

Environmental and Social Review Summary

Dakar Port, DP World Container Terminal Modernization and Operation

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:	Infrastructure
Project Enterprise:	DP World Dakar
Environmental Category:	B
Date ESRS Disclosed:	November 26, 2008
Status:	Due Diligence

A. Project Description

DP World FZE has been awarded a 25 year concession to operate the container terminal at the existing port of Dakar and to develop a new container terminal at the same site. A new company, DP World Dakar was incorporated in Senegal to manage the project. This Environmental and Social Review Summary (ESRS) discusses environmental and social issues related to the modernization and operation of three existing DP World container terminals (TAC 1, 2 and 3) located in the northern zone of the Port of Dakar. The port is divided into the southern and northern zones, divided by a fishing port. The southern part of the port covers nearly 23 hectares and is divided into three piers that receive container, passenger, and transit traffic. The fishing port, located between the southern and northern zones, covers 10 hectares, and contains fish processing and conservation facilities. The northern part of the port has four piers, dedicated to TAC 1, 2 and 3 container terminals, covering 18 hectares, used for handling solid and liquid cargo. The Military Port is located in the inner bay of the northern zone.

The investments to be carried out by DP World include: road works (paving), installation and supply of electricity, water and sanitation networks, rehabilitation of TAC1 and TAC2 and also TAC3 platforms, acquisition of gantries on rails, lot machinery, construction of structures for operations (hangars, administrative buildings) and setting up safety equipment or facilities.

B. Environmental and Social Categorization

DP World Dakar Port Project is a Category B project under MIGA's Policy on Social Environmental Sustainability. The project's adverse impacts are related to maintenance

dredging, handling and storage of hazardous materials, oil and chemicals; pollution (including dust and gaseous emissions, oil spills, and noise generation); wastewater (ship wastewater); workers' health and safety; and community health, safety and security.

C. Applicable Standards

While all Performance Standards are applicable to this investment, current information indicates that the investment will have impacts that must be managed in a manner consistent with the following Performance Standards:

- PS 1: Social & Environmental Assessment and Management Systems
- PS 2: Labor & Working Conditions
- PS 3: Pollution Prevention & Abatement
- PS 4: Community Health, Safety & Security
- PS 8: Cultural Heritage – Chance Find Procedures

PS 5 (Land Acquisition and Involuntary Resettlement) does not apply to this project as no land acquisition is needed. PS 7 (Indigenous People) is not relevant because no indigenous peoples inhabit the Project area and affected by the project.. PS6 (Biodiversity Conservation and Sustainable Natural Resources) is not relevant, as there are no natural habitats within the Port.

D. Key Documents and Scope of MIGA Review

Audit Environnemental D'Acquisition du Terminal A Conteneur de DP World Senegal, Dossier A (October 30, 2008), prepared by Experts Associes SARL.

Concession Agreement Between the Autonomous Port of Dakar (PAD) and DP World FZE (October, 8, 2007)

DP World Dakar Container Terminal Information Summary (November 2008) prepared by Standard Chartered.

Summary of Manning (October 2008) prepared by DP World Dakar.

E. Key Issues and Mitigation

Social and Environmental Assessment and Management Systems

DP World has prepared an environmental audit of the installations and the operations of the container terminal. The audit concludes that the identified environmental impacts are relatively moderate and generally restricted to port operations and the lack of adequate environmental management of the port. The main issues are: air emissions, general waste reception, wastewater, solid waste management, hazardous materials and oil management (transfer and storage of phosphate, sulfur, oils, and hydrocarbons), noise and energy sources, workers health and safety, security personnel, and community health and safety.

The environmental audit provides a comprehensive overview of the main activities that may impact the environment. The impacts are identified, analyzed, prioritized and mitigation measures are prescribed. The audit strongly recommends that Environmental Management and Emergency Response Plans, based on national and international standards, be developed and implemented to address the identified issues. The project enterprise will establish and maintain a social and environmental management system (SEMS), including emergency response plan, workers' health and safety plan, management of port security and personnel and internal and external monitoring plans, consistent with Performance Standards 1, 2, 3 and 4 and national requirements. The Plans should be accompanied by the necessary training.

Labor and Working Conditions

DP World Dakar currently employs 336 staff. This number is not expected to change significantly until the new terminal port in Dakar (*Port du Futur* – Pdf) is operational. One of the main challenges during the initial phase of the operation of three existing container terminals was to ensure continuation of employment at the container terminal. About 40 workers were re-hired from the three outgoing operation companies.

DP World has a human resources policy in keeping with Senegal labor regulations. DP World and its contractors are committed to implement fair labor practices including adherence to Senegal labor laws and MIGA's Performance Standard 2 (Labor and Working Conditions). Main risks to workers' health and safety are physical hazards related to cargo handling and use of machinery, chemical hazards, confined spaces accidents (silos, ship cargo holds, and sewage and water tanks), and exposure to dust and noise. DP World Dakar's health and safety policy focuses on (i) safe working practices during cargo and site construction operations; (ii) increasing AIDS/HIV awareness among workers; and (iii) curbing substance abuse in the workplace are the focuses of the health and safety policy of DP World Dakar.

A workplace health and safety plan is being developed consistent with Senegal labor and health requirements, MIGA's Performance Standard 2, and MIGA's Environmental, Health, and Safety Guidelines for Ports, Harbors and Terminals, covering all workers and subcontract labor involved in the project. The health and safety plan objectives include (i) identifying all major health and safety issues related to the project, (ii) designing health and safety training for all employees, (iii) annual auditing of health and safety practices and assessment of health and safety awareness, (iv) ensuring all workers are fit for work through a pre-employment medical examination and annual medical re-evaluations with counseling, (v) ensuring access to adequate health care facilities for all employees. Sites will be subject to regular regional and head office audits. All workers will have access to good quality medical services and safety training. The Workplace Health and Safety Plan will be a part of the ESMP.

Pollution Prevention and Abatement

The main areas of concern include water runoff from various areas of the port that flow directly into the sea without undergoing treatment (i.e., washing stations, mechanical workshops, fuel pumps, fuel storage areas). Problems related to air emissions through the

use of diesel powered heavy machinery (light, wheeled, and fixed) were also identified and quantified.

In terms of transit activities, the main pollutants are phosphate, sulfur and liquids that spill or leak from trucks and trains. No hard data are yet available to quantify soil pollution. Particles of phosphate and sulfur in airborne dust are known to be harmful to health. Mitigation measures are needed to increase protection for port workers directly affected, and for others as well. Wastes originating from the port as well as from ships need to be better managed, as the audit indicates that the separation of waste, whether hazardous (phosphate and sulfur) or non-hazardous is inadequate.

Community Health, Safety & Security

The port of Dakar is in close proximity to densely populated urban functions (including commercial, industrial and residential). Hazardous materials at the container terminal, if improperly stored/managed, may pose risks to nearby receptors as well as port workers. Prevention and mitigation of such adverse potential impacts on population (including port workers) will be planned and implemented in compliance with Performance Standard 4 and applicable regulations of Senegal. A plan on this is being prepared as a part of the ESMP.

DP World will comply with DP World standard security policies and procedures. This includes provision of security guards and fencing the concession area. Security will be managed in compliance with International Ship and Port Facility Security (ISPF) as well as Performance Standard 4 to prevent/minimize risks to port employees, passengers, and surrounding communities.

Cultural Heritage

Although no archeological and cultural sites were identified during the auditing process, in the event that an archeological resource is discovered during rehabilitation and/or extension of existing piers or construction of new facilities, a Chance Find Procedure will be implemented. A Chance Find Procedure, as described in Performance Standard 8, is a process that prevents chance finds from being disturbed until an assessment by a competent specialist is made and actions consistent with the requirements of PS8 are implemented.

F. Environmental Permitting Process and Community Engagement

DP World is required in its Concession Agreement to comply with all provisions of Senegal's Environmental Code. This will include conducting environmental impact studies when necessary, managing all wastes efficiently, using machinery that complies with environmental standards, and to take necessary measures with hazardous materials. Public consultation for the modernization and operation of three existing terminals is not required by the concession agreement.

G. Availability of Documentation

Audit Environnemental D'Acquisition du Terminal A Conteneur de DP World Senegal, Dossier A (October 30, 2008), prepared by Experts Associes SARL is also available electronically as PDF attachments to this ESRS at www.MIGA.org.