



Concept Environmental and Social Review Summary

Concept Stage

(ESRS Concept Stage)

Date Prepared/Updated: 06/22/2022 | Report No: ESRSC02738



BASIC INFORMATION

A. Basic Project Data

Country	Region	Project ID	Parent Project ID (if any)
Ethiopia	EASTERN AND SOUTHERN AFRICA	P179041	
Project Name	Ethiopia Public Procurement System Strengthening Project		
Practice Area (Lead)	Financing Instrument	Estimated Appraisal Date	Estimated Board Date
Governance	Investment Project Financing		6/24/2022
Borrower(s)	Implementing Agency(ies)		
Ministry of Finance	Public Procurement and Property Administration Agency		

Proposed Development Objective

Contribute for strengthening public procurement system and performance in Ethiopia by implementing some of the priority actions identified in the action plan prepared for implementing MAPS recommendation.

Financing (in USD Million)	Amount
Total Project Cost	0.58

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]

Following the comprehensive procurement system assessment using MAPS II tools, the Ethiopian Government in collaboration with the World Bank prepared procurement reform strategy document and action plan. This project will provide funding to implement some of the priority activities identified in the Action Plan. The project will specifically focus in providing support to revise and disseminate procurement legal documents (Federal and Regions). It will also support the newly established regional states (Sidama and South West Region) prepare procurement proclamation and directives of their own. It will also provide technical support for evidence-based decision making and issuance of



documents to improve record management system, establish emergency procurement procedure, minimize impact of foreign currency shortage on procurement performance, to streamline the process of placing an Ad in the newspaper and work on sustainable procurement.

D. Environmental and Social Overview

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

Ethiopia is characterized by a complex and varied topography with large spatial variations in terrain, rainfall, and climate. The country can generally be distinguished in five topographic areas: the Western Highlands; the Western Lowlands; the Eastern Highlands; the Eastern Lowlands; and the Rift Valley, an active continental rift that runs through the country from southwest to northeast. Using 1500m elevation as a crude threshold, the Highlands occupy approximately 35% and the Lowlands 65% of the total land area.

The proposed project is expected to be implemented throughout the nation with no physical foot-print. Thus, the project will cover all the eleven regional states: Afar, Amhara, Benishangul Gumuz, Gambella, Harari, Oromiya, SNNP, Somali and Tigray; as well those recently promulgated Sidama and Southwest Ethiopia regional states, plus the two city administrations, Addis Ababa and Dire Dawa. As multi-ethnic and multi cultural country, it consists of diverse community residing in the highland and lowlands of the country. Based on the 2018 screening, the government of Ethiopia has agreed to consider those communities living in the four emerging regions namely Afar, Benishangul Gumuz, Gambella and Somali, as well as some lowland parts of the Oromiya and SNNP regional states, as historically underserved communities (HUCs) who meet the criteria of ESS7. Given the contextual security risks of the country due to the ongoing risks of conflicts in Tigray and some parts of Afar, Amhara, Benishangul Gumuz and Oromiya regions, the woredas in these regions remain fragile and unstable, which may put challenges during the project preparation and operation.

D. 2. Borrower’s Institutional Capacity

The project will be implemented by the Public Procurement and Property Administration Agency (PPPAA), which is an autonomous agency under the Ministry of Finance (MOF). The MOF has extensive experience in preparing and implementing projects and programs financed by the World Bank. Recent examples include Enhancing Shared Prosperity through Equitable Services (ESPES) P for R operation and Public Financial Management and Institutional Strengthening Project. Under the ESPES, there is a component dedicated to building local capacity in environmental and social (E&S) management, and thousands of local government staff were trained on environmental and social impact assessment (ESIA), E&S audit and other topics over the last few years. Thus, the country has gained some experience and capacity in the management of E&S risks during implementation of projects. Furthermore, Ethiopia has institutions which oversee E&S compliance in development projects, though their capacity is still limited, and coordination between the the regulatory agencies and implementing sectors is weak. Given the novelty of the WB’s environmental and social framework (ESF), the staff in the implementing agency may have limited experiences and capacity to prepare and implement projects based on the ESF requirements. The implementing agency will assign a staff trained in OHS to oversee the development and monitoring of new procurement systems.



Given the minimal environmental and social impacts anticipated from project activities, the capacity of the client should not be critical. Nonetheless, the project implementing entity is expected to ensure that project activities will be implemented in compliance with the requirements of the

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

A. Environmental and Social Risk Classification (ESRC)

Moderate

Environmental Risk Rating

Moderate

The activities to be financed by the project are technical assistance to update procurement proclamation and directive as well as preparation of relevant procurement guidance and studies without any on-the-ground activity with potential negative, significant environmental risks or impacts. However, occupational health and safety (OHS) concerns are anticipated to be a relevant risk as a result of the project activities if procurement activities are not properly implemented. Hence, under the World Bank’s ESF the environmental risk of the project is moderate and, therefore, the client is expected to develop environmental risk management instruments as described in ESS1 section below, including the development of a OHS plan to guide TA activities.

Social Risk Rating

Moderate

Given the available information at this stage, the potential social risk of the project is rated as moderate based on the nature of the activities, and the geographical coverage of the project which mainly involves technical assistance to the Public Procurement and Property Administration Agency (PPA). The Project will not include any civil works; thus there will be no risks and impacts related to land acquisition and involuntary resettlement. Again, it is also not expected to involve in activities that require any direct interaction with communities. Requirements for engagement will also be limited to the public sectors and significant grievances are not expected as the main beneficiary is the PPA. However, as the project is anticipated to be implemented throughout the nation, the contextual risks of security situation in the country may impact the TA activities and the project workers’ safety and security. In addition, as the PPA involves a large number of staff in the reform activities, there could be potential risks related to labor and working conditions including risks around discrimination/exclusion based on gender and ethnicity, Occupational Health and Safety (OHS), workers security, and related risks of gender-based violence (GBV). However, labor influx is not anticipated and there would be no issues related to forced labor and child labor.

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:

At this stage, the overall E&S risks of the proposed project can be classified as Moderate, given the project is anticipated to be implemented throughout the nation and thus, the contextual security and OHS risks in the country may hinder the E&S risks assessment and management activities. The activities to be financed by the project are technical assistance to update procurement proclamation and directive as well as preparation of relevant procurement guidances and studies without any on-the-ground activity with major potential negative environmental



risks or impacts. However, OHS concerns are anticipated to be a relevant risk as a result of the project activities that shall be addressed through an OHS plan. As mentioned in the previous section, under the World Bank’s ESF the environmental risk of the project is moderate.

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For managing the above identified E&S risks and impacts, the project implementing agency will make sure the E&S risks management measures proportionate to the potential risks are reflected in the Environmental and Social Commitment Plan (ESCP). Thus, the project will develop a ToR to assess and manage risks related to Occupational Health and Safety (OHS) prior to the project appraisal. Accordingly, a standalone OHS Plan will be expected to be prepared and disclosed before the project effectiveness. As Stakeholder Engagement Plan (SEP), Labor Management Procedures (LMP) and Security Management Plan (SMP) are not proposed being developed before project appraisal, the project will ensure the inclusion of the requirements for stakeholder engagement, labor risks management, OHS measures to be incorporated in the ESCP and effected before the project implementation. Also, workers’ code of conduct (CoC) in the contract documents during project implementation. In addition, all the material measures required to assess and manage E&S risks will also be captured under the Environmental and Social Commitment Plan (ESCP) to be disclosed prior to project appraisal. As the project is anticipated to provide advice on the development of policies or strategies, type 2 TA measures to assess and manage downstream E&S risks will apply according to the TA Directives. Moreover, the project is expected to establish workers’ grievance mechanism (GM) to address any concerns and related to the project implementation including risks of GBV and a requirement to develop code of conduct will be reflected in the ESCP to address any issues related to labor and GBV. The project implementing entity will ensure that any technical assistance activities are developed and implemented in compliance with the requirements of the ESF of the Bank which will be included in its Environmental and Social Commitment Plan (ESCP), and the ESCP will be updated as necessary to reflect these requirements.

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

The use of the borrower's framework is not being considered.

ESS10 Stakeholder Engagement and Information Disclosure

Proportionate to the scale and nature of the project, stakeholder engagement and information disclosure shall be at the heart of the project and are envisaged as a continuous, ongoing process throughout its life. This approach will

Public Disclosure



ensure participation, inclusiveness and transparency. Details of the stakeholder engagement activities will be captured in a Stakeholder Engagement Plan (SEP) to be developed prior to project appraisal. The project need for engagement will be limited to the public sectors and there will be no direct contact with the community as the main beneficiary is the PPA. Thus, the MoF will develop proportionate stakeholder engagement plan (SEP) in accordance with the requirement of ESS10 and taking into consideration the national and WHO COVID prevention, response and communication protocol prior to the project appraisal.

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 relevant due to potential risks to labor and working conditions for applicable workers including direct workers in the PPA and other contracted workers anticipated to involve in undertaking the project activities. Given the proposed activities are around TA and the majority of project workers are expected from civil-servants, a stand alone LMP will not be required. The potential risks of the project related to labor are limited mainly to working conditions, as there will be no anticipated risks of labor influx, forced labor and child labor. The project implementing entity shall make sure that Occupational Health and Safety (OHS) measures will be applicable to all project workers according to the requirements of ESS2 and applicable national laws. Thus, the project implementing agency will ensure that an OHS plan is in place and adequate measures are included in every contract documents before appraisal of the bid or commencement of sub-project implementation.

ESS3 Resource Efficiency and Pollution Prevention and Management

The project activities are not anticipated to lead to generation of pollutants. Furthermore, they will not lead to an increased consumption of resources including water, energy and raw materials. However, this standard is considered relevant in relation to the downstream environmental implication of the TA activities, which will be addressed in the ESCP through the establishment of requirements for assessment, management, monitoring and reporting monitoring and reporting on the management of environmental issues.

ESS4 Community Health and Safety

The project activities will not have adverse community health and safety risks as no civil works will be financed and no interaction with communities is expected. Traffic and road safety and labor influx risks are not anticipated in this project. However, this standard is considered relevant in relation to the downstream environmental implication of the TA activities, which will be addressed in the ESCP through the establishment of requirements for assessment, management, monitoring and reporting monitoring and reporting on the management of environmental issues.

ESS5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement

The project activities are not anticipated to lead to land acquisition, restrictions on land use or involuntary resettlement. This standard is therefore not currently relevant.



ESS6 Biodiversity Conservation and Sustainable Management of Living Natural Resources

The project activities are not anticipated to have any adverse impacts on biodiversity and living natural resources as no physical investments will be financed. However, this standard is considered relevant in relation to the downstream environmental implications of the TA activities, which will be addressed in the ESCP through the establishment of requirements for assessment, management, monitoring and reporting monitoring and reporting on the management of environmental issues.

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

This standard is not considered relevant for this project.

ESS8 Cultural Heritage

No adverse impacts on cultural heritage are anticipated as no civil works will be financed. However, this standard is considered relevant in relation to the downstream environmental implications of the TA activities, which will be addressed in the ESCP through the establishment of requirements for assessment, management, monitoring and reporting on the management of environmental issues.

ESS9 Financial Intermediaries

No financial intermediaries will be involved. This standard is therefore not relevant.

C. Legal Operational Policies that Apply

OP 7.50 Projects on International Waterways No

OP 7.60 Projects in Disputed Areas No

III. WORLD BANK ENVIRONMENTAL AND SOCIAL DUE DILIGENCE

A. Is a common approach being considered? No

Financing Partners

None at this stage

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

Actions to be completed prior to Bank Board Approval:

ESCP with all the material measures to address the environmental, social, health and safety measures.

ToR for the preparation of OHS Plan

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

The ESCP will need to include the following measures:

- 1) Development of a standalone OHS Plan based on the ToR.
- 2) Requirements for assessment, management, monitoring and reporting on the management of environmental, health and safety and social issues.
- 3) Adoption of security management measures already in place for the Response - Recovery - Resilience for Conflict-Affected Communities In Ethiopia Project (P177233)
- 4) Commitment to ensure all project workers are employed in line with the requirements of ESS2 and national law
- 5) Ensure the contract documents include labor management requirements and Code of Conduct to address potential risks related to GBV or SEA/SH prior to project implementation
- 6) Implementation of the project activities as per the requirements of the ESF where relevant

IV. CONTACT POINTS

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Borrower/Client/Recipient

Borrower: Ministry of Finance

Implementing Agency(ies)

Implementing Agency: Public Procurement and Property Administration Agency

V. FOR MORE INFORMATION CONTACT

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VI. APPROVAL

Task Team Leader(s): Demelash Demssie, Anjani Kumar, Anjani Kumar, Demelash Demssie

Practice Manager (ENR/Social) Iain G. Shuker Recommended on 10-May-2022 at 09:40:4 GMT-04:00

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