

FINDINGS OF THE CORPORATE SAFEGUARD AUDIT: ENVIRONMENTAL AND SOCIAL MANAGEMENT SYSTEM

A. Background

1. The corporate safeguard audit assesses the effectiveness of IGT's existing environmental and social management system (ESMS) and current performance against: (i) applicable laws and regulations; (ii) ADB's SPS requirements and (iii) good international industry practice including IFC's Environmental, Health and Safety Guidelines for Telecommunication (2007). Five key areas of IGT performance were considered: (i) policies and procedures; (ii) contract arrangements; (iii) planning and design of tower facilities; (iv) construction and maintenance regulations and (v) general corporate activities. The audit focuses its review and assessment on company plans and procedures and field practices across design, siting, leasing, construction and operation phases of facility development. The Audit is based on:

- (i) review of IGT's general activities and practices and documented environmental and social management policies, procedures and plans (forming the ESMS), including Standard Operating Procedures (SOP), Health Safety and Environment (HSE) Manual and human resources procedures;
- (ii) discussions with IGT management;
- (iii) review of IGT's recent HSE summary audit reports for towers being constructed by contractors; and
- (iv) site visits to IGT towers under construction and operational during an in-country mission conducted in January 2016.

B. Audit Findings and Recommendations

a. Policies and procedures

2. Audit findings.

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3. Recommendations.

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b. Planning, design, installation and maintenance of towers

i. Site selection criteria.

4. Audit findings.

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5. Recommendations.

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ii. Stakeholder engagement

6. Audit findings.

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7. Recommendations.

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iii. Labor management

8. Audit findings.

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9. Recommendations.

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iv. Resource efficiency and Pollution Prevention.

10. Recommendations.

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v. Chance Find Procedures.

11. Audit findings.

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12. Recommendations.

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vi. Site decommissioning.

13. Audit findings.

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14. Recommendations.

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vii. Contractor workforce training.

15. Audit findings.

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16. Recommendations.

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c. Organizational structure, staff and responsibilities

17. Audit findings.

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18. Recommendations.

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C. Way Forward

19. The borrower has committed to address the recommendations of the compliance audit in its existing ESMS. Once the ESMS is revised to meet the requirements of SPS and is satisfactory to ADB, IGT management commits to adopt the enhanced ESMS, prior to the first disbursement.