





BEYOND BARRIERS

MALAWI CASE STUDY: EMERE

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This case study is an example of a potential solution to one of the key barriers to localization found by the Beyond Barriers Research team. This should not be viewed as an endorsement of the service provider by Concern Worldwide.

BACKGROUND

A major barrier to localization of humanitarian aid identified in the Beyond Barriers research project is the high levels of risk aversion from donors, causing them to be reluctant to entrust large amounts of money to local NGOs. These levels of risk aversion are shared among other international actors like INGOs and UN agencies. Local and National NGOs also highlight the complicated compliance procedures that must be followed. It is challenging for L/NNGOs to follow such procedures, particularly when there are different compliance systems to follow.

EMERE E-PROCUREMENT SOFTWARE PLATFORM

<u>Emere</u> was founded to transform procurement in developing markets by addressing issues like fraud, inefficiency, and high costs. As donors increasingly aim to localize aid by empowering local and national NGOs (L/NNGOs) and small businesses, Emere provides a platform that simplifies the procurement process while ensuring full compliance with donor requirements.

Emere identified several barriers faced by L/NNGOs to participating in emergency response and development projects, as well as challenges for local suppliers.

- **Complex Compliance Requirements**: Donor systems can be too demanding for many L/NNGOs and small-to-medium enterprises (SMEs).
- **Corruption and Opaque Markets**: Fraud and inefficiencies are prevalent, making it hard to assess local suppliers and stock levels, hindering rapid response efforts.
- **Undercutting of Local Markets**: Imported goods often flood local markets during crises, undermining local suppliers.
- **Perceived Lack of Capacity**: L/NNGOs are frequently seen as lacking the expertise to manage complex procurement processes effectively.

EMERE'S SOLUTION: IDEAL FOR LOCAL ORGANIZATIONS

Emere's e-procurement platform is designed to overcome the above obstacles. The platform eases the procurement process for L/NNGOs and provides increased transparency for local organizations, which instils confidence in donors. The platform helps L/NNGOs and local suppliers to operate within the complex requirements of donor compliance systems and streamlines the entire process to lower transaction costs and prevent fraud.

KEY FEATURES OF EMERE:

- **Pre-Qualification of Suppliers**: Emere conducts ATC checks and reference verification for all suppliers on the platform. This pre-qualification process ensures that only credible, reliable suppliers are available, giving buyers and donors confidence.
- Automated Compliance: Emere automates the procurement process, ensuring that LNGOs and SMEs adhere to donor-compliant procedures. This includes making sure proper approvals are received in real time. This system increases donor confidence that their compliance procedures will be adhered to and may lead to an increased appetite for entrusting funds to L/NNGOs.
- Full Audit Trail: Emere offers a full audit trail of the procurement process, allowing for complete transparency and management oversight. The platform can automatically score tenders and ensure that supplier selection is fair and compliant.
- Anti-Fraud Features: Emere's platform includes built-in anti-fraud analytics, which dramatically reduce the risk of corruption, particularly during the invitation to bid and vendor selection stages—where 61% of procurement fraud <u>61% of procurement fraud</u> occurs.

EMPOWERING OF LOCAL ORGANIZATIONS

By automating much of the compliance process, Emere empowers L/NNGOs to take on larger roles in aid delivery:

- L/NNGOs Benefit from Simplified Procurement: The platform makes it easier for L/NNGOs to access pre-qualified suppliers and manage donor compliance without extensive training or complex systems. This helps them deal with procurement rapidly and focus on the delivery of aid.
- Local Suppliers Gain Market Access: Free registration and low transaction costs make it easier for local suppliers to compete. Emere's anonymous bidding and supplier grading features reduce opportunities for bribery and fraud, leveling the playing field for local businesses. This system means that NGO procurement teams will not know the identity of the proposed supplier when assessing bids and will make decisions based on the services offered.

These features ensure that local procurement is competitive, transparent, and effective, helping local markets thrive and reducing reliance on imported goods during emergencies.

KEY TAKEAWAYS

Emere's platform fosters the localization of aid by enabling L/NNGOs and local suppliers to overcome the barriers posed by complex compliance requirements, opaque markets, and fraud. By providing donors with a transparent, accountable procurement process, Emere increases the capacity of local organizations to manage aid effectively.

- **Boosting Donor Confidence:** Donors can trust local organizations using Emere's platform, knowing that procurement processes are compliant and that funds are used efficiently.
- **Simplified Procurement:** Emere's platform reduces the scope and possibility of error during procurement. This allows all stakeholders to have increased confidence in the process.
- **Supporting Local Economies:** By sourcing goods and services locally, Emere helps prevent the undercutting of local markets and boosts the resilience of local economies during crises.



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