



Appraisal Environmental and Social Review Summary

Appraisal Stage

(ESRS Appraisal Stage)

Date Prepared/Updated: 11/23/2022 | Report No: ESRSA02444



BASIC INFORMATION

A. Basic Project Data

Country	Region	Project ID	Parent Project ID (if any)
Malawi	EASTERN AND SOUTHERN AFRICA	P180231	
Project Name	Malawi Emergency Project to Protect Essential Health Services		
Practice Area (Lead)	Financing Instrument	Estimated Appraisal Date	Estimated Board Date
Governance	Investment Project Financing	11/22/2022	12/22/2022
Borrower(s)	Implementing Agency(ies)		
Republic of Malawi	Ministry of Health		

Proposed Development Objective

To provide emergency support and enable the continued delivery of essential health services.

Financing (in USD Million)	Amount
Total Project Cost	100.00

B. Is the project being prepared in a Situation of Urgent Need of Assistance or Capacity Constraints, as per Bank IPF Policy, para. 12?

Yes

C. Summary Description of Proposed Project [including overview of Country, Sectoral & Institutional Contexts and Relationship to CPF]

The proposed project will provide the necessary financing to bridge short-term constraints and enable timely budget releases to allow the health sector to provide critical health care services in the wake of the emergency situation that has resulted from the combined effects of the fiscal crisis, the COVID-19 pandemic, and climate shocks. The proposed emergency operation would be fast-disbursing and provide financing for payment of salaries and wages (representing 51 percent of sector expenditure), drugs and medical supplies (16 percent of sector expenditure) and additional critical recurrent costs. The operation can bring significant additionality through incentives for institutional performance and accountability in public spending across levels of government, building on ongoing engagements on fiscal governance and PFM, and results-based subnational financing, to increase the confidence of development partners to shift expenditure through government systems.



D. Environmental and Social Overview

D.1. Detailed project location(s) and salient physical characteristics relevant to the E&S assessment [geographic, environmental, social]

The Project supports the financing of salaries of frontline workers, procurement and distribution of selected drugs and medical supplies, recurrent operational costs, and institutional strengthening activities. These activities will be implemented in medical facilities throughout Malawi notably existing District Health Facilities and Faith Based Health Providers. The project will not finance any physical or civil works, there will be no occupation or acquisition of land, no indigenous person are affected, therefore, limiting the potential environmental impacts on biodiversity and on tangible or intangible assets and income, or cultural heritage and is not likely to have any notable environment and social footprints on the ground. However, the project may involve risks associated with occupational health and safety (OHS), health care waste management and infection control, and community health and safety. The funding provided under this project will not be used for meeting the expenditures relating to the COVID-19 pandemic.

D. 2. Borrower's Institutional Capacity

The Ministry of Health (MoH) has experience in implementing World Bank Project as it is currently hosting the PIU of the Southern Africa Tuberculosis and Health Systems Support Project (SATBHSSP – P161791) which is under the safeguards policies and the ongoing Malawi COVID-19 Emergency Response and Health Systems Preparedness Project (P173806), and its additional financing, which is under the ESF. However, the Ministry is still developing their capacity to manage projects in line with the requirements of the ESF and face a number of existing challenges with regards to elements such as waste management, cold storage, and engagement with stakeholders. The existing PIUs share one environmental and one social safeguard specialist and one medical waste specialist. The Covid-19 AF2 PIU is in process recruit an additional environmental safeguard specialist.

Nonetheless, the environmental and social risks associated with the financed activities are expected to be minimal; and it will be possible to be managed by appointing designated focal persons (an environmental and social safeguards specialist, and Medical Waste Management Specialist) by consensual agreement, utilizing the existing safeguards specialists for the ongoing COVID-19 Project.

Noting that there are sector wide issues, many of which are beyond the scope of activities covered by this project, it is proposed to undertake a due diligence review and assessment of the supply and distribution chain of the health sector in Malawi to determine how the health system is currently managing environmental, social, and quality management risks and corrective measures that would be required to align with the requirements of the ESF, in particular ESS1,2,3,4,10. The project will undertake a Due Diligence review of Environmental, Social and Quality Management systems (ESQMS) of procurement and distribution of medicines and pharmaceuticals for Health Care Facilities (HCF) (District and Faith-based), Central Medical Stores Trust (CMST), and Disaster Management systems in Malawi to identify gaps and make recommendations for implementation for improvement. The findings of the assessment will help to identify areas to be strengthened in the supply chain system and overall management (supply and demand) of medicine and pharmaceutical distribution, in order to improve inventory management, quality of medicines and pharmaceuticals (e.g. ensured stored correctly, expiry date monitoring, etc.), improved efficiency of supply and stocking of medicines and pharmaceuticals., security, health and safety etc. The assessment will evaluate, inter alia, the current policies and regulations, roles and responsibilities, and standard procedures, demand estimation and supplier selection (quality control of suppliers), quality control management and random testing,



storage inventory and distribution (including cold storage and back-up power), guidelines and standards for warehousing/storage of medicines, health care waste management (including incinerator emissions), security, costing and accessibility (especially for vulnerable groups), and transport, distribution and handling of pharmaceuticals and medical supplies, against the requirements of national regulations, the World Bank ESF, EHSs and GIIP. The review will provide an assessment of gaps between current practices and opportunities for ESQMS strengthening and make recommendations for implementation. The assessment will be carried out in accordance with terms of reference acceptable to the Association, and the Final Due Diligence Review Report will be cleared by the Association for no-objection. Implementation of the outcomes/recommendations of the Due Diligence will be taken up in other existing and future health projects, e.g. Southern Africa Tuberculosis and Health Systems Support Project (SATBHSSP – P161791) and the ongoing Malawi COVID-19 Emergency Response and Health Systems Preparedness Project (P173806. “Low hanging fruit” will be considered in this project, as agreed with the Association.

II. SUMMARY OF ENVIRONMENTAL AND SOCIAL (ES) RISKS AND IMPACTS

A. Environmental and Social Risk Classification (ESRC)

Moderate

Environmental Risk Rating

Moderate

The environmental risk rating is rated as Moderate. The environmental impacts of the project include both direct and indirect, and both positive and negative impacts. The project will generate positive and direct impacts on the environment by funding the salaries of key healthcare workers, ensure continued access to essential medicines and medical supplies, and re-current operational activities including operation of health care waste management systems, ensuring supply of water, electricity, fuel and supplies to all facilities. The potential direct and indirect negative environmental impacts relate to poor operation or non-compliance of healthcare waste management and infection control, resulting in pollution and health impacts to communities and natural resources including water sources and through air emission. Other potential negative impacts could result from poor OHS and poor quality-control management. The ESMP will include a Infection Control and Waste Management Plan (ICWMP), including taking into consideration the collection, handling, storage, disposal and emergency procedures for spills. The project will undertake a Due Diligence review of Environmental, Social and Quality Management systems (ESQMS) of procurement and distribution of medicines and pharmaceuticals for Health Care Facilities (HCF) (District and Faith-based), Central Medical Stores Trust (CMST), and Disaster Management systems in Malawi to identify gaps and make recommendations for implementation for improvement. The findings of the assessment will help to identify areas to be strengthened in the supply chain system and overall management (supply and demand) of medicine and pharmaceutical distribution, in order to improve inventory management, quality of medicines and pharmaceuticals (e.g. ensured stored correctly, expiry date monitoring, etc.), improved efficiency of supply and stocking of medicines and pharmaceuticals., security, health and safety etc. Additional negative and indirect OHS impacts could emerge within the MoH working environment if budgetary constraints affect the implementation of effective healthcare infection control and waste management measures that includes, but is not limited to, solid (infectious and non-infectious) PPE waste management and hygiene control measures.

Social Risk Rating

Moderate

The social risk rating is Moderate, given that most of the activities involve payment of salaries to health workers, purchase of essential medicines and recurrent costs at existing health care facilities. These measures will bring

Public Disclosure



positive social benefits by ensuring ongoing access to essential medicines and medical supplies as well as ensuring health facilities are able to continue to offer services including to vulnerable groups. Key social concerns related to the project include (1) ensuring that the payment of health care workers' salaries is conducted in a transparent manner; (2) lack of transparency and accountability in delivering project benefits under the current economic conditions could lead to lack of trust in the health system; (3) ability of the project to provide implementation monitoring in case of health emergencies in the various districts (e.g. increase in COVID-19, Cholera etc.) and (4) ensuring that the labor and working conditions for all types of workers are aligned with the national requirements and / or ESS2 as required. Risks to community health and safety related to activities under the project are considered minimal as no new workers will be recruited and the key risks e.g., associated with waste management or oxygen production and storage are being addressed through the ongoing Covid-19 operation. The ESMP to be prepared will include labor management procedures covering appropriate terms and conditions of employment, nondiscrimination, and equal opportunity, provisions for a safe work environment free from violence and sexual harassment, workers' organizations, restrictions on child and forced labor, and occupational health and safety (OHS), drawing on national laws and regulations and international best practices. The Project will update the existing Stakeholder Engagement Plan (SEP) prepared for the Malawi COVID-19 Emergency Response and Health Systems Preparedness Project to inform stakeholders about the activities and mitigation measures. The project will utilize the existing Grievance Redress Mechanism (GRM) which is being implemented by the MOH and is being mainstreamed across the sector. This GRM will be sensitive to Sexual exploitation and Abuse and Sexual Harassment (SEA/SH)-related complaints. The project will also ensure access to a GRM for all direct workers and contracted workers to raise workplace concerns. There will be no physical or civil works which would result in the acquisition of land or restrictions on land use or impacts to cultural heritage with associated social impacts. Furthermore, the potential for exclusion of vulnerable groups is considered to be limited as the funds will be used to support health facilities and the payment of workers across Malawi.

B. Environment and Social Standards (ESSs) that Apply to the Activities Being Considered

B.1. General Assessment

ESS1 Assessment and Management of Environmental and Social Risks and Impacts

Overview of the relevance of the Standard for the Project:

The Project will have positive impacts as it will support the continued functioning of essential health services through the payment of salaries of frontline workers, procurement and distribution of essential medicines, and payment of recurrent costs needed to maintain a functioning health care system.

The project activities will be implemented in medical facilities throughout Malawi notably existing District Health Facilities and Faith Based Health Providers. The project will not finance any physical or civil works, there will be no occupation or acquisition of land, no indigenous persons are affected, therefore, limiting the potential environmental impacts on biodiversity and on tangible or intangible assets and income, or cultural heritage and is not likely to have any notable environment and social footprints on the ground.

There are direct positive environmental impacts by ensuring the continuation of current MoH related environmental programs that encompass medical infrastructure maintenance of incinerators, autoclaves and sound infectious waste management practices. There are several MoH/World Bank projects that already include the sound environmental



management of incinerators, autoclaves, infectious healthcare waste and OHS for healthcare workers in the Tuberculosis (TB) and Covid settings including the SATBHSSP (P161791) and COVID-19 (P173806) and its additional financing. ESS 2, 3, and 4 are relevant because of the indirect environmental impacts from the project activities that includes the potential for pollution to the air, water or land and the generation of OHS and reputational risks. The project will require an ESMP to ensure that there is adequate E&S management and monitoring for implementation of the project. The ESMP will include a Infection Control and Waste Management Plan for implementation all healthcare facilities and for all workers and programs funded under the project. A list of eligible activities and expenditures as well as an exclusion list will be provided in the Project Implementation Manual (PIM).

Social risks are mainly related to include (1) ensuring that the payment of health care workers' salaries is conducted in a transparent manner; (2) lack of transparency and accountability in delivering project benefits under the current economic conditions could lead to lack of trust in the health system; (3) ability of the project to provide implementation monitoring in case of health emergencies in the various districts (e.g. increase in COVID-19, Cholera etc.) and (4) ensuring that the labor and working conditions for all types of workers are aligned with the national requirements and / or ESS2 as required and will be addressed through the development of an ESMP including requirements for labor management.

ESS10 Stakeholder Engagement and Information Disclosure

The project will update the Stakeholder Engagement Plan (SEP), prepared for the Malawi COVID-19 Emergency Response and Health Systems Preparedness Project, which is being implemented by the MOH and funded by the World Bank. The SEP shall be updated to include activities to be implemented under this project, consistent with ESS10. The SEP will then be continuously updated during project implementation. Parties affected by the project could include civil servants at central government agencies such as the MoH, healthcare workers at national and district facilities as well as healthcare facilities. Other interested parties could include the general public, civil society organizations, academia, suppliers of essential medicines including from the private sector, and development partners. The project will carry out consultation with stakeholders, through technical meetings, workshops, and knowledge-sharing forums during implementation. Where possible, stakeholder engagement will use existing engagement structures. The project will use the existing GRM established under the Covid-19 Emergency response project which is being implemented by the MOH and mainstreamed across the operations. This GRM will handle SEA/SH related complaints in a safe and confidential manner and will include the referral of survivors to SEA/SH service providers.

B.2. Specific Risks and Impacts

A brief description of the potential environmental and social risks and impacts relevant to the Project.

ESS2 Labor and Working Conditions

ESS2 is considered relevant to this Project. The project workforce is expected to include (i) direct workers (i.e., frontline healthcare workers such as doctors, nurses, medical support staff such as laboratory staff, PMU personnel



etc.); (ii) contracted workers (consultants engaged to verify the continued provision of health services at the primary and secondary health facilities, workers of waste disposal companies, and providers of transportation and storage of Childhood immunization vaccines); (iii) primary supply workers who will be required to provide medical supplies, and other equipment on a needs basis and upon agreed deliverables and; (iv) community workers such as community health volunteers. Civil servants working for the project will remain subject to the terms and conditions of their existing sector employment; additional staff will be hired to support the Project, including an E&S safeguards specialist; they will be subject to the full requirements of ESS2. The LMP, to be prepared prior to effectiveness, will include appropriate terms and conditions of employment, nondiscrimination, and equal opportunity (which includes a safe work environment free from violence and sexual harassment), workers' organizations, restrictions on child and forced labor, and occupational health and safety (OSH). In addition, the LMP will establish Codes of Conduct (including SEA/SH), and GM for worker grievances, drawing on national laws and regulations and international best practices. The grievance mechanism (GM) shall also receive, register and address concerns and grievances related to the SEA/SH in a safe and confidential manner, and shall include the referral of survivors to SEA/SH service providers. The details about the GM for workers will be outlined in the LMP. Individuals under the age of 18 will be prohibited from working on the Project by national laws and regulations. The potential OHS risks associated with the health care facilities include workers exposure to infections and diseases and hazardous materials and waste. The project will ensure the application of OHS measures as outlined in the World Bank EHSs on Health Care Facilities, and the Infection Control and Waste Management Plan . The LMP will include procedures for the protection of workers against infections and hazardous waste, training and toolbox meetings on OHS procedures to all workers, and mandatory use of personal protective equipment. The ESMP will also include Infection Control and Waste Management Plan to guide on preventative procedures to be followed for infectious diseases such as COVID19.

Public Disclosure

ESS3 Resource Efficiency and Pollution Prevention and Management

This standard is relevant. ESS 3 requires the avoidance of the release of pollutants to air, water and land, control of the pollutant concentration, as well as and the use of applicable WB guidelines and internationally recognized standards and GIIP. Healthcare waste (HCW) management including incineration and autoclave operations will be funded directly through operational and maintenance (O&M) funding and funding of worker's salaries. The potential indirect environmental impacts from funding workers and O&M of health care facilities include the potential pollution to air, water and land due to non-compliance to waste management requirements. Some HCF and their HCW operations are monitored and managed under active or soon to be implemented WB projects (COVID-19, and SATBHSSP) and, therefore those HCF and HCW operations not covered will require management under the project's ESMP. The ESMP will include a Infection Control and Waste Management Plan including provisions related to the collection, handling, transport, storage, disposal and emissions.

Health facilities in the country have poorly developed waste-management practices due to poor institutionalizing of sector waste and environmental management requirements and controls for waste. There is an increased generation of diverse types of healthcare waste due to the multiplication and expansion of healthcare facilities because of population growth, ongoing immunizations and treatment of various conditions including emerging and re-emerging communicable and non-communicable diseases. Mitigation measures to be included in the project's ESMP will



include the classification of healthcare waste, sharps and management of hazardous waste. The project ESMPs will be prepared following the requirements of medical waste management and infection control for applicable HCFs. Under this project and if not reviewed under another WB project (COVID-19, SATBHSSP) review the current state of a 15-case sample of each type of HCF against standards (GIIP, WB EHSG, WHO, etc.) set out in the project ESMP in terms of its incineration, healthcare waste management, infection control procedures, and water resource and wastewater management, as well as develop an action plan to address any identified gaps, including updating HCF general and site-specific infection control and waste management plans. Periodic review of waste management practices by both the PIU and the health-care establishments should result both in improved protection of occupational and public health and in enhanced cost-effectiveness of waste disposal.

The project also indirectly affects sanitation and water resource management at HCF and the local environment from poor performing healthcare waste management activities and from daily operations. Impacts include surface water and groundwater pollution from the disposal of incinerator fly ash, poorly maintained sanitation systems and poor water resource management including leaching from open-stockpiled wastes. The project's ESMP will provide measures to manage the E&S impacts from health care waste management, incineration and fly ash disposal, water resource and wastewater management to ensure operations are adequately funded.

There is a risk that project related Covid-19 and other medical care PPE will be inappropriately disposed of in the local environment. All PPE should be disposed of through the HCFs dedicated healthcare waste streams.

Public Disclosure

ESS4 Community Health and Safety

ESS 4 is relevant to the project. The indirect environmental impacts from the project could be directed on the local communities who are in close proximity to HCFs. This may result from the mishandling, transportation, storage or disposal of medical waste, operation of waste incinerators, autoclaves or exposure to open burning of medical waste and illegal discharge of wastewater and dumping of sludge. There is the possibility of exposure to facilities where there is a high risk of COVID-19 transmission and other communicable diseases. The project ESMPs will be prepared following the requirements of medical waste management and infection control for applicable HCFs.

There is a risk that project related COVID-19 and other medical care PPE will be inappropriately disposed of in the local environment. All PPE should be disposed of through the HCFs dedicated healthcare waste streams.

Positive direct impacts include continued access to essential medicines and laboratory sampling during disruptive periods, e.g., floods and epidemics, through the ongoing support for innovative distribution of essential medicines e.g., using drone technology to access hard-to-reach areas.



SEA/SH, risks are determined to be Moderate based on the nature and scale of activities (e.g., worker-community interactions), and existing analysis of the country context on GBV. While it is not expected that the project will heighten SEA/SH risks, the project shall adopt procedures to manage and mitigate SEA/SH, the project shall (i) prepare, adopt, and implement a SEA/SH Action Plan (as part of the ESMP); and (ii) ensure that the codes of conduct and SEA/SH prevention provisions are integrated into all contractual and contracting documents (ToRs, tender documents, and workers' contracts as relevant).

ESS5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement

ESS 5 is not currently relevant to the project, as no land acquisition, restriction on land use and involuntary resettlement is anticipated.

ESS6 Biodiversity Conservation and Sustainable Management of Living Natural Resources

This standard is currently not relevant. As no land use or civil works or infrastructure construction (including rehabilitation) activities are expected in this project, the likely impacts of the project on living natural resources, critical habitats and biodiversity are low. However, ESS 6 could become relevant if air emissions from incinerators and healthcare wastes are not properly managed and could negatively impact on biodiversity and living natural resources. The project's ESMP will consider such risks based on Good International Industry Practice (GIIP) and adequate management of healthcare waste through Infection Control and Waste Management Plan under ESS3 and ESS4, including guidelines on the appropriate siting, operation and management of incinerators, autoclaves and the ban on open burning.

ESS7 Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities

ESS7 is not considered relevant to this project as there are no distinct social and cultural groups in the project area that exhibit characteristics of indigenous or traditionally under-served communities as per the criteria in ESS7.

ESS8 Cultural Heritage

ESS 8 is not currently relevant to project as there will be no physical civil works which could impact on tangible cultural heritage. Impacts on intangible cultural heritage are also not expected based on the activities being implemented.

ESS9 Financial Intermediaries

ESS 9 is not currently relevant to project as there will no financial intermediaries involved.



B.3 Other Relevant Project Risks

N/A

C. Legal Operational Policies that Apply

OP 7.50 Projects on International Waterways

No

OP 7.60 Projects in Disputed Areas

No

B.3. Reliance on Borrower’s policy, legal and institutional framework, relevant to the Project risks and impacts

Is this project being prepared for use of Borrower Framework?

No

Areas where “Use of Borrower Framework” is being considered:

N/A

IV. CONTACT POINTS

World Bank

Contact: Michael Anthony Roscitt Title: Senior Public Sector Specialist

Telephone No: 5-394-3236 Email: mroscitt@worldbank.org

Contact: Chiho Suzuki Title: Senior Health Specialist

Telephone No: 5355+3252 Email: csuzuki@worldbank.org

Borrower/Client/Recipient

Borrower: Republic of Malawi

Implementing Agency(ies)

Implementing Agency: Ministry of Health

V. FOR MORE INFORMATION CONTACT

Public Disclosure



The World Bank
1818 H Street, NW
Washington, D.C. 20433
Telephone: (202) 473-1000
Web: <http://www.worldbank.org/projects>

VI. APPROVAL

Task Team Leader(s):	Michael Anthony Roscitt, Chiho Suzuki
Practice Manager (ENR/Social)	Iain G. Shuker Cleared on 23-Nov-2022 at 09:41:5 GMT-05:00
Safeguards Advisor ESSA	Peter Leonard (SAESSA) Concurred on 23-Nov-2022 at 15:52:28 GMT-05:00