

Host Country:	PAPUA NEW GUINEA
Name of Borrower:	CGLOB-DIGICEL (PNG) LIMITED
U.S. Sponsor:	Citibank N.A.
Approved/Committed Date	02/16/2012
Foreign Sponsor:	N/A
Project Description:	Mobile telecommunications infrastructure development.
Total Project Cost:	\$13,725,750
Proposed OPIC Support:	\$10,293,750
Developmental Effects:	This project will have a positive developmental impact in Papua New Guinea with the expansion of the country's largest mobile network. There will be positive social effects and development infrastructure impacts, as the company will introduce telecommunications services to underserved markets in the host country, including rural areas. The project company will continue to invest in solar-powered telecom towers, thus reducing pollution and fossil fuel energy usage. The project results from the government's Sustainable Development Programme which aims to increase mobile penetration throughout the country. The project company is a leader in customer service, new product development and marketing campaigns.

Environment:	<p>Screening: This Project has been reviewed against OPIC's categorical prohibitions and determined to be eligible. Operations associated with the installation of telecom equipment at existing cell towers and newly permitted sites are screened as Category B projects under OPIC's environmental and social guidelines because impacts are site specific and readily mitigated. The primary environmental and social concerns related to this Project are associated with the safety of employees and contractors involved with the installation of telecom equipment.</p> <p>Applicable Standards: OPIC's environmental and social due diligence indicates that the Project will have impacts that must be managed in a manner consistent with the following International Finance Corporation's (IFC) Performance Standards (PS):</p> <p>PS1: Social and Environmental Assessment and Management Systems; PS2: Labor and Working Conditions; PS3: Pollution Prevention and Abatement; and PS4: Community Health, Safety and Security.</p> <p>Since the Project will install telecom equipment at existing cell towers and newly permitted sites, PS 5 (Land Acquisition and Involuntary Resettlement) is not triggered. The cell towers are located at permitted sites and not near any sensitive ecosystems, therefore PS 6 (Biodiversity Conservation and Sustainable Natural Resource Management) is not triggered. There are no Indigenous Peoples that will be adversely impacted by the Project and there are no Cultural Heritage issues recorded to date. Thus, PS 7 and PS 8 are also not triggered.</p> <p>Consistent with the requirements of PS 3 (Pollution Prevention and Abatement), in addition to the Performance Standards listed above, the IFC's Environmental, Health, and Safety (EHS) Guidelines for Telecommunications and General EHS Guidelines (2007) are also applicable to this project.</p> <p>The greenhouse gas (carbon dioxide equivalent) emissions are estimated to be less than 60 tons CO₂eq per year for each of the Project sites for a total of 42,000 tons of CO₂eq/year.</p> <p>Environmental and Social Risks: The Borrower will operate the telecom equipment at each of the cell towers under its Corporate policies and in compliance with the local regulations. The Borrower has adopted detailed procedures relating to worker safety. In addition, employees and contractors also receive extensive training specific to their jobs. All solid wastes are transported off site and disposed at permitted facilities by licensed contractors. The Project does not generate significant quantities of wastewaters.</p> <p>Risk Mitigation: The Borrower will be required to continue implementing its overarching policy statement of environmental and social objectives and principles that are used to guide the Project's environmental and social performance. The Borrower will also be required to continue implementing its grievance mechanism. In addition, the Borrower will also be required to ensure compliance with IFC's Performance Standards and Environmental, Health, and Safety (EHS) Guidelines for Telecommunications and General EHS Guidelines (2007).</p>
Worker Rights:	<p>OPIC's statutorily required standard worker rights language will be supplemented with provisions concerning the right of association, organization and collective bargaining, hours of work, the timely payment of wages, minimum age, and hazardous work situations. Standard and supplemental contract language will be applied to all workers of the Project. The Project will be required to operate in a manner consistent with the requirements of the International Finance Corporation's Performance Standard 2 on Labor and Working Conditions.</p>
Human Rights:	<p>OPIC issued a human rights clearance for the Project on December 13, 2011.</p>