million people, 20% of the Latin American population, do not yet have widespread access to mobile broadband and, therefore, to the benefits offered by the digital economy. IpT Peru's mission is to bridge that digital divide and connect rural communities throughout Peru by enabling any mobile network operator to use IpT's 3G and 4G infrastructure to deliver high quality retail mobile communication services. The success of IpT in Peru will pave the way to replicate this type of business model in other countries on Latin America and The Caribbean region.

Telefónica del Peru is contributing and opening its existing rural business to IpT Peru. Facebook, IDB Invest and CAF are investing in IpT Peru, with the goal of upgrading existing voice services and building new sites to deliver fast mobile Internet coverage in a wholesale Network as a Service model (NaaS). The agreement is subject to regulatory approval.

Bridging the digital divide and ensuring inclusivity in a near horizon requires a holistic approach combining business, technological, and policy innovations with new ways of collaboration. IpT Peru will help demonstrate that new business models which embrace open access principles and cooperation, new technologies, and the right policies can transform infrastructure into a NaaS to connect diverse communities across a challenging landscape while providing reasonable financial returns and time to market, while serving as a model for other areas of the world.

IpT will offer wholesale access to its rural broadband infrastructure through a revenue share model that would enable mobile operators to deliver communication services to individuals, businesses, and other organizations in rural communities. IpT will achieve economic sustainability through partnerships with local communities and by using open technologies that will reduce the cost of deployment in areas where current technologies are cost

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prohibitive. IpT will take advantage of cloud-like architectures, automated network planning, open radio access solutions (Open RAN) and a combination of optimised fibre and microwave networks.

According to Teresa Gomes, Managing Director of Internet para Todos: "Our new approach will leverage our network as a service to bridge the digital divide as fast as possible while providing any mobile network operator access to rural markets. Our goal now is to launch and scale the project in Peru and prove what's possible to the rest of Latin America and the world."

Internet para Todos originally began as a Telefónica initiative that considers connectivity a fundamental requirement for access to the benefits provided by digitisation and the economic and social progress of the people. With this innovative model of infrastructure deployment, and through projects collaborating with companies like Facebook, Telefónica del Peru has already connected to internet 2,000 communities in remote areas, benefiting around 600,000 people.

Positive quotes from partners.

Bernardo Quinn, CEO of Hispam South at Telefónica

"At Telefónica, we think that people are the ones who give meaning to technology and not vice versa. Internet para Todos is an example of how Telefónica is addressing new challenges to the sector and how it takes advantage of opportunities to promote open models of collaboration with other partners."

Dan Rabinovitsj, Facebook's vice president of Connectivity

"Delivering scalable, efficient and high-quality connectivity to rural communities is key to closing the digital divide. Through Internet Para Todos in Peru, we're investing in a new way of expanding rural access to mobile broadband, paving the way for the new approaches that the industry needs in order to ensure everyone has access to the benefits of the internet."

James Scriven, CEO of IDB Invest

"Internet para Todos represents a pioneer, transformative and innovative business model for rural connectivity in Peru and throughout the Latin American and the Caribbean region, and its success could be the solution to offer digital connectivity in rural areas, one of the main development challenges of the Fourth Industrial Revolution. IDB Invest seeks to contribute to creating new markets and opportunities in the region, promoting access to broadband at affordable prices and decreasing the digital gap."

Luis Carranza, Executive President of CAF

"In CAF we are committed to fostering high-impact social initiatives for the people of the region. *Internet para Todos* helps us join forces to reduce the digital gap that deepens socio-economic inequalities between communities that have Internet access and those that don't. We will start working in rural areas of Peru, and in the midterm our goal is to expand the program throughout Latin America".