

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:	Senegal
Sector:	Services
Project Enterprise:	Cotecna Inspection SA, Senegal Liaison Office
Environmental Category:	B
Date ESRS Disclosed:	December 18, 2008
Status:	Due Diligence

A. Project Description

Cotecna Inspection SA (Cotecna) of Switzerland seeks a MIGA guarantee for its investment in the Cotecna Inspection SA, Senegal Liaison office. The project consists of a 3-year BOT contract covering the purchase and operation of four X-ray scanners and container tracking equipment. Cotecna will set up four scanners, two relocatable (Gantry) scanners at the two seaports of Dakar (south and north), one portal scanner, and one pallet scanner. E-tracking sites/offices will be set up in two maritime ports of Dakar and in four border posts. Fixed and removable tracking units will be deployed among all the sites covered by the system. "Clean Report of Findings" certificates issued by Cotecna will be compulsory for customs import clearance.

The project involves a combined pre-shipment and destination inspection program, including the provision of the additional scanning equipment together with the three year build, operate and transfer (BOT) contract that includes pre-shipment inspection on certain imports (i.e. physical inspection and document verification at the point of origin/export) carried out by Cotecna's international network. The import verification process will use Cotecna's Computerized Risk Management System (CRMS) that analyses data on trade transactions in order to assign the correct level of intervention to identify which import transactions will be subject to pre-shipment inspection or scanning at destination on a risk assessment basis.

B. Environmental and Social Categorization

This project is Category B under MIGA's Policy on Social and Environmental Sustainability. The key issue is safe operation of the equipment (occupational health and safety). Land needed by the project will be provided by the port authority via customs. All scanners will be installed in controlled access customs areas which are restricted areas for the public. There are no significant social and environmental adverse impacts directly resulting from this investment.

C. Applicable Standards

While all Performance Standards are applicable to this investment, the current information indicates that PS1 (Social and Environmental Assessment and Management Systems) and PS2 (Labor and Working Conditions) apply directly to this project. Because Cotecna will engage private security guards to secure its offices and scanner sites, the Security Personnel aspects of PS4 are applicable as well.

D. Key Documents and Scope of MIGA Review

The documents reviewed by MIGA include:

- Project Report prepared by Cotecna Inspection SA – September 2008
- Definitive Application – May 27, 2008

E. Key Issues and Mitigation

Social and Environmental Assessment and Management Systems

The project does not need to develop impact assessments; however, a social and environment management plan focusing on occupational health, safety and training consistent with PS2 and PS4 will be required.

Labor and Working Conditions

The project will create about 50 new positions in addition to the pre-existing workforce. Whilst the project enterprise applies the equal opportunity principle, only 20% of the current employees are female, mainly due to the technical nature of the work and the difficult working environment prevailing in the ports and at the border posts. A human resources policy will be implemented consistent with PS2. All workers are entitled to receive transport allowances, annual bonuses, local state pension and health insurance premiums, and overtime pay. Annual salaries are above the average in Senegal.

The key health issue associated with scanner technology is radiological safety. The project design incorporates all required safety training and auditing procedures. Cotecna warrants that its Radiological Safety System--consisting of a wired-logic controller and associated safety sensors-- autonomously guarantees safety in and around the scanners, so that the installations are completely safe for both its operators and those working in the vicinity. The project requires training of local staff in the handling and operation of the

equipment. Regular and frequent audits of all sites to verify compliance with all procedures, including safety procedures will be undertaken.

A specific clause in the contract will require the investor to ensure that worker safety is part of an ongoing internal auditing program as per the Occupational Health and Safety guidelines, PS2 and PS4. Auditing reports on occupational health and safety will be made available to MIGA.

Community Health, Safety & Security—Security Personnel

As per local regulations Cotecna is responsible for maintaining site security for operations. In addition to public security services, Cotecna will engage private security guards to secure its offices and scanner sites in different locations. While scanning sites are located within secure port areas, additional security is required to mitigate/deter thefts, deliberate damage to scanners; restrict entry to scanning sites for health, safety and operational efficiency reasons; control movement of trucks lining up to pass through the scanning sites. Security forces (both public and private) will be managed in accordance with PS4 as well as local laws and professional standards.

F. Environmental Permitting Process and Community Engagement

Given the project involves small physical installations within secure customs areas at the airport, seaports, and border, environmental permitting and community consultation/engagement are not required by this project.

G. Availability of Documentation

There are no attachments for this ESRS document.