



Environmental and Social Review Summary

Destination Inspection Scanning

This Environmental and Social Review Summary (ESRS) is prepared by MIGA staff and disclosed in advance of the MIGA Board consideration of the proposed issuance of a Contract of Guarantee. Its purpose is to enhance the transparency of MIGA's activities. This document should not be construed as presuming the outcome of the decision by the MIGA Board of Directors. Board dates are estimates only.

Any documentation which is attached to this ESRS has been prepared by the project sponsor, and authorization has been given for public release. MIGA has reviewed the attached documentation as provided by the applicant, and considers it of adequate quality to be released to the public, but does not endorse the content.

Country:	Burundi
Sector:	Services
Project Enterprise:	Cotecna Inspection S.A., Burundi Liaison Office
Environmental Category:	B
Date ESRS Disclosed:	April 28, 2014
Status:	Due Diligence

A. Project Description

Cotecna Inspection S.A. of Switzerland (COINS) seeks a MIGA guarantee for its investment in the Cotecna Inspection, S.A. Burundi Liaison Office. The project consists of a seven-year build-own-operate-transfer (BOOT) contract to provide a number of services to the Government of Burundi (GoB). These services, in return for a monthly flat fee, cover the design, financing, procurement, operation and management of scanning equipment, and an electronic transit monitoring system. These services are namely installation and operation of non-intrusive import inspection equipment, including two (2) high-energy mobile x-ray scanners, one permanently located in Bujumbura and the other will be mobile between the Kobero and Kanyaru customs offices; as well as maintenance and technical assistance to the operation; delivery of training to the GoB; and transfer of the scanners to the GoB (at the end of the seven-year contract). MIGA has issued guarantees to seven (7) similar Cotecna projects: the Republic of Congo, El Salvador, Burundi, Niger, Nigeria, Senegal and Togo.

This BOOT contract is initially limited to the procurement, installation, operation and maintenance of the two scanners in the three customs offices mentioned above.



B. Environmental and Social Categorization

The project is a Category B according to MIGA's Policy on Environmental and Social Sustainability. The key risks pertain to Occupational Health and Safety (OHS), such as safe operation of equipment, radiation exposure and site security. The project site will be in three existing customs offices and the scanners will be installed in a controlled access customs area which has restricted access from the public.

C. Applicable Standards

While all Performance Standards (PS) are applicable to this investment, based on our current information, the investment will have impacts which must be managed in a manner consistent with the following Performance Standards:

- PS1: Assessment and Management of Environmental and Social Risks and Impacts
- PS2: Labor and Working Conditions
- PS3: Resource Efficiency and Pollution Prevention
- PS4: Community Health, Safety and Security

PS 5 (Land Acquisition and Involuntary Resettlement), PS 6 (Biodiversity Conservation and Sustainable Management of Living Natural Resource), PS 7 (Indigenous Peoples) and PS 8 (Cultural Heritage) are not applicable for the project as the scanners will be installed within the existing main customs offices. The World Bank Group General Environmental, Health and Safety Guidelines are also applicable to this project.

D. Key Documents and Scope of MIGA Review

The documents reviewed by MIGA:

- Environmental and Social Document: Human Resources, Health and Safety, Training and Audit, prepared by Cotecna for the Cotecna Inspection S.A., Burundi Liaison Office (March 2013);
- Burundi Labor code (*Code du travail du Burundi – Décret-loi n° 1/037 du 7 Juillet*) and Social Document: Human Resources, Health and Safety;
- Health and Safety Plans and Procedures prepared by Cotecna for the Niger Cotecna project (i.e. Fire Protection Procedure - *Procédure Incendie*, 2007; Instruction for Radioactive Material Detection, 2010; Radioprotection Safety – *Procédure Sécurité et Radioprotection*, 2012); and



- Definitive Application for a MIGA Guarantee

MIGA's review of this project also included correspondence comprising of environmental and social information submitted by Cotecna.

E. Key Issues and Mitigation

PS1: Assessment and Management of Environmental and Social Risks and Impacts

Cotecna will develop plans which will address social and environmental management systems aimed at ensuring that the proposed project, will upon implementation of specific measures, comply with the environmental and social requirements and regulations of Burundi, MIGA's PS and relevant World Bank Group Environmental, Health and Safety (EHS) guidelines.

Social and Environmental Assessment: The project does not need to develop impact assessments. Cotecna Burundi will develop an Environmental Management System (ESMS), focusing on management of health and safety risks will be required. Cotecna provided an Environmental and Social Document which had information on their approach to Social and Environmental Management in the areas of Human Resources and Health and Safety, specifically Instructions for Radioactive Material Detection, which outlines procedures for radiation protection and a summary of proposed Training for the Burundi project.

Management Program: Cotecna Inspection, S.A. Burundi Liaison Office will develop an Environmental and Social Management Plan (ESMP), health and safety plans such as Cotecna Safety and Radioprotection Procedures (*Procédure Sécurité et Radioprotection*), Cotecna Burundi Fire Safety Procedures (*Procédure Incendie*); and Human Resources Procedures (*Procédure Ressources Humaines*). A fire safety procedure will be implemented which will include dial in emergency numbers, signage and fire extinguishers.

Organizational Capacity and Training: Cotecna has demonstrated satisfactory capacity in other MIGA-supported projects to implement appropriate safety measures, training, and auditing procedures. Cotecna Burundi has committed to provide a team of qualified international experts for training and skills transfer to staff to ensure organizational capacity and knowledge in its operations in Burundi. A recent evaluation of an earlier Cotecna project in Senegal confirmed that Cotecna has satisfactory capacity to implement the safety measures, training, and auditing procedures.

As part of Cotecna Burundi's training program, training is scheduled for first aid and fire safety and a partnership with the Fire Department of Burundi has also been established to



enhance the quality of its training program. These plans and procedures aim to address potential environmental, health, safety, training and monitoring needs of the project.

Monitoring and Reporting: A Quality Management System (QMS) will be put in place to monitor quality assurance. Regular and frequent audits of all sites to verify compliance with all procedures, including health and safety procedures will be undertaken. Cotecna Burundi will provide MIGA with an Annual Monitoring Report on the environmental and social performance of the project.

PS 2: Labor and Working Conditions

Cotecna Burundi is in the process of establishing a Human Resources Manual which will conform to Burundi's Labor Code (*Code du travail du Burundi, Décret-Loi n°1/037 du 7 juillet, 1993*). This manual will outline several working conditions such as the legal working time, overtime pay, protection of women's health including maternal leave, weekly rest period and annual paid leave. Cotecna applies its Human Resources rules and practices across Cotecna's international operations following international standards set forth by the International Labor Organization (ILO) and MIGA's Performance Standards 2 on Labor and Working Conditions.

The project employed about 30 staff during the installation phase of the project and 120 people are expected to be employed during the operations phase of the project. Employment of Burundian nationals will be a priority at all levels. The project enterprise applies an equal opportunity and non-discriminatory work environment and has aimed to have approximately 30% of its workforce to be female. Annual salaries will be an estimated 20% above the national average. The Article n°1/037 in Burundi's Labor Code states that children may not be employed in a company before the age of 16, except by exceptional authorization granted by the Ministry of Labor. Cotecna has represented that there will not be any child labor in any manner in its operations.

The key health issue associated with scanner technology is radiological safety. Cotecna warrants that the project's design will incorporate all required safety monitoring, training and auditing procedures. Cotecna warrants that the scanners' proposed Radiological Safety System – consisting of a high-reliable, fail-safe, logic controller and associated safety sensors – autonomously guarantees safety in and around the scanners, ensuring that the installations are completely safe for its operators, drivers, and those working in the vicinity. Moreover, Cotecna has indicated that there are no permanent radioactive sources in the scanner, thus there is no risk of radiation hazard when the scanner is not in use. The maintenance of the scanners is ensured under the direct control of the manufacturer and Cotecna over the life of the BOOT contract. The scanners which will be used in this project are widely used worldwide. The scanners fully comply in particular with the World Health Organization (WHO) and the International Commission on Radiological Protection's (ICRP) regulations and recommendations.



Training: The project requires training of local staff in the handling and operation of the equipment. Cotecna has established a partnership with Areva and Smiths Heimann which are two companies Cotecna has identified as “industry leaders.” These two companies will provide technical training on operation of scanners and imaging interpretation. Cotecna and Customs Agents working in the scanning facility near the scanner will be equipped with individual dosimeters (radiological films) to measure personal exposure to radiation. Dosimeters are analyzed and replaced every three months according to the standards of the ICRP. These standards are defined in each country by the Nuclear Safety Authority/Radiation Protection Board. The radiometers in the scanning equipment are calibrated yearly by the manufacturer. Similar to the Niger Cotecna approach to E& S monitoring activities, a joint employer-employee occupational health and safety committee will be established to monitor health and safety conditions of the project.

Regular and frequent audits of all sites to verify compliance with all procedures, including safety procedures will be undertaken by the project. Cotecna will ensure that worker safety is part of an ongoing internal auditing program as per the Occupational Health and Safety guidelines in the WBG General EHS guidelines, PS2 and PS4.

PS 3: Resource Efficiency and Pollution Prevention

Potential pollution issues associated with the project are limited, but they include generation of solid waste during installation, and generation of solid and hazard waste (i.e. dosimeters), storage of hazardous materials (i.e. diesel) and air emissions during operations. Pollution prevention and abatement can be done through proper housekeeping, segregating flammables (i.e. small quantities of diesel if stored at the site) appropriately, and ensuring waste and recycling collection is regularly carried out by third parties. Cotecna’s ESMS will address storage and disposal practices, including that dosimeters are disposed of by a certified laboratory. Radioactive pollution is considered to be minimal as there are no permanent radioactive sources in the scanner.

PS 4: Community Health, Safety and Security

The project will be implemented within areas restricted for use solely by customs administration.

Security Arrangements: In cooperation with public security services, Cotecna will engage private, unarmed security guards to secure its offices and scanner sites and efficiently manage traffic in the pre-scanning and scanning areas. Fencing will be used as a security/safety measure at Bujumbura and Kobero site. Cotecna will manage its private security in accordance with PS4 as well as local laws and professional standards.

F. Environmental Permitting Process and Community Engagement



Given that the project involves small physical installations within secure customs areas accessible only by customs administration, environmental permitting and community consultation/engagement are not required for this project.

G. Environmental and Social Action Plan (ESAP)

An action plan has been prepared to address the gaps between proposed implementation and the requirements of the Performance Standards that are identified in the sections above.

Action#	Action – Performance Standards	Task Title/Description	Due Date
1	PS 1 – Audits and Certifications	Provide MIGA with copies of audit reports (i.e. operational internal audits) and certifications (i.e. ISO 9001)	When audit reports are received
2	PS 1 –Environment and Social Management System (ESMS)	Develop an Environmental and Social Management System (ESMS), consistent with the Performance Standards and the General Environmental Health and Safety (EHS) Guidelines of the World Bank Group;	Within 120 days of execution date of the Contract Guarantee
3	PS 1- Reporting	Provide MIGA with an Annual Monitoring Report (AMR)	Annually
4	PS2 – Human Resources Policy	Develop and submit to MIGA a copy of the Project Enterprise’s Human Resources Policy and Manual consistent with the Performance Standards;	Within 120 days of execution date of the Contract Guarantee

H. Availability of Documentation

There are no attachments for this ESRS document.