



Concept Environmental and Social Review Summary

Concept Stage

(ESRS Concept Stage)

Date Prepared/Updated: 04/30/2021 | Report No: ESRSC01953



BASIC INFORMATION

A. Basic Project Data

Country	Region	Project ID	Parent Project ID (if any)
Malawi	AFRICA EAST	P175792	
Project Name	Invigorating local market & competition in Public Procurement through e- Government Marketplace		
Practice Area (Lead)	Financing Instrument	Estimated Appraisal Date	Estimated Board Date
Governance	Investment Project Financing		5/14/2021
Borrower(s)	Implementing Agency(ies)		
Government of Malawi	Malawi - Public Procurement and Disposal of Assets Authority (PPDA)		

Proposed Development Objective

Invigorating local market & competition in Public Procurement through development of e- Government Marketplace (e-GM)

Financing (in USD Million)	Amount
Total Project Cost	0.41

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

No

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

Setting up of a Government e-Marketplace and its e-learning SMEs and Entrepreneurs: An e-Marketplace will be developed where private sector companies, including small businesses and entrepreneurs can jointly build searchable 'catalogue of catalogues' one-stop portal, to provide the visibility and credibility that are impossible for an individual business or entrepreneur to build it. An e-Marketplace portal is a platform for B2G transactions. It is like Amazon for all official procurements by government ministries and departments for common use items, such as papers, cleaning



materials, printer toners, decorative handicrafts, event services, laptops, furniture or even automobiles, within an authorized threshold.

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 funding will be used for i) establishing an e-Marketplace where private sector companies, including small businesses and entrepreneurs can jointly build searchable 'catalogue of catalogues' one-stop portal; and ii) support on e-learning courses for both public and private sector SMEs and entrepreneurs. Activities are largely e-based and where capacity building is planned distance methodologies are anticipated particularly given the current restrictions related to COVID-19.

D. 2. Borrower’s Institutional Capacity

PPDA is the key institution responsible for the normative and regulatory function for procurement in Malawi. PPDA is responsible for the regulation, monitoring and oversight of public procurement and disposal of assets in Malawi. PPDA also carries out procurement reviews and is responsible for handling complaints. PPDA is required to establish and maintain institutional linkages with the Malawi Institute of Procurement and Supply (MIPS) and other professional bodies in regulating the ethical behavior and standards of supply chain management professionals. Under the ongoing Malawi Digital Foundations Project (P160533), PPDA is implementing a component and host of e-GP and will be the implementing agency for this project to ensure linking the e-GM and the e-procurement system.

II. SCREENING OF POTENTIAL ENVIRONMENTAL AND SOCIAL (ES) RISKS AND IMPACTS

A. Environmental and Social Risk Classification (ESRC)

Low

Environmental Risk Rating

Low

The project is developing and setting up an e-based platform for Government procurement. Potential risks are limited to the consultancy services carrying out the background work on the system, where COVID-19 compliant approaches will be required. The project will adopt a Software As Service (SaaS) approach and will not involve the procurement of new ICT equipment or require the disposal of obsolete equipment. By using existing infrastructure through a SaaS approach additional energy use from the system is not expected to be significant. The project will include no physical works that could potentially generate adverse environmental and social impacts and risks. Anticipated risks and impacts related to worker or community health and safety are expected to be negligible. No civil works or other activities that could potentially generate adverse environmental and social impacts and risks are envisaged under the project. There are negligible or minimal environmental risks or impacts associated with the project and negligible impacts likely to be generated from the project activities.

Social Risk Rating

Low

The project is developing and setting up an e-based platform for Government procurement. Minimal or negligible social risks or impacts are expected as a result of the activities that will be supported. Potential risks are limited to the consultancy services carrying out the background work on the system, where COVID-19 compliant approaches will be required. The nature of proposed activities warrant that social risk is rated low as activities present little or no negative impacts. As is any operation, however, stakeholders will be consulted and a simplified SEP has been

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prepared by the project proponent in accordance to ESS10. Due to the likely nature and scale of the activities, risks related to labor and working conditions and occupational health and safety are anticipated to be negligible but will nevertheless be addressed through ESS2 requirements, to be met for all workers employed by or interacting with the project. Workers envisaged for the project are contracted workers and direct employees of PPDA and risks may include poor working conditions, unequal opportunities as well as working conditions that may be considered detrimental to the health and safety of workers. These are addressed in a simplified LMP which outlines a grievance mechanism in case of complaints in accordance to ESS2. An existing Malawi Digital Platforms project GM is proposed to be used for this grant.

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:

Risks associated with the project are anticipated to be very limited and potential impacts from the project are not expected to be significant and are expected to be fully addressed by simple mitigation measures through the design process such as the SaaS. There may be risks related to labor and working conditions and occupational health and safety which are anticipated to be negligible but will nevertheless be addressed through ESS2 requirements, to be met for all workers employed by or interacting with the project. Workers envisaged for the project are contracted workers and direct workers from PPDA and risks may include unsafe/unhygienic working environment, poor working conditions, unequal opportunities as well as working conditions that may be considered detrimental to the health and safety of workers. The Project addresses risks and potential impacts through a simplified SEP as identified in ESS10, and a simplified LMP which also outlines a grievance mechanism in case of complaints in accordance to ESS2. As the project is not assessed as having other risks and no adverse environmental and minimal social impacts, no further or additional assessment is needed.

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

None

ESS10 Stakeholder Engagement and Information Disclosure

The project will establish a structured approach to stakeholder engagement and outreach that is based upon meaningful consultation and disclosure of appropriate information, acknowledging the specific challenges associated with COVID-19. A simplified SEP has been prepared for the grant outlining key stakeholders, the consultations that have taken place in the preparation of the project, the engagement that will be undertaken in the process of implementation. The Malawi Digital Platforms project has a functioning GM which will be utilized for this grant. Where capacity building activities are undertaken the project will ensure wide inclusion of potential recipients and that any risk of exclusion of groups and individuals is avoided.

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

Workers envisaged for the project are contracted workers and direct workers from PPDA and possible risks may include poor working conditions, unequal opportunities, unfair treatment as well as working conditions that may be considered detrimental to the health and safety of workers. A simplified LMP has been prepared for the grant outlining the types of workers that will be involved in the implementation and how they will be managed including fair treatment, non discrimination, equal opportunity, right for collective bargaining and an accessible complaints mechanism. An existing GM of the Malawi Digital Platforms project is proposed to be used by this grant. The PIU will also ensure that where contracted workers and PPDA staff are engaged, the potential risks of forced labor and serious safety issues are addressed. Where stakeholder engagement and capacity building activities are undertaken these must be in line with current WB and Government of Malawi guidance to manage infection risks associated with COVID-19.

ESS3 Resource Efficiency and Pollution Prevention and Management

The project will adopt a Software As Service (SaaS) approach and will not involve the procurement of new ICT equipment or the disposal of obsolete equipment. By using existing infrastructure through a SaaS approach additional energy use from the system is not expected to be significant. The design of the project in itself is guided by environmental sustainability concept- use of electronic market will reduce paper waste, reduce emissions that could be generated if conventional markets were to be used.

ESS4 Community Health and Safety

While there are no project activities which are expected to pose a health and safety risk to local communities, the grant operation will ensure that COVID19 prevention and response measures are in place as described in the simplified SEP and in accordance with the WB and GoM guidance.

ESS5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement

Economic or physical displacement resulting from land acquisition is not expected under this project.

ESS6 Biodiversity Conservation and Sustainable Management of Living Natural Resources

No construction or other activities are expected in this project that could affect protected areas or high conservation value flora or fauna. Impacts from the project on natural resources and biodiversity are not anticipated.

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

This ESS is not applicable in Malawi as there are no groups that meet the criteria for ESS7 in Malawi.

ESS8 Cultural Heritage

There are no activities included in the project which have potential for risks and impacts on cultural heritage.



ESS9 Financial Intermediaries

This ESS is not relevant as no financial intermediaries will be used.

C. Legal Operational Policies that Apply

OP 7.50 Projects on International Waterways

No

This project does not involve International Waterways.

OP 7.60 Projects in Disputed Areas

No

This project does not involve Disputed Areas.

III. WORLD BANK ENVIRONMENTAL AND SOCIAL DUE DILIGENCE

A. Is a common approach being considered?

No

Financing Partners

None

B. Proposed Measures, Actions and Timing (Borrower’s commitments)

Actions to be completed prior to Bank Board Approval:

Preparation of a simplified SEP and LMP.

Possible issues to be addressed in the Borrower Environmental and Social Commitment Plan (ESCP):

The ESCP will include measures to demonstrate monitoring of the Project implementation against the requirements of the ESF in particular in relation to the Stakeholder Engagement Plan, Grievance Management and the Labor Management Procedures.

IV. CONTACT POINTS

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Borrower/Client/Recipient

Borrower: Government of Malawi

Implementing Agency(ies)

Implementing Agency: Malawi - Public Procurement and Disposal of Assets Authority (PPDA)

V. FOR MORE INFORMATION CONTACT

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VI. APPROVAL

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