

Overview of Scope of IIC Environmental and Social Review

IIC's Environmental and Social (E&S) review for this operation consisted of a desk review of relevant E&S documentation, as well as a visit to Tigo's headquarter offices in Asuncion where interviews were conducted with relevant Tigo personnel.

Environmental and Social Categorization and Rationale

For direct investments, the IIC categorizes operations as A, B or C based on type, sector, scale and likely magnitude and significance of potential environmental and social risks and impacts of the investment. The category indicates the appropriate extent of environmental and social impact assessment, information disclosure and stakeholder engagement required. This project has been categorized as B, as it has potential moderate environmental and social impacts and risks that are generally limited to the project site, largely reversible and can be mitigated via measures that are readily available and feasible to implement in the context of the operation.

Environmental Risks and Impacts and Proposed Mitigation and Compensation Measures

The potential E&S risks are expected to be low to moderate given the nature of the presumed works to be financed under this operation. These works do not include construction of new structures or any significant civil works. Below is a summary of the E&S assessment.

Assessment and Management of Environmental and Social Risks and Impacts

Given the nature of the works to be carried out under this operation, potential risks related to this operation are expected to pertain primarily to Occupational Health and Safety (OHS). These risks can be readily mitigated and managed through the implementation of a corporate level Environmental and Social Management System (ESMS).

Millicom, Tigo's parent company, has a Health, Safety and Environmental Policy which Tigo applies at the corporate level and which will be applied to this operation. However, Tigo currently lacks an overarching corporate level ESMS. At the level of this operation, Tigo also lacks E&S project management plans/programs, and E&S monitoring and review programs.

Given the nature of the investments to be made under this operation, formal environmental and social assessments are not required. Tigo has retained an E&S consultant to assist Tigo's own legal department in the securing of the E&S-related permits and licenses needed to the activities to be carried out under this operation. One such license, already obtained, is for the company's administration and management of electrical waste.

Tigo does not have a general E&S manager responsible for developing and overseeing E&S related plans and procedures. The company does however have a full Security Team, which covers both occupation and physical safety. This team is comprised of a Director of Risk, a Corporate Security Lead, a Corporate Security Coordinator and an OHS Analyst. This team oversees Tigo's evacuation Procedure (Procedimiento de Evacuación - PO_SEC_12) which addresses emergency response to fires and bomb threats and includes roles, responsibilities and actions.

Tigo currently depends on local legal structures to field community grievances. Municipalities have mechanisms in place to allow concerned citizens to file claims at municipal offices or online (<http://appserver.mca.gov.py/reclamosmca/faces/index.xhtml>). The municipality then would contact Tigo for further information and ultimately decide on the actions to take. These actions could include renewal or cancelation of municipal permits.

Tigo is currently planning a public consultation event to disclose, and to solicit comments on, the investments to be made under this operation.

Labor and Working Conditions

Tigo Paraguay currently has 1,780 employees and 2,658 subcontracted workers through approximately 20 subcontractor companies. Of the direct employees, 64% are men and 36% are women. In accordance with national laws, Tigo has a Human Resources (HR) procedure for Worker Hiring, Selection and Insertion (Procedimiento de Reclutamiento, Selección e Ingreso del Personal - PO_RRH_11), which includes a policy in general alignment with best practice on non-discrimination or equal opportunity. Working hours may not exceed those stipulated by national law - expressed in company rules and individual employment contracts. Working conditions present in the individual employment contracts include: assigned wage, salary composition, position, and other additional benefits (such as use of company vehicles). In addition, the position description clearly states the responsibilities and rights of the employee.

Tigo employees are not unionized. Following national legislation, there is a Trade Union Rights Association that offers benefits to the workers. One such benefit is private medical insurance. Workers may opt into this system, in which they pay a fixed amount per month and if medical service is required, the workers association will cover 60% of the total cost.

Tigo's workers may present grievances by various means, including: (i) emails to or direct discussion with Human Resources, either at the corporate level or at the level of individual HR officers assigned to work units; and (ii) an online ethics portal hosted by Millicom.

Tigo follows national legislation and has an OHS Program based on Millicom's Health, Safety & Environment (EHS) Management System Manual. The Manual includes guidance on planning, implementation and operation, and checking and improvement. Tigo has several procedures including: Work Permit (Procedimiento para Permisos de Trabajo - PO_SEC_10), Evacuation Procedure (Procedimiento de Evacuación - PO_SEC_12), Access to Restricted Areas (Solicitud de Acceso en Areas Restrigidas - FOR_OT_09), Electrical Work Permit (Permiso de Trabajo con Riesgo Electrico - FOR_SEC_0), Work in Heights Permit (Permiso de Trabajo en Altura - FOR_SEC_06), Heat Work Permit (Permiso de Trabajo en Caliente - FOR_SEC_06), and a Fire Risk Assessment Tool. Tigo performs periodic risk assessments of the different types of work and work locations and carries out safety inspections to workers and subcontractors. Tigo workers have regular training including: defensive driving, safety in warehouses, proper forklift handling, first aid, electrical risk, work and rescue in high places, and traffic safety. Training is provided to certain workers, based on work responsibility, and required for subcontractors.

Subcontracted workers are required to follow Tigo's OHS programs. To ensure this, Tigo incorporates Safety Norms (Normas de Seguridad) into its contracts. Tigo plans to hire a team of field supervisors to carry out field-monitoring of third party workers to verify that subcontractors are fulfilling their OHS commitments.

Resource Efficiency and Pollution Prevention

Due to the nature of the works financed under this operation, consumption of water and energy and generation of greenhouse gas emissions are not considered significant. At the corporate level, Tigo is required by Millicom to prepare regular Corporate Responsibility reports that identify the amount of waste generated (including electronic waste) and how it is managed, water consumption, air travel, and any sources of renewable energies used. Water is used for drinking water (municipal water system) and the fire system (groundwater well).

Liquid waste from Tigo's corporate facilities is either treated at a local treatment plant or is hauled away by a third party hazardous waste contractor. Solid waste is either collected by the municipality or sold to third party companies. Hazardous materials, mostly used electrical accessories and telephones, are sold to an authorized third party for treatment and/or recycling.

Community Health, Safety and Security

Tigo follows national construction standards for the design and construction of new structures (Normas de Construcción de la INTN, el Reglamento de Baja Tensión de la ANDE y el Reglamento de PCI Municipal). Hazardous materials, mostly consisting of used electrical accessories and telephones, are sold to an authorized third party for treatment and/or recycling. Tigo subcontracts armed security personnel and has a process in place to ensure that these personnel are appropriately vetted and trained.

Land Acquisition and Involuntary Resettlement; Biodiversity Conservation and Natural Habitats; Indigenous Peoples; Cultural Heritage

For the purposes of the investments to be made under this operation, no land will be purchased and works will occur only at sites already being used for communications infrastructure. Works will not involve any civil works or other potential sources of significant E&S impacts. At the corporate level, Tigo's current policy is to only rent (as opposed to buy) any land required for expansion or upgrading of services, and to re-use existing sites to the extent possible.

E&S Action Plan

Ref #	Action Description	Deliverable / Indicator of Completion	Deadline
1	Develop and implement a corporate ESHS policy, which, in accordance with the International Finance Corporation's Performance Standard 1 (IFC PS1), shall identify who will be responsible to ensure its compliance, and shall be communicated to all levels of the organization.	Signed statement from Tigo Senior Management that a Corporate level ESHS policy has been adopted.	Prior to first disbursement.
2	Contract a qualified E&S manager, reporting directly to senior management, to develop, implement, and supervise E&S management (including the development and implementation of a corporate level ESMS) at the corporate level.	Copy of signed contracts (including Terms of Reference) between Tigo and a qualified E&S manager.	Prior to first disbursement.
3	Develop and implement a corporate level ESMS, including appropriate plans and procedures based on the identification and assessment of impacts and risks to ensure their mitigation and management, in accordance with IFC PS1. The ESMS must provide for control and supervision of contractors performing activities in the field sufficient to ensure that these contractors fully mitigate their ESHS risks.	Documentation sufficient to demonstrate that a Corporate level ESMS is in place and functioning, and that the system provides for sufficient field-supervision and control of contractors working in the field.	Three months from date of first disbursement.
4	Develop and implement a mechanism to address community grievances.	Documentation sufficient to demonstrate that the grievance mechanism is in place and functioning.	Prior to first disbursement.

Ref #	Action Description	Deliverable / Indicator of Completion	Deadline
5	Conduct one public consultation event in which the specific investments to be made under this operation are presented, and Tigo receives and responds to any comments from the general public regarding said investments.	Copy of summons, proceedings and minutes of the meeting, demonstrating that the investments were described in language comprehensible to the general population, that comments were solicited, and that Tigo responded to any comments received.	Prior to first disbursement.
6	<ol style="list-style-type: none"> 1. Develop risk assessments and procedures for each task related to the installation or adjustment of equipment related to this operation, and provide the necessary training to mitigate all risks identified. 2. Monitor and report on implementation of the OHS Program, including OHS statistics, especially by subcontractors. 3. Report major incidents involving fatalities and disability, including those suffered by subcontractors. 	<ol style="list-style-type: none"> 1. Risk assessments by task or activity. 2. Report on OHS implementation. 3. Initial notification and accident/ incident investigation report with root-cause analysis. 	<ol style="list-style-type: none"> 1. Prior to first disbursement. 2. Semiannually from date of financial close. 3. Notification within 24 hours of accident/ incident followed by report.
7	Develop and implement a security personnel plan including rules of conduct, training, equipping, and monitoring, and ensure that the grievance mechanism covers security personnel-related grievances.	Security personnel plan.	Prior to first disbursement
8	Produce a consolidated environmental, social, health, safety and labor report to provide status of project compliance with Lender requirements, including progress towards the actions in this Action Plan. Notify Lenders of any significant environmental, social, health and safety issues that may represent a material adverse effect to the environment, workers or communities during Project construction and operation.	<ol style="list-style-type: none"> 1. Report for Lenders. 2. Notification. 	<ol style="list-style-type: none"> 1. Semiannually from date of financial close. 2. As specified in the Loan Agreement.