



МЕЖДУНАРОДНАЯ ОРГАНИЗАЦИЯ КОСМИЧЕСКОЙ СВЯЗИ
INTERNATIONAL ORGANIZATION OF SPACE COMMUNICATIONS

Program for the Development of Business in the Field of Space Communications

2020-2021

I. Program for the Development of Business in the Field of Space Communications

- The Program is an extra tool for Intersputnik to attain its **goals**
- The Program is implemented by offering interest-free loans for the purpose of developing business in the field of space communications

‘ to ensure cooperation and coordination of efforts in the design, establishment, operation, and development of the Intersputnik international satellite telecommunications system ’

‘ to contribute to the strengthening and development of relations among the member countries of the Organization through the use of communications as well as radio and television broadcasting via satellites ’

II. Debt Financing

Purpose of the Fund

- **inexpensive outside financing** for the development of business in the field of space communications

Amount of Financing

- up to **US\$ 1,000,000** for Intersputnik Signatories
- up to **US\$ 750,000** for bidders that are not Intersputnik Signatories

Financing Limits

The amount of financing can't exceed:

- 50% of the total project value
- 50% of average annual turnover for the last 3 years

Larger amounts to be approved by the Operations Committee

Ways of Financing

- as an interest-free **loan** for a period of up to **five** years.

Loan repayment

- loan repayment to start no later than **two years** after disbursement

Periodicity

- generally **once a year**, provided that there are sufficient resources

III. Loan Repayment Security

- A **loan** needs to be **secured** using methods approved by the Directorate, which may include penalty, collateral, surety, independent guarantee, etc.
- If requested by the Directorate, the documents signed with the borrower may specify financial indicators, including Net Present Value – NPV and etc.
- In some cases, risks associated with the loan need to be **insured** by an insurance company approved by the Directorate

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IV. Control

- The Directorate will monitor if the borrower fulfills the terms and conditions of crediting:
 - The borrower's current financial standing as compared to the previous three years
 - Observance by the borrower of the conditions under which it the loan was provided and of the due expenditure of cash by means of analyzing the business project presented to the tender and the actual implementation
 - Efficiency of the use of assets (goods, works or services) purchased using the loan
 - Technical criteria of business project implementation
- If requested, the borrower needs to present documents required for control, including contracts, invoices, payment orders and other accounting documents
- Results of evaluating financial documents will be recorded in a report and presented to the borrower for review. If the results are unsatisfactory, additional documents may be requested.
- For control purposes, the Directorate may at its discretion use independent experts while costs associated with contracting such persons will be borne by the borrower (such costs cannot exceed the LIBOR level in USD in relation to the total amount of financing provided for the entire loan period).

V. Bidder Requirements

To be qualified for participation in the Program, a bidder needs to meet following requirements:

- be a legal entity engaged in **industry-specific business** for at least three years;
- be incorporated in an Intersputnik **member country** or operate in a **member country's market** or use Intersputnik's system;
- have the required **licenses** (authorizations);
- show **positive financial results** for the last two years; confirmed by an independent auditor; financial stability ratio of at least 0.8;
- have a **stable positive credit history**;
- **no** litigation or administrative proceeding against the bidder or any limitations imposed by government authorities;
- have a feasible **business project** and present a plan for its implementation;
- If the bidder has received financing before, it may repeatedly participate in the **Program** provided that it never violated any legally binding documents and that its business project implies the use of Intersputnik's system.

VI. List of Required Documents

To participate in the Program, a bidder needs to present the following:

- An application specifying the requested amount of the loan;
- Incorporation documents; licenses; certificates of compliance, information on the structure of authorized capital and ultimate beneficiaries; information on individuals authorized to act on behalf of the bidder; information on bidder's management and etc;
- Information on bidder's industry-specific business; information on projects completed and principal partners; letters of recommendation from partners;
- Financial statements and reports of a first-class independent auditor for the last three years;
- Description of the business project for which the loan is requested, including an implementation plan; commercial, technical and financial feasibility studies and calculations, including NPV, confirming the feasibility and economic success of the project;
- A written guarantee of the patent purity of technological solutions, if proposed;
- A written recommendation from a Member of the Organization, national telecommunication administration or competent government organization (desirable);

The documents are presented in Russian and English as originals and certified copies.

VII. Tender Board

- The tender board consists of the **Chair of the Operations Committee** who chairs the tender board, a **representative of the Audit Committee**, and **three representatives of the Directorate**
- The chair of the tender board or the Director General may invite experts, including specialized staff members of the Directorate, to join the tender board with a **consultative vote**

VIII. Winning Bidder(s) Selection Criteria

- Business projects implying the use of the **Intersputnik system** or, when implemented, resulting in the expansion of the **Intersputnik system**;
- Bidders with the **most promising** and **efficient business project**, best possible financial indicators, and the largest share of the market segment;
- If several companies from a single country participate in a tender, priority is given to a **Signatory** of the organization and/or bidders, which have a **written recommendation** of an Intersputnik Member;
- There may be **none, one or more winners** of a single tender, including those from a single country.

IX. Principal Milestones

The procedure of financing includes the following milestones:

- Acceptance of tentative bids to evaluate the level of interest shown by potential bidders - on dates set by the Directorate;
- Submission, by bidders, of documents for participation in the Program – by the date set by the Directorate;
- Review of the documents, due diligence and vetting for compliance with the requirements of the Program, identification of bidders admitted to the tender – up to one month;
- Holding of the tender, winner identification by the tender board – up to one month;
- Announcement of the tender results, agreement on and signing of documents with the borrower, provision of the loan – as a rule, up to one month.

X. Advantages of the Program

Opens up **new opportunities** for doing business in the field of space communications;

Enhances the image of the winning companies owing to the approval of their projects by an independent lender;

The procedure is simple, clear and the same for all bidders; it is public and, consequently, **serves to additionally advertise** the bidders' industry-specific business;

Receiving financing from Intersputnik – an intergovernmental organization – is an important component of the winner's image.



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