

Environmental and Social Review Summary (ESRS) ASL EXPANSION – GUYANA

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1 Overview of the operation

Air Services Limited (“ASL” or the “Company”) is one of the leading domestic airlines in Guyana, with a fleet of 25 aircrafts including single-engine and twin-engine planes. It is a family-run company that started in 1957. The Company’s main base is at Eugene F. Correia International Airport (“EFCIA”) in Ogle (near Georgetown), where it has a modern hangar and maintenance facility, but it also has a fuel depot at Mahdia, which provides aviation gas to remote airstrips. The Company flies to 19 mostly remote locations in Guyana and serves more than 65,000 passengers a year, providing the following services: i) charter flights; ii) cargo services; iii) air ambulance; and iv) aerial work, including aerial photography, surveying, mapping, crop spraying (including fertilizers and pesticides), and firefighting.

The Company is seeking a loan to finance the acquisition of two new Cessna Grand Caravan prop aircraft (the “Project”), which will only be utilized to transport cargo and passengers.

2 Scope of IDB Invest's environmental and social review

The environmental and social analysis of the proposed operation consisted of documentary review and a teleconference to discuss the Client's environmental and social management plans and procedures and performance over time, with an emphasis on compliance with the following Performance Standards (PS): PS1: Assessment and Management of Environmental and Social Risks and Impacts; PS2: Labor and Working Conditions; PS3: Resource Efficiency and Pollution Prevention; and PS4: Community Health, Safety, and Security.

3 Environmental and social classification and its justification

In accordance with IDB Invest's Environmental and Social Sustainability Policy, the Project has been classified as Category C because the impacts it will generate are low or negligible and can be easily managed by the Project.

Based on an analysis conducted in accordance with the IDB Group Paris Alignment Implementation Approach, the Project is considered aligned with the Paris Agreement. It should be noted that of the 17 ASL destinations considered in the assessment, only two (Mahdia and Lethem) can be reached by dirt roads from Georgetown. The other destinations can otherwise only be accessed by boat. ASL flights are therefore vital for connecting these isolated communities to the rest of the country.

4 Environmental and social risks

4.1 Assessment and Management of Environmental and Social Risks and Impacts

ASL has an Environmental and Social Management System (“ESMS”) that is certified compliant with International Organization for Standardization (ISO) 9001:2015 (Quality Management Systems). The Company has an ESMS Manual that describes the following components: i) environmental and social policies; ii) identification and assessment of risks; iii) management programs; iv) roles and responsibilities; v) emergency preparedness and response; vi) stakeholder engagement; vii) monitoring and evaluation; viii) continuous improvement; ix) compliance and standards; x) documentation and recordkeeping; and xi) approval and review.

ASL also has an Environmental Management Plan (“EMP”) that it was required to develop in 2019 by the Environmental Protection Agency (“EPA”) to obtain its Operational Permit. Although the Company was not required to conduct a formal Environmental Impact Assessment (“EIA”), the EMP identifies and evaluates the Company’s environmental risks and impacts and includes a summary of and relies on baseline data from an EIA that was conducted for the main airport in which it operates (EFCIA, formerly Ogle International Airport). The principal environmental and social risks identified in the EMP are: i) air quality and noise levels; ii) waste and sewage management; iii) hazardous materials; iv) lubricants and fuel; and v) wastewater. Except for noise, which is deemed to be low, these impacts are considered not material.

ASL’s EMP includes management measures for: i) air quality; ii) noise management; iii) waste and sewage disposal; iv) hazardous wastes; v) management of wastewater; vi) fuels and lubricants; vii) health and safety of workers; viii) safety of passengers and other users; and ix) alternative power supply (i.e., generators). The EMP also includes an Environmental Monitoring Plan and an Emergency Response Plan, which describes response, cleanup, and reporting procedures for the following types of emergencies: i) spills; ii) fires; and iii) industrial accidents. Annexes include: i) emergency contact list; ii) list of emergency equipment; iii) spill report form; iv) fire incident form; and v) incident report form.

ASL’s stakeholder engagement activities include meetings with destination communities, publication and dissemination of reports, and information provided on Company websites. Although ASL has suggestion boxes to receive community complaints at its facilities, it will develop a more formal community grievance mechanism with alternative means to access it.

4.2 Labor and Working Conditions

ASL currently has 157 employees, 41 (26%) of which are female. The Company does not currently utilize any contractors, and no contractors will be required for implementation of the Project. The only supplier for the Project will be Cessna.

ASL has an Employee Manual that describes the Company’s human resources policies and procedures. Its Non-discrimination Policy states that the Company does not discriminate in employment opportunities or practices based on race, color, religion, sex, national origin, age, or disability. ASL makes reasonable accommodations for qualified individuals with disabilities in all aspects of employment, including selection, job assignment, compensation, discipline, termination, and access to benefits and training. The Company will update its Employee Manual to include policies on: i) freedom of association for workers; and ii) prohibition on child and forced labor.

ASL's Employee Manual also includes sections on: i) standards of conduct; ii) wages and salaries; iii) benefits and services; and iv) employee communications. The Employee Manual also includes a Worker Grievance Mechanism with procedures for receiving, responding to, investigating, addressing, and documenting worker grievances. Worker grievances can be lodged in writing to a supervisor or manager, by email to the human resources department, or at a grievance box. All grievances received are treated as confidential and the mechanism allows for anonymous grievances. The mechanism also includes an Anti-retaliation Policy and procedures for socializing the mechanism to workers.

ASL's EMP includes general management measures to protect the health and safety of workers, including; i) the provision of personal protective equipment; ii) the provision of first aid facilities; and iii) the establishment of Worker Safety Committees in compliance with national legislation. The EMP also includes management measures to protect the safety of passengers and other users. ASL also has a detailed Maintenance Procedures Manual to ensure that its aircraft are safe to fly. The manual meets the requirements of the Guyana Civil Aviation Authority.

4.3 Resource Efficiency and Pollution Prevention

ASL's EMP includes management measures for: i) air quality; ii) noise management; iii) waste and sewage disposal; iv) hazardous wastes; v) management of wastewater; and vi) fuels and lubricants. Although ASL only operates aircraft during the daytime (between 6 am and 6 pm), noise is periodically monitored at nearby receptors. Solid waste is collected by an EPA-approved waste management service. Sewage is discharged into septic tanks that are emptied as often as necessary. Sewage and sludge are disposed of by EPA-approved waste management companies. Oil-water separators are installed in the Company's hangar for aircraft maintenance and washing in accordance with International Civil Aviation Organization ("ICAO") recommendations.

Hazardous materials utilized by ASL are listed in the EMP and fall into the following categories: i) lubricants and oil; ii) aerosols (paints); iii) cleaning agents; iv) polish; v) anti-rust/corrosion agents; and vi) sealants.

ASL also occasionally utilizes its planes to apply fertilizers and pesticides to crops. The Company will therefore develop a Pesticide Management Plan for these applications.

4.4 Community Health, Safety, and Security

ASL has a Community Health and Safety Plan that includes procedures for: i) risk identification and management; ii) environmental health protection (including minimizing air and noise emissions and the proper storage and handling of hazardous materials); iii) emergency preparedness (including coordination with local emergency services); iv) public interaction and education; and v) health protection (including mitigating the risk of spreading infectious diseases).

ASL employs 21 security guards that provide aircraft security during the daytime and asset security at night. Only the Chief Security Officer carries a firearm. All security personnel take part in the Guyana National Civil Aviation Security Training Program, which is managed by the Guyana Civil Aviation Authority. ASL will also provide their security personnel with training in human rights and the use of force.

5 Proposed management measures

ASL will implement the following actions to comply with IDB Invest's Environmental and Social Sustainability Policy.

No.	Aspect	Action	Deliverable	Delivery date
PS 1: Assessment and Management of Environmental and Social Risks and Impacts				
1.1	Community Grievance Mechanism	1. Develop a Community Grievance Mechanism that describes procedures for receiving, responding to, investigating, addressing, and documenting grievances from local communities and other stakeholders.	1. Community Grievance Mechanism	1. Prior to first disbursement
		2. Implement the Community Grievance Mechanism.	2. Community grievances report in the form of a matrix	2. As part of the Environmental and Social Compliance Report (ESCR)
PS 2: Labor and Working Conditions				
2.1	Human Resources Policies and Procedures	1. Update the Employee Manual to include policies on: i) freedom of association for workers; and ii) prohibition of child and forced labor.	1. Updated Employee Manual	1. Prior to first disbursement
PS 3: Resource Efficiency and Pollution Prevention				
3.1	Greenhouse Gases	1. Provide annual Greenhouse Gas (GHG) Emissions Inventories (Scopes 1 and 2).	1. GHG Emissions Inventory	1. As part of the ESCR
3.2	Pesticide Use and Management	1. Develop a Pesticide Management Plan that lists the pesticides utilized by the Company and describes management measures for their storage and application.	1. Pesticide Management Plan	1. Prior to first disbursement
		2. Implement the Pesticide Management Plan.	2. Evidence of implementation	2. As part of the ESCR
PS 4: Community Health and Safety				
4.1	Security Personnel	1. Develop a Security Management Plan to include procedures for vetting security personnel and a requirement for security personnel to receive training in human rights and the use of force.	1. Security Management Plan	1. Prior to first disbursement
		2. Implement the Security Management Plan	2. Evidence of implementation	2. As part of the ESCR

6 Additional Information

For questions about the Project, contact Air Services Limited:

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For questions and comments to IDB Invest, contact:

Name: IDB Invest Communication Group
 Email: requestinformation@idbinvest.org

In addition, as a last resource, affected communities can access IDB Invest's Independent Consultation and Investigation Research (ICIM) in the following way:

Phone number: +1 (202) 623-3952
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Address: 1300 New York Ave., NW, Washington, DC 20577, USA
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