



# Project Information Document (PID)

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Concept Stage | Date Prepared/Updated: 10-Jan-2022 | Report No: PIDC33068

**BASIC INFORMATION****A. Basic Project Data**

Country Lao People's Democratic Republic	Project ID P178002	Parent Project ID (if any)	Project Name Lao PDR Statistical System Modernization (P178002)
Region EAST ASIA AND PACIFIC	Estimated Appraisal Date Jun 21, 2022	Estimated Board Date Oct 04, 2022	Practice Area (Lead) Poverty and Equity
Financing Instrument Investment Project Financing	Borrower(s) Lao People's Democratic Republic	Implementing Agency Lao Statistics Bureau, Ministry of Planning and Investment	

**Proposed Development Objective(s)**

The PDO is to improve the capacity of the Lao PDR Statistical System to produce and disseminate good quality statistics in a timely manner and to enhance use of key statistics, and in case of an Eligible Crisis or Emergency, respond promptly and effectively to it.

**PROJECT FINANCING DATA (US\$, Millions)****SUMMARY**

<b>Total Project Cost</b>	25.00
<b>Total Financing</b>	25.00
<b>of which IBRD/IDA</b>	25.00
<b>Financing Gap</b>	0.00

**DETAILS****World Bank Group Financing**

International Development Association (IDA)	25.00
IDA Credit	25.00



Environmental and Social Risk Classification

Low

Concept Review Decision

Track II-The review did authorize the preparation to continue

Other Decision (as needed)

## B. Introduction and Context

### Country Context

**Lao People’s Democratic Republic (Lao PDR), one of the fastest growing economies in East Asia and the Pacific, is experiencing a growth slowdown.** Lao PDR is a lower-middle-income country with a gross domestic product (GDP) per capita of US\$2,647 in 2020 and a population of 7.3 million. The economy grew strongly between 2010 and 2019 – at an average of 7.2 percent per year – but slowed to 3.3 percent in 2020 owing to COVID-19. The recovery is expected to be gradual, with growth projected to rise to around 4-5 percent in the medium term, which is below the pre-pandemic levels. The official poverty rate fell from 24.6 percent in 2012 to 18.3 percent in 2018, or at the lower-middle-income poverty line (2011 PPP \$3.2 per person per day), from 46.6 percent to 37.4 percent, remaining high compared to regional peers. Economic growth has been driven by capital accumulation in the natural resource sectors and other large infrastructure developments, such as mining, hydropower, and transport-related projects, often financed by foreign debt.

**The country is facing critical development challenges, a legacy of its capital-intensive resource-driven growth.** The growth has been jobless, and the macroeconomic position has deteriorated.<sup>1</sup> The employment to population ratio dropped sharply from 81.3 percent in 2012 to 60.8 percent in 2018, and is expected to decline further following COVID-19. The deteriorated macroeconomic conditions are due to weak revenue performance, increased public debt and debt service burdens, foreign exchange liquidity constraints, and low reserve buffers. The ratio of domestic revenues to GDP has steadily fallen from 16.3 percent of GDP in 2015 to 11.8 per cent in 2020 and estimated around 13 percent in 2021, while public debt was estimated to have reached 62 percent of GDP in 2020, up from 50 percent in 2013. Gross reserves decreased to \$1.2 billion in August 2021 from \$1.3 billion in December 2020. A shortage of foreign currency in the official market widened the gap between the official and parallel markets to 21-22 percent in July-August before it has moderated to about 13.9 percent in end-October 2021, as BOL widened LAK/USD exchange rate band.

**Upon completion of the China-Laos railway in 2021, the country is at a pivotal moment to transform from a landlocked to a land-linked economy.** The US\$5.9 billion railway project will connect Lao PDR to the entire network of the Belt Road Initiative (BRI), allowing the country to move one step closer to overcoming the developmental constraints that come from being the only land-locked country in Southeast Asia and capitalize on its strategic geographic location. The railway has the potential to improve the comparative advantage of Lao PDR and make the country more attractive as an investment destination. However, it also poses considerable risks. Without the right complementary policy reforms, developmental benefits of this mega infrastructure project could be limited. The railway is projected to change the

<sup>1</sup> World Bank, forthcoming. *Lao PDR Systematic Country Diagnostic Update*.



sectoral composition and the spatial development pattern of the Lao economy, and therefore create groups that will be negatively affected or not be able to benefit from the new opportunities. Success in leveraging the railway for inclusive development will depend on the ability of the Government of Lao PDR (GoL) to make the right and timely policy decisions.

**Against the backdrop of increasingly complex and transforming economic landscape, evidence-informed decision making is more important than ever.** As Lao PDR strives to promote regional integration and position itself as a land-linked economy, key statistics in the realms of economic activities, national accounts, fiscal and debt, balance of payments and external position that meet international standards are compulsory to guide decision making of the GoL and international stakeholders. The challenging situation in the private sector and the labor market that Lao PDR is currently facing, which has been aggravated by the impact of COVID-19, increases the demand for high quality, timely, and integrated data that could reduce information frictions and assist decision making of policymakers, firms, and individuals. At the same time, high fiscal deficit and public debt levels have resulted in tight fiscal constraints. The evidence-based policy design approach, underpinned by the monitoring and evaluation systems, is an important tool for policymakers to formulate and implement tax and expenditure policies that balance distributional and efficiency objectives and maximize the development impact of the scarce resources.

#### Sectoral and Institutional Context

**Lao PDR has made substantial progress in advancing its national statistical system in recent years.**<sup>2</sup> The national statistical system, commonly known as the Lao PDR Statistical System (LSS), consists of the Lao Statistics Bureau (LSB), the statistical centers of line ministries or equivalent organizations, the statistics offices of provincial departments, and the statistics units of district and village offices. Activities within the realm of official statistics in Lao PDR have grown over the years. There has been an increase in data production both by the LSB and the statistical centers of line ministries to support the policymaking process. Socio-economic indicators, especially those related to the Millennium Development Goals (MDGs) and Sustainable Development Goals (SDGs), have been made available in international databases. The SDGs open data portal was launched in June 2021. The World Bank's Statistical Performance Index (SPI), which measures the statistical capacity of a national statistical system in terms of its range of products and the production and dissemination processes, has improved since 2016.

**The growth momentum reflects an increasing level of government support and continuing collaborative efforts with bilateral and multilateral donors.** For many years, the external donors have contributed significantly to the growth and maturity of statistical activities in Lao PDR. However, government supported activities have increased, a trend that signifies stronger government commitment in recent years. A new statistics law has been in force since 2017, assigning the LSB the responsibility of providing the overall direction of the national statistical system through the power to draft the LSS's development strategy. A vision document 'Strategy for the Sustainable Development of the National Statistical System 2016-2025 and Vision by 2030' serves as the reference roadmap for future development. The GoL has been supportive of the development of the LSS. The Deputy Prime Minister regularly attends functions organized by the LSB, thus providing a strong signal that the government takes the issue of statistical development seriously.

**A demand for the statistical system's products is strong, both from the GoL to support monitoring and evaluation of the National Socio-Economic Development Plans (NSEDPP) and from international communities.** Of all the five pillars of the SPI: data use, data services, data products, data sources and data infrastructure, Lao PDR scores high in data use,

<sup>2</sup> Paul Cheung. 2020. *Advancing the National Statistical System of Lao PDR*.



showing a strong demand for the statistical system's products.<sup>3</sup> The NSEDP, a five-year strategic development plan to guide policymaking, is outcome-based. The 9<sup>th</sup> NSEDP 2021 – 2025, which focuses on quality, green, inclusive and sustainable growth to support the country to graduate from the least developed country (LDC) status and achieve the SDGs by 2030, outlines more than 250 targets and indicators.<sup>4</sup>

**Despite what has been achieved in the past few years, high-quality data to guide decision making are lacking and there are still important data gaps to be filled.** Lao PDR lags its regional peers in advancing the national statistical system's performance. The country's overall SPI score was estimated at 54.1 in 2019, lower than 56.2 for Cambodia, 66.0 for Vietnam, 72.2 for Indonesia, 75.7 for Philippines and 76.1 for Thailand. The LSS ranks low in the second lowest quintile of the global ranking in the areas of data sources and data infrastructure, suggest weaknesses in collection of census, survey, administrative and geospatial data as well as standard and methodology for compiling statistics. Nationally representative household surveys that are conducted every five years are not sufficient to meet the demand to monitor and inform the GoL's development agenda. The enterprise surveys are not available, and the labor force surveys are conducted every 5-6 years. Integration of geospatial data into statistical analysis does not exist, although the recent transition from traditional pen-and- paper interviewing (PAPI) to computer-assisted personal interviewing (CAPI) is a key enabler.<sup>5</sup> Statistical compilation and methodology are lagging. The standards of the 2008 System of National Accounts (2008 SNA), the 6th edition Balance of Payments and International Investment Position Manual (BPM6) and the Government Finance Statistics (GFS) transaction accounts are yet to be achieved. Compilation of GDP by expenditure is among the recent initiatives and the demand for quarterly GDP has grown strongly in recent years. While most social indicators are available at the provincial level, national accounts statistics are mainly available at the national level.

**Data dissemination remains weak, with long publication lags and limited coverage and openness.** The largest gap in the LSS according to the World Bank's SPI is in fact in data services, in which the country ranks in the lowest quintile of the global ranking, suggesting an opportunity for improvement in areas of data releases, online access, and other data services. Lao PDR ranks 143<sup>rd</sup> out of 187 countries in the 2020 Open Data Inventory Index (ODIN), which measures how complete a country's statistical offerings are and whether their data meet international standards of openness. Data dissemination practices of the LSS are not user centric. The LSB data portal is fragmented comprising several platforms (LAOSIS, LAOINFO, SDG Open Data), a legacy of ad-hoc support from multiple donors. It is not updated in a timely manner, and has limited coverage and openness. GDP data is usually published with long lags, e.g., 2020 GDP numbers were published in Q3 of 2021. In recent years, a transition from PAPI to CAPI in survey implementation helped reduce data processing and publication lag time for socioeconomic indicators. As a result of this transition and an improvement in the household survey instrument, new poverty estimates were presented to the GoL 5 months after completion of the survey fieldwork and survey results were made publicly available 7 months after that. Although there is still room for improvement, it shows significant progress compared to the 21-month gap between completion of the survey fieldwork and publication of the survey report from the previous household survey round.

**Weak data dissemination in the area of government finance and international investment positions has attracted international attention** Lao PDR is already a subscriber to the IMF's e-GDDS but data on government finance, public debt, and international investment positions are unavailable in the public domain. Insufficient commitment to dissemination and implementation of the Statistics Law to ensure data sharing between core statistics producers (LSB, MoF, and BoL) have been viewed as a key weakness. The Ministry of Finance (MOF) published a public and publicly guaranteed (PPG) debt bulletin for first time on MOF's website in May 2021. This is a crucial step toward improving debt

<sup>3</sup> Lao PDR scores 90 out of 100 in data use, putting the country in the fourth quintile of the global ranking.

<sup>4</sup> Government of Lao PDR. 2021. *The 9th National Socio-Economic Development Plan 2021-2025 (NSEDP)*.

<sup>5</sup> Geospatial data collection will be piloted with the 2022 Lao Social Indicator Survey (LSIS), supported by the UNICEF.



transparency and debt data dissemination. However, the coverage and scope of the bulletin should be expanded to include more debt details and fiscal risk management. As efforts to stabilize the macroeconomic conditions continue, it is expected that fiscal management and public debt data transparency will continue to attract international attention.

**Statistical development has mostly occurred at the sectoral level, and limited data sharing and integration have hindered evidence-based policymaking on cross-cutting issues.** The LSS is not well coordinated. Statistical development has been driven by policy agendas and national development plans, which have been implemented and assessed at the sectoral level. At present, each ministry has the responsibility of compiling and disseminating its own statistical indicators for public consumption. Nevertheless, ministries often see statistical outputs as marginal to their core activities and give them the lowest priority. There are governance issues with respect to data sharing and integration. The lack of an overarching data governance model has led to fragmentation in data standards and technical solutions for data sharing, which hinders data interoperability across different sectors and affects the possibility of integrating data to inform policies on cross-cutting issues.

**While there is a need to strengthen the LSS as a system, the LSB has played the role of national LSS coordinator with some degree of success.** According to the 2017 Statistics Law, the LSB is responsible for guiding the overall direction of the national statistical system through the power to draft the LSS's development strategy. It thus has a great deal of influence on the development of statistics across ministries and subnational government bodies and the official statistics that the system generates. Operationally, the LSB has the responsibility to collect, consolidate, and request statistics from the line ministries and to disseminate them at the national level. The ministries and provinces are obliged to seek the LSB's technical endorsement on the statistics they produce. In recent years, the vertical and horizontal organizational structure and coordination mechanisms have been established and upgraded in line with the implementation of the 2017 Statistics Law and the Statistical Strategy Development Plan (2016-2025). However, the Data Quality Assessment Framework (DQAF) is not in place and the *de jure* mandate that the LSB has in providing technical endorsement for and requesting statistics from the line ministries has not yet been fully exercised. While the LSB is perceived as a capable professional organization by other entities in the LSS, there is scope to further strengthen the LSB's capacity to lead the system and produce the desired outcomes.

**Weak data dissemination and limited data integration have undermined the value of the LSS's services and its relevance to statistical users.** Data dissemination and data integration broaden the use of survey and administrative data and increase the return on data collection and compilation investments. Constraints to data usage vary across statistical users in Lao PDR. For policymakers, patchy and untimely information prevent the use of statistics in informing effective policy decisions. The COVID-19 is a case in point. This is compounded with a low level of data literacy which has been exposed by an increasing volume and variety of data in the digitizing world. For researchers, difficulties in accessing microdata with appropriate documentation are the major concern. Users only have access to a partial micro dataset, and there is a significant delay in gaining access to data. Data usage among public is very limited, mainly due to a lack of user-friendly dissemination of statistics and understanding of the importance of statistics among public users.

**The Strengthening the National Statistical System Project (P129825) was implemented during 2013 – 2018.** The objective of the \$8 million grant project was to improve the capacity of the Recipient's national statistical system to produce and disseminate reliable and timely macroeconomic and poverty statistics in accordance with international standards and in response to user needs. The LSB was the main implementing agency. The project included three key pillars: (i) Improvement of statistical legal framework and institutional capacity building; (ii) Data production and management with a focus on macroeconomic and poverty statics; and (iii) ICT infrastructure development and data dissemination. The project has completed most planned activities, delivered key outputs and intermediate results.



However, at the time of the Implementation Completion Review (ICR), it achieved only one of the three PDO result indicators: a comprehensive macroeconomic framework developed and used. The other two indicators – statistical capacity scores and user satisfaction – were achieved after the ICR due to a delay of data source for result indicators verification.

**There are some important lessons learned from the previous project:**

- **Strong coordination mechanism is important as the LSB navigates the statistical system and coordinates donor support to statistics.** As the central agency for official statistics, the LSB needs to coordinate statistical activities across the statistical centers or units at various ministries for sectoral statistics and statistical offices at provincial and district levels for subnational statistics. Bilateral and multilateral donors are also active in area of statistics primarily to support monitoring of development outcomes. In recent years, the coordination mechanisms to support the production of official statistics were established in line with the implementation of the Statistics Law and the Statistical Strategy Development Plan (2016-2025). The Ministry of Planning and Investment also established the statistical working group, chaired by the LSB and co-chaired by the World Bank and the United Nations Population Fund (UNFPA), to coordinate donor support on statistics. It is recommended that the project preparation and implementation build on the existing coordination mechanisms, as well as strengthen them.
- **Twinning arrangement proved to be effective, but stronger procurement capacity is needed.** The twinning arrangement was used to complement weak capacity of the implementing agency and provide access to a wide range of expertise needed to support project activities on a timely manner. However, procurement of the twinning is complicated and time consuming, and it caused a lot of delay in the previous project. Therefore, it is important to build in adequate procurement support for the LSB, into project design and prepare procurement packages (especially bidding documents) well in advance and obtain an experienced procurement consultant from the beginning of the project to support the project implementation unit on procurement work. This would apply not only to procurement of the twinning arrangement but also other large procurement packages as well.

Relationship to CPF

**The proposed project is closely aligned with the Country Partnership Framework (CPF) for Lao PDR FY 2022–26.** The project is aligned with the cross-cutting theme: Strengthening governance and institution proposed under the new FY22-26 CPF. Success of this project will support data sharing across the statistical system and evidence-based policymaking, fostering data openness and data-driven cultures to improve transparency and accountability of the government.

**C. Proposed Development Objective(s)**

The PDO is to improve the capacity of the Lao PDR Statistical System to produce and disseminate good quality statistics in a timely manner and to enhance use of key statistics, and in case of an Eligible Crisis or Emergency, respond promptly and effectively to it.

The achievement of the PDO level results will be measured by four high-level indicators.



- Open Data Inventory (ODIN) coverage score
- Open Data Inventory (ODIN) openness score
- Reduction in publication lag
- Use of statistics (government documents, media, user surveys)

#### Intermediate results indicators

1. 2008 SNA Milestone
2. Frequency of poverty and labor market indicators
3. Integrated databases developed, number of statistics shared between the LSB and line ministries
4. Key statistics released according to the Advance Release Calendar
5. Full transition to e-GDDS
6. Number of micro datasets available for downloading via the portal
7. Number of online visits to the data portal or Number of downloads of datasets and reports
8. Number of government officials trained in using statistics for policymaking

#### D. Concept Description

**Modernization of the LSS will allow the system to be able to respond to growing demand for data and foster evidence-based decision making.** The key principles of modernization the LSS include:

- *Utilizing the most recent technology and methodology* to enhance variety, frequency, and quality of data collection, reduce cost of data collection, support effective data management and dissemination, and improve outreach to public users.
- *Adhering to international standards* to improve quality of data and statistics and to support Lao PDR for deeper regional and global integration.
- *Transitioning to a more integrated statistical system* to capitalize on administrative data and increase the value of the LSS's statistical products.
- *Ensuring relevance of the statistical system to all user types* through enhancing data dissemination and improving data literacy. This will help foster the demand-driven, user-centric statistical system which is required in the modern world.
- *Maximizing development support* to creating synergies and avoiding overlapping among donor support.

To support the modernization process of the LSS, the project will focus on three components:

#### **Component 1: Improving the availability and quality of statistics (US\$ 15 million)**

**The objective of this component is to improve availability and quality of key statistics that meet international standards and the demand from data users.** Component 1 aims to narrow the data gaps. Improving availability of





statistics ensures that key data and statistics are produced regularly to be made accessible to users. Enhancing quality means improving the accuracy, reliability, relevance, and timeliness of statistics through enhanced data collection and data compilation methodologies. Component 1 will cover statistical production of the LSS. This component will support both statistics produced by the LSB and sectoral statistics produced by the statistical centers of line ministries or equivalent agencies under the LSB's technical guidance. Component 1 will include 2 subcomponents.

**Subcomponent 1.1 Macroeconomic statistics.** This includes: i) updating the System of National Accounts (SNA) to reach Milestone 3 of the 2008 SNA, which also concerns the specifics of quarterly GDP compilation; ii) compiling and improving sectoral statistics including fiscal and debt, trade and investment, international investment positions (IIP), Balance of Payment (BOP), and monetary statistics; iii) developing the Producer Price Index (PPI), the Import Price Index (MPI), the Export Price Index (XPI), and updating the Consumer Price Index (CPI) basket; iv) financing and institutionalizing relevant surveys to support the above activities, particularly the Economic Census 2025 with geospatial data collection, the agricultural survey 2027 with geospatial data collection, the annual (possibly also quarterly) enterprise surveys, and the IIP surveys; and v) analysis and reporting of the surveys.

**It is envisaged that activities under Subcomponent 1.1 will support the national accounts of Lao PDR to reach Milestone 3 of the 2008 SNA.** Implementation of the 2008 SNA is at a very early stage (Milestone 1), with only annual GDP by industry available and compilation of GDP by expenditure nearly completed. Milestone 2 calls the compilation of Gross National Income (GNI) and quarterly GDP. Achieving Milestone 2 is thus critical for a country with large foreign direct investment, foreign corporate presence, or foreign aid like Lao PDR and for responding to the increasing demand for indicators that provide timely, comprehensive information about the evolution of the economy on a short-term basis. Achieving Milestone 2 from the current stage would require improving sectoral statistics – Government Finance Statistics (GFS) compiled by Ministry of Finance and Balance of Payment (BOP) compiled by Bank of the Lao PDR, and compiling capital stock and IIP statistics. Price indices are used for a variety of different purposes, one of them is as a deflator in the compilation of national accounts. There are four major types of price indices: CPI, PPI, XPI, MPI. In Lao PDR, only CPI is available, which is published on a monthly basis. Finally, Milestone 3 includes the compilation of annual institutional sector accounts.

**Subcomponent 1.2 Social statistics.** This includes: i) partially financing the Population and Housing Census 2025, with geospatial data collection; ii) financing and institutionalizing the annual (possibly also quarterly) labor force survey; iii) financing the Lao Expenditure and Consumption Survey 2024/25 as well as institutionalizing an interim household survey to meet the recommended frequency for the poverty surveys of every 3 years; iv) compiling selected SDGs indicators and sectoral statistics; v) analysis and reporting of the survey.

**Activities under Subcomponent 1.2 will finance core census and surveys and develop a more cost-effective method to increase the frequency of data collection.** The Population and Housing Census is a foundation of the statistical system, providing baseline information for production of other statistics and for policymaking such as the design and delivery of social protection schemes. The upcoming Population and Housing Census 2025 will be the first time that data is collected using Computer-Assisted Personal Interviews (CAPI), which allows geospatial information to be captured. The Population and Housing Census 2025 will provide the geospatial foundation for future data collection and allow further integration of spatial and socioeconomic data in policy planning (e.g. public service provisions and disaster responses). The Lao Expenditure and Consumption Survey (LECS) and Labour Force Survey (LFS) are the main sources of data for poverty and labor market monitoring. Both are conducted on an infrequent basis with LECS every 5 years and LFS irregularly every 5-7 years. Activities under this subcomponent will review and improve the survey instrument and introduce alternative modes of data collection such as Computer-Assisted Telephone Interviewing (CATI) to enhance the LSB's capacity in



tracking and monitoring poverty and labor market in the rapidly changing environment.

**Gender:** Strengthening gender statistics as part of these surveys and analyses will be carried out in collaboration with the World Bank Strengthening Gender Statistics (SGS) project implemented by the World Bank Gender Group, Poverty and Inequality Global Practice, and Development Data Group's Living Standards Measurement Study team. The gaps in gender statistics remain large in several areas including those that Lao PDR exhibits high gender inequality such as economic opportunities, adolescent fertility, and gender norms. During project preparation, the SGS team will assess and identify the gaps in gender statistics with a focus on survey design and post-survey data dissemination and analysis. Opportunities to institutionalize such stronger gender analysis in the GOL system will also be explored. The SGS team will continue providing technical assistance to the LSB until December 2023. Potential areas include improving survey instruments, supporting a production of gender statistics abstracts/fact books, improving administrative data for gender analysis, and training on gender concepts and report writing. Detailed activities will be agreed to ensure that activities and outcomes of the two projects are complemented.

## **Component 2: Enhancing user relevance of the statistical system (US\$ 5 million)**

**The objective of this component is to enhance user relevance of the statistical system through data integration and data dissemination supported by the use of information technology.** Component 2 aims to increase the value of the LSS's products. Administrative data is an asset of the statistical system that is usually underutilized. Leveraging administrative data by fostering data integration and creating a centralized data portal will allow end users to make better use of statistics, increasing the value of data produced by the LSS. Although this initiative builds on the 2017 Statistics Law that assigns the LSB the responsibility to collect, consolidate, and request statistics from the line ministries and to disseminate them at the national level, strong coordination across line ministries will be critical. Data dissemination broadens the use of data and increases the return on data collection investments. The benefit is maximized when statistics are made readily available in a timely and easily accessible manner in the medium of choice of the user. ICT infrastructure supports data integration by facilitating data linkages across the LSS's statistical producers and enabling large-volume data storage and analysis, and supports data dissemination by making data access easier and more user friendly. It also reduces costs of field work, expands the scope of data collection (e.g., geospatial data, remote sensing, etc.), and decreases time for data processing. Component 2 will include 3 subcomponents.

**Subcomponent 2.1 Data integration.** The Project will focus on horizontal data integration to maximize the development impact of donor support as vertical data integration (between the Centre and Provinces) is being supported by the Government of Hungary. The project will *pilot* two integrated databases. Activities include strengthening coordination mechanisms across the LSS or relevant line ministries, assessing the legal and regulatory framework on data sharing and data standards to arrive at technical solutions for data sharing, developing a Data Quality Assessment Framework (DQAF), and setting up the data exchange system and dissemination portal. Public and official portals could be developed to allow government officials and public users to have different levels of access to data. It is envisaged that these pilot activities will strengthen the LSB's capacity to assume the role of national LSS coordinator and lay the groundwork for further data integration (e.g., integrating unit record data when the national unique ID is fully developed) as the LSS moves toward an integrated statistical system.

- i. Integrated macroeconomic database to help monitor macroeconomic conditions through institutional collaboration between the LSB/MPI, MoF, MoIC, and BoL. The activity will complement and support the compilation of SNA under Subcomponent 1.1. given that SNA is in fact an overarching integrating framework for macroeconomic statistics to facilitate economic analysis and policy formulation.



- ii. Integrated labor market database as a one-stop shop to help monitor the labor market conditions through coordination between the LSB/MPI, MoLSW, MoIC, and MoE.

**Subcomponent 2.2 Data dissemination.** There is substantial room for improvement in data dissemination. While there is an Advance Release Calendar (ARC) for CPI, it does not exist for national account statistics.<sup>6</sup> GDP data is usually published with long lags, e.g., 2020 GDP numbers were published in Q3 of 2021. Microdata library is not available on the LSB website. Activities under this subcomponent aim to strengthen data dissemination through i) strengthening data dissemination policy including development of the Advance Release Calendar (ARC); ii) strengthening dissemination practices of core statistics to adhere to the ARC and the e-GDDS criteria; iii) developing public-use and restricted-use microdata files to support microdata dissemination for different groups of users; and iv) developing a centralized data portal for the LSB by integrating the existing but fragmented portals (www.lsb.gov.la, LAOSIS, SDG Open data, LAOINFO) and platforms for the integrated databases, as well as using data visualization to enhance data dissemination and make data access easier and more user friendly. It is envisaged that this activity together with improved ICT infrastructure for data dissemination will ensure that in the future donor-supported data platforms must be fully integrated into this centralized data portal.

**Subcomponent 2.3 ICT infrastructure.** This includes ICT infrastructure and consulting services for: i) data collection such as migration to cloud services, new electronic devices and replacement, and software licenses; ii) data integration such as improving the management information system that facilitates integration across the LSS's data producers; iii) data dissemination; and iv) data security. This subcomponent will be implemented in collaboration with the Ministry of Technology and Communications (MOTC).

### **Component 3: Capacity building, institutional strengthening, and project management (US\$ 5 million)**

**The objectives of this component are to i) build capacity of statistical producers and users and strengthen institutions of the implementing agency; and ii) support project management.** This will work through two subcomponents and will directly support the implementation of Component 1 and 2 respectively.

**Subcomponent 3.1 Capacity building for statistical producers and users and strengthen institutions of the implementing agency.** This includes: i) building data literacy among statistical users including the National Assembly, government officials, students, etc.; ii) developing the LSS's user engagement strategy; iii) building capacity of statistical units of line ministries and agencies in data compilation and data integration; iv) building capacity of the LSB in information technology, data analysis, data dissemination, such as public-use files, metadata, publications, and media, and R&D; and v) updating the statistics curriculum and forging the collaboration with universities to support a long-term human resources development plan. This subcomponent will also support a review of Statistics Law and a production of the Statistical Strategy Development Plan 2026-35 for the 2040 vision with a focus on good governance of a sound and functioning national statistical system.

**Subcomponent 3.2 Project management.** This subcomponent will finance the operation of the LSB in managing project activities and coordinating across statistical units of line ministries and agencies, as well as all monitoring and evaluation related to the project.

**CERC zero component:** This component will provide immediate response to an eligible crisis or emergency, as needed.

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<sup>6</sup> An advance release calendar provides a general statement on the schedule of release of data, which is publicly disseminated so as to provide prior notice of the precise release dates on which a national statistical agency undertakes to release specified statistical information to the public.



In the event of an eligible crisis or emergency, the World Bank to re-allocate project funds to support emergency response and recovery.

Legal Operational Policies	Triggered?
Projects on International Waterways OP 7.50	No
Projects in Disputed Areas OP 7.60	No

Summary of Screening of Environmental and Social Risks and Impacts

Overall, the project is expected to be low risk and have positive environmental and social impacts by improving the availability and quality of key statistics and enhance the efficiency of the statistical system for evidence-based decision making.

The Project will not finance civil or infrastructure works that can induce risks and/or negative environmental and social impacts. Thus, no key environmental and social risks related to physical and geographical issues, biodiversity, land access, and cultural heritage, have been identified. However, the project recognizes the following Environmental and Social Standards (ESS) as relevant to the project: ESS 1 (Assessment and Management of Environmental and Social Risks and Impacts); ESS 2 (Labor and Working Conditions); ESS 3 (Resource Efficiency and Pollution Prevention and Management), ESS 4 (Community Health and Safety), ESS7 (Indigenous Peoples) and ESS 10 (Stakeholder Engagement and Information Disclosure).

Project activities under Component 1 aims to narrow the data gaps and strengthen data dissemination practices. This component will support both statistics produced by the LSB and sectoral statistics produced by the statistical centers of line ministries or equivalent agencies under the LSB’s technical guidance. The component 3 will build capacity of statistical producers and users and strengthen institutions of the implementing agency, and support project management. Under Component 2, the project will support data integration by facilitating data linkages across the LSS’s statistical producers and enabling large-volume data storage and analysis. ICT infrastructure and consulting services will require replacement and purchase of IT equipment (computers, printers, and tablets).

The social risks are classified as Low. Whilst the project aims to deliver a range of benefits, project activities have the potential to generate minimal, predictable, mitigatable social risks and impacts, low in magnitude. Social risks and impacts anticipated for this project include: (a) lack of stakeholder engagement; (b) risks related to the labor and working conditions of project workers; (c) risk of exclusion and discrimination particularly of ethnic minorities and vulnerable groups if not adequately represented in statistical data collection; (d) risk of Sexual Exploitation and Abuse and Sexual Harassment (SEA/SH) and Violence Against Children (VAC) when conducting household interviews and (e) risk of data security and privacy. These risks and impacts are low, and they are for the most part predicable and possible to mitigate during the lifetime of the project.

Environmental impacts expected from the project are negligible and limited to disposal/recycling of electronic waste when equipment is replaced/repared. As generation of electronic waste are envisaged, the Borrower will prepare an electronic



waste management plan. The project will also address resource efficiency by considering the purchase and use of energy-efficient equipment.

In parallel with the project, the Lao government will create a new Environmental Statistics Department, established midway through the implementation of this project, which will use a System of Environmental Economic Accounting (SEEA - 2012) to capture the value of environmental assets in the statistical system. To initiate this approach, the project will initiate to organize a capacity building on the concept of SEEA, if capacity permits.

Prior to appraisal, LSB, with the support from consultants, will prepare an Environmental and Social Management Plan (ESMP). The ESMP for all locations where the project will be implemented. The ESMP will detail (i) the measures to be taken during the implementation and operation of the project and (ii) the actions needed to implement these measures. It will also include an overview of the regulatory and legislative framework and describe briefly the environmental and social baseline in the country. It will further include measures to promote universal access to project benefits (access to data) for people with disabilities. The ESMP will also include (i) Labor Management Procedures (LMP) including Workers' Grievance Procedure, (ii) e-waste management plan, (iii) description of technically and financially feasible measures to improve energy efficiency (e.g., purchase and use of energy-efficient equipment), (iv) OHS procedure, (v) preparation of Budget, (vi) staffing and operational arrangements for project environmental and social risk management, including staff capacity assessment and training and (vii) a CERC-Manual.

A Stakeholder Engagement Plan, including a Grievance Redress Mechanism (GRM), will be prepared prior to appraisal to guide the Borrower to identify stakeholders, build and maintain a constructive relationship with them, and to meet communication and disclosure requirements with a particular focus on project-affected parties. The SEP will include inclusion and engagement strategies for indigenous peoples. The ESMP will be prepared with active participation from those affected through public consultations with relevant stakeholders and the findings incorporated into the ESMP, SEP and inform the Environmental and Social Commitment Plan (ESCP). Following review by the World Bank, the draft documents will be disclosed by the Client prior to project appraisal and consulted upon. An Environmental and Social Commitment Plan (ESCP), drawn and agreed between the Bank and the Borrower, will set out the important measures and actions that will be required for the project to meet environmental and social requirements over the project's lifetime. These measures will be implemented within a specified timeframe and the status of implementation will be reviewed as part of project monitoring and reporting. Due to inadequate knowledge on the ESF, external consultants will be hired to support LSB with the preparation of the required ESF instruments during project preparation.

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