



# Concept Environmental and Social Review Summary

## Concept Stage

### **(ESRS Concept Stage)**

Date Prepared/Updated: 01/10/2022 | Report No: ESRSC02520



**BASIC INFORMATION**

**A. Basic Project Data**

Country	Region	Project ID	Parent Project ID (if any)
Lao People's Democratic Republic	EAST ASIA AND PACIFIC	P178002	
Project Name	Lao PDR Statistical System Modernization		
Practice Area (Lead)	Financing Instrument	Estimated Appraisal Date	Estimated Board Date
Poverty and Equity	Investment Project Financing	6/21/2022	10/4/2022
Borrower(s)	Implementing Agency(ies)		
Lao People's Democratic Republic	Lao Statistics Bureau, Ministry of Planning and Investment		

Proposed Development Objective

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.

Financing (in USD Million)	Amount
<b>Total Project Cost</b>	<b>25.00</b>

**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]**

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 country is also facing critical development challenges, a legacy of its capital-intensive resource-driven growth. The growth has been jobless,



and the macroeconomic position has deteriorated. 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. Against this backdrop of increasingly complex and transforming economic landscape, evidence-informed decision making is more important than ever.

Lao PDR has made substantial progress in advancing its national statistical system in recent years. 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 units 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. The growth momentum reflects an increasing level of government support and continuing collaborative efforts with bilateral and multilateral donors. A demand for the statistical system's products is strong, both from the Government of Lao PDR to support monitoring and evaluation of the National Socio-Economic Development Plans (NSEDPP) and from international communities.

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.

Data dissemination remains weak, especially in the area of government finance and international investment positions which has attracted international attention. 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 143rd 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.

Statistical development has mostly occurred at the sectoral level, and limited data sharing and integration have hindered evidence-based policymaking on cross-cutting issues. Weak data dissemination and limited data integration have undermined the value of the LSS's services and its relevance to statistical users. 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. The LSB has played the role of national LSS coordinator with some degree of success. 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.

The proposed project is closely aligned with the Country Partnership Framework (CPF) for Lao PDR FY 2017–2021. The CPF has been extended by one year until June 2022 to better assess the needs resulting from COVID-19 in the next round CPF. The project is aligned with the cross-cutting theme: Strengthening institutions to establish a rules-based environment. Governance is again identified as a cross-cutting theme in the Concept Note of the FY22-26. 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.

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



Component 1: Improving the availability and quality of statistics. 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: macroeconomic statistics and social statistics.

Component 2: Enhancing the efficiency and user relevance of the statistical system. The objective of this component is to enhance the efficiency and 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 while reducing the cost of data production. 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. The Project will focus on horizontal data integration as vertical data integration will be supported by other donors. 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), and decrease time for data processing. Component 2 will include 3 subcomponents: data integration, data dissemination and ICT infrastructure.

Component 3: Capacity building, institutional strengthening, and project management. 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.

#### **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 will be implemented nation-wide through LSS using the LSB as the implementation agency along with the statistical center of line ministries or equivalent agencies under the LSB's technical guidance.

Despite its achievements in reducing poverty, Lao PDR faces significant longer-term challenges in growth related to the digital economy and youth employment. Lao PDR Statistical System (LSS) is characterized by (i) ineffective institutional coordination between various statistical data producers; (ii) inadequate analytical capability and qualified personnel in statistical system; (iii) weak statistical infrastructure, and information and communications technology



(ICT) infrastructure. The proposed Lao PDR Statistical System Modernization Project will support the GoL's strategy to improve the availability and quality of key statistics and enhance the efficiency of the statistical system for evidence-based decision making.

Lao PDR is culturally diverse with 50 ethnic groups. Cities in Lao PDR are small in population, with only the capital city Vientiane having a population of more than 100,000 people and few high-rise buildings. City centers are not very densely built up and have wide peri-urban areas around them. The total population of Laos is 7.3 million people in 2020. Besides the urban-rural divide, because the country is geographically long, there is also often a divide into 3 areas, North, Central and South.

Since the project aims to support institutional transformation to improve the statistical system in Lao PDR, the project is not expected to include any civil works. Therefore, no sensitive environmental features would be impacted. However, under Component 2, ICT infrastructure and consulting services will require replacement and purchase of IT equipment (computers, printers, tablets). E-waste management could be the environmental issue that will need particular attention.

Key stakeholders include line ministries, all ministries contributing their data and statistical users including the National Assembly, government officials, students, etc. Stakeholder consultations will be held at the national and provincial levels with participation of key stakeholders.

#### D. 2. Borrower's Institutional Capacity

The LSB under the Ministry of Planning and Investment (MPI), the apex entity of the national statistical system, will be the main implementing agency. The LSB will be responsible for planning, executing, and reporting on project activities including maintaining adequate procurement, financial management and auditing arrangements. In the 2017 Statistics Law, the LSB is assigned the responsibility of providing the overall direction of the national statistical system through the power to draft the development strategy of the system. It thus has a great deal of influence on the development of the horizontal system and the official statistics that the system generates. Operationally, LSB has the responsibility to collect, consolidate, and request statistics from the line ministries and to disseminate them at the national level. The ministries are obliged to seek the LSB's technical endorsement on the surveys to be conducted. Although not explicitly stated, the Statistics Law clearly implies a national statistical coordinator role for LSB within the national system.

The organizational structure of the LSB is expected to change during the implementation period. Currently, the LSB consists of four departments: i) Department of Economic Statistics responsible for macroeconomic and business statistics; ii) Department of Social Statistics responsible for social and vital statistics; iii) Department of Administration responsible for administrative and external relations affairs of LSB, personnel and capacity building; and Department of Data Services responsible for ICT and data dissemination. It is expected that during the project implementation period the Department of Administration and Department of Data Services will be merged, and a new Department of Environmental Statistics will be formed. This integration is likely to benefit the project's data dissemination strengthening.

The World Bank has worked closely with the LSB in the previous project – Lao PDR's Strengthening the National Statistical System Project. The LSB has a good understanding of the World Bank's operational procedures, including fiduciary and safeguards, but has no experience with implementing the Environmental and Social Framework (ESF). The project implementation team will be established and headed by Deputy Head of the LSB and include project staff



from the LSB’s departments, qualified persons (local consultants) who will be trained in the World Bank’s procurement and financial management (FM) procedures and be responsible for procurement and FM works under the Project, and qualified persons (local consultants) to support ICT-related activities, and qualified persons for environment and social management. The LSB will take the lead on coordinating with key stakeholders involved, including LSB departments, relevant line ministries and agencies and donors for implementation of the project.

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

### A. Environmental and Social Risk Classification (ESRC)

Low

#### Environmental Risk Rating

Low

The Environmental Risk is estimated to be Low at this stage, as only negligible or minimal environmental risks and impacts are anticipated from the project activities. The project does not support civil works, and environmental risks and impacts are confined to disposal/recycling of electronic waste when equipment is replaced/repared. This can be easily mitigated with a waste management plan which the client will prepare and review with the Bank prior to project Appraisal. As the project plans to improve the statistical system in Lao PDR by providing, among other things, IT equipment; the project will also need to address resource efficiency by considering the purchase and use of energy-efficient equipment.

#### Social Risk Rating

Low

The social risk is 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. This risk rating take into consideration lack or minimal ES capacity of LSB, which will be assessed during preparation. The anticipated risks can be mitigated through appropriate actions/risk management plans . Particular attention will be paid to monitor and verify compliance in the application of ESS2 as well as ESS7.

### 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 mostly positive benefits as the interventions will set up a robust statistical system in the country which will result in, among others, correct estimates of poverty, gender & vulnerability assessments, MDGs, SDG indicators and other.



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 standards as relevant to the project: ESS 1; ESS 2; ESS 3, ESS 4, ESS7 and ESS 10.

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. This plan will be included in the ESMP and will be prepared to a standard acceptable to the Bank, consulted, and disclosed prior to project appraisal. The project should 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.

Lao PDR is developing Lao Environmental and Waste Management Project (P175996), which aims to improve environmental, solid waste and plastics, and pollution management in Lao PDR ; in these conditions, depending on the timing of project implementation, the project's e-waste management will benefit from the national strategy to be implemented under the Lao Environment and Waste Management Project.

Potential social risks and impacts 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; (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 will be managed and mitigated through an ESMP, including LMP and the CERC manual as annex, and the SEP.

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, and (vi) staffing and operational arrangements for project environmental and social risk management, including staff capacity assessment and training

A SEP 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. Further details are provided under ESS7 and ESS10.



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. 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.

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 time-frame and the status of implementation will be reviewed as part of project monitoring and reporting.

The documentation reviewed to prepare this ESRS was limited to the Project Concept Note.

**Areas where "Use of Borrower Framework" is being considered:**

The client's E&S Framework is not proposed to be relied on for this project, in whole or in part. The Framework will not likely address the risks and impacts of the project in a manner to achieve objectives materially consistent with the ESSs.

**ESS10 Stakeholder Engagement and Information Disclosure**

The Client will prepare an SEP, including a GRM, before appraisal and incorporating the findings from the stakeholder identification and assessment process during project preparation. The SEP will be updated, disclosed, and implemented throughout the different phases of the project life cycle. It will be developed early in the project preparation process to inform engagement, to address key risks and develop communication and engagement strategies and materials to effectively reach out to affected and interested stakeholders to ensure accessibility and cultural appropriateness. The approach to engagement activities will take into account the needs of indigenous peoples, vulnerability, language, literacy as well as consent, both as part of engagement and also assessment process. The engagement will not only ensure that risks are managed but also that benefits are accessible to all.

The project is expected to involve different groups of stakeholders, including government line agencies and the private sector. The project's stakeholders and the level of their engagement will be identified and analyzed by the client during project preparation, and will likely include: (a) line ministries, all ministries contributing their data, (b) individuals and groups: civil society organizations, women's organizations, Indigenous Peoples leaders and organizations, (c) private sector: data collection and analyzing companies, users of lao statistical data (d) academia, international NGOs working with statistics as statistics users, (e) recipients of capacity building on data literacy among statistical users including the National Assembly, government officials, students, and (f) other development partners at the central level. These stakeholders will need to be further defined as project components are determined and consultations take place.

Meaningful engagement will be key for managing concerns as well as the potential risks and impacts resulting from the project activities. The engagement will need to take into consideration consent, language, literacy, access to information, vulnerability, child protection, and cultural needs of the various groups including indigenous peoples. The project is nationwide and as such likely to operate in areas where indigenous people are present. The project is expected to bring substantial benefits, including, improved use of publicly available statistics.





The SEP will be implemented, updated, and disclosed throughout the different phases of the project life cycle. It will be developed early in the project preparation process to inform engagement to address key risks and develop communication and engagement strategies and materials to effectively reach out to affected and interested stakeholders to ensure accessibility and culturally appropriateness.

The SEP will include a Project Grievance Mechanism and measures to ensure disclosure to project-affected peoples and groups and other stakeholders. The SEP will also include provision of information on how the data will be collected to facilitate data security and privacy during the data collection stage of household surveys.

As part of the information disclosure arrangement, the ESMP including LMP and the waste management plan, the ESCP, and the SEP will be disclosed publicly on the websites of the Borrower. Consultation meetings will be conducted in a manner consistent with applicable government guidance on COVID-19 measures for public meetings. Meaningful consultation with relevant stakeholders will be conducted before appraisal, and its results adequately recorded and disclosed.

## **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**

The project will involve civil servants (government staff appointed from the implementing and concerned agencies at all levels), direct workers (consultants hired directly by the PMU) and contracted workers (service providers, employees of consulting firms), but is not anticipated to involve any primary supply workers (workers from ongoing providers of essential goods and materials) nor community workers.

Labor related risk include the risk of (i) workers health and safety resulting from unsafe working conditions, (ii) employment discrimination, (iii) labor related disputes and (iv) Sexual Exploitation and Abuse and Sexual Harassment (SEA/SH). Child labor is not foreseen in the project. Workers health and safety risks include risks related to road travel during survey work in remote areas of the country.

The Client is required to develop and implement Labor-Management Procedures (LMP) applicable to the project. The LMP will set out how all categories of project workers will be managed and treated in line with the national Labor Law and ESS2. The LMP will also ensure that different project teams and workers will be provided with adequate resources, first aid-kits available at working sites, and can be contacted/reached in case of emergency. The project's Labor Management Procedures (LMP) will also need to take into account the latest COVID-safe guidelines mandated by the government and/or best practice in the country, in order to maintain a safe working environment for workers and for the community and minimize the risk of COVID-19 transmission. This should include hygiene practices, use of PPE and ensuring sick workers can self-isolate and access pay.

In Laos, gender-based violence (GBV) remains a serious issue. Distance and travel time to health facilities increase the difficulty for women to seek care, while gender norms contribute to widespread tolerance and acceptability of GBV and reduces women's willingness to seek help. The program for household data collection will need to ensure that



any risks of SEA/SH, VAC and data privacy during interviewing is addressed. A SEA/SH Risk Assessment would need to assess SEA/SH risks across project interventions and recommend means of mitigating them, as part of the preparation of the ESMP. To address the risk of SEA/SH, the ESMP will include a template of a Code of Conduct (CoC) to prevent and manage SEA/SH and violence against children (VAC). Codes of Conduct (CoC) which will be included in the letter of appointment for government staff and contractors. The SEA/SH risk rating will be included in the appraisal ESRS.

The project shall be carried out in accordance with the applicable requirements of ESS2, in a manner acceptable to the Bank, including through, inter alia, implementing adequate occupational health and safety measures and setting out grievance arrangements for project workers, among others.

All the standards set for the contracted workers in the ESS2 will be applied through contracts and the LMP to avoid potential issues with compliance of the ESS2 standards.

The Client will develop a labor grievance mechanism, as part of LMP, for all groups of workers, which will have to be able to collect and address potential grievances coming from these workers.

### **ESS3 Resource Efficiency and Pollution Prevention and Management**

The relevance of ESS3 is mainly related to ensuring efficient energy consumption, proper management of solid waste and electronic waste generated.

The project activities will support to support institutional transformation to improve the statistical system in Lao PDR. To this end, the project will provide the centers with IT equipment such as computers, which must be energy efficient. It should also be considered that dismantled electronic equipment and materials generated when supplying ICT infrastructure with new IT equipment may cause risks to human health and the environment if not disposed of in an environmentally sound and safe manner. Where obsolete equipment and materials cannot be reused, they should be recycled or disposed of by licensed contractors.

The relevant provisions will be included in the e-waste management plan. This plan should address the proper dismantling, storage, handling, and final disposal of e-waste in accordance with internationally recognized practices and should include the monitoring of the types/quantities of waste electrical and electronic equipment disposed of and document evidence of proper management (e.g., recycled, refurbished, discarded, exported). The e-waste management plan will be included in the ESMP prepared prior to Appraisal.

Lao PDR is developing Lao Environmental and Waste Management Project (P175996), which aims to improve environmental, solid waste and plastics, and pollution management in Lao PDR ; in these conditions, depending on the timing of project implementation, the project's e-waste management will benefit from the national strategy that will be given under the Lao Environment and Waste Management Project.

### **ESS4 Community Health and Safety**

IT equipment will be installed within the existing footprint of facilities. The risk of improper disposal of electronic waste could pose risks to community health and safety; therefore, the client will prepare a waste management plan included into the ESMP to be prepared by the project.



With data being collected and stored, data security and privacy is a key component build into the project, including awareness training on data security and privacy. Data security and privacy topics should be incorporated as an integral part of the capacity building for statistical producers and users and strengthening of the institutions of the implementing agency, under component 3.1. Project design will address data security and privacy and in addition, the ESMP will cover a subset of the data security/privacy field through integrating the need for regular awareness raising for project staff on data security/privacy (including measures to to prevent any unauthorized access to, or, losses of confidential information); include data privacy/literacy as part of the data literacy trainings and integrate due processes in the household surveys and requiring contractors to pay attention to data security and privacy as part of their contracts and incorporate a specific clause on this in their Workers' Code of Conduct.

The SEP will also include provision of information on how the data will be collected including how participants and others can seek information, advice or make a complaint.

#### **ESS5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement**

This standard is currently considered not relevant. The project does not have a construction component. IT and office equipment will be installed within the existing footprint of facilities.

#### **ESS6 Biodiversity Conservation and Sustainable Management of Living Natural Resources**

IT equipment will be installed within the existing footprint of facilities; hence, ESS 6 is not relevant to the proposed project.

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

Given that the project has a nationwide scope, the project will include Indigenous Peoples as beneficiaries. The project area is culturally diverse, there are 50 distinct ethnic groups in Laos. The 50 ethnic groups in Laos are classified into four ethno-linguistic families namely Hmong Iew Mien, Mone-Khmer, Chine-Tibetan and Lao-Tai. The term "Ethnic Groups" is often used for ethnic minority groups belonging to the first three ethno-linguistic families (Hmong Iew Mien, Mone-Khmer and Chine-Tibetan) who meet the characteristics and definition of Indigenous Peoples under ESS7. The Constitution (amended 2015) recognizes ethnic groups' self-identification as members of a distinct cultural group with a separate identity from the mainstream society. The Lao Front for National Development (LFND), through its Department of Ethnic Affairs (DEA), is the main counterpart responsible for dealing with issues related with Ethnic Groups. LFND is a GOL mass organization with a strong local presence in all provinces and districts.

Project activities in areas where Indigenous Peoples are present must ensure that they have culturally-appropriate opportunities to benefit from the project activities, including being included in statistics, accessing and analyzing the statistical data. Therefore, it is essential that the project mainstreams Indigenous Peoples into activities involving data collection and analysis and target these groups specifically and in an appropriate manner, during statistic collection and allowing for differentiated statistical analysis. This will include appropriately naming ethnic identities as part of the data collection. Special attention to the needs of ethnic groups in engagement including ensuring



translation into relevant languages during data collection. Special attention will be paid to ensure the active participation of the different ethnic groups and representatives in the project’s stakeholder engagement activities and to ensure that any information shared is sensitive to cultural needs.

**ESS8 Cultural Heritage**

There are no physical activities that would lead to impacts on cultural heritage.

**ESS9 Financial Intermediaries**

No project activities is related to financial intermediaries.

**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**

There are no financing partners currently.

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

**Actions to be completed prior to Bank Board Approval:**

To be undertaken, prepared, disclosed and consulted upon prior to appraisal:

1. Environmental and Social Management Plan (ESMP) with:
  - the electronic waste management plan
  - Labor Management Procedures (LMP)
  - Capacity needs assessment
  - Operational arrangements for project E&S risk management (budget, staffing, training)
  - A CERC-Manual

2. Standalone Stakeholder Engagement Plan (SEP), including Grievance Redress Mechanism (GRM); and
3. Environmental and Social Commitment Plan (ESCP).

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

- Effective implementation of the project’s E&S instruments
- Effective operationalisation and effective implementation of GRMs.

Public Disclosure



- Meaningful stakeholder engagement throughout project implementation.
- Effective operationalisation of Incident Management System.
- Implementation risks management measures and their monitoring.
- ESF capacity building for the implementing agencies.
- Allocation of adequate resources (human, including consultants and financial resources) for the implementation of risk management measures and monitoring.
- Provisions for CERC.

**C. Timing**

**Tentative target date for preparing the Appraisal Stage ESRS**

08-Jun-2022

**IV. CONTACT POINTS**

**World Bank**

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**Borrower/Client/Recipient**

Borrower: Lao People’s Democratic Republic

**Implementing Agency(ies)**

Implementing Agency: Lao Statistics Bureau, Ministry of Planning and Investment

**V. FOR MORE INFORMATION CONTACT**

The World Bank  
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**VI. APPROVAL**

Task Team Leader(s):	Somneuk Davading, Tanida Arayavechkit
Practice Manager (ENR/Social)	Dinesh Aryal Recommended on 05-Jan-2022 at 22:16:26 GMT-05:00
Safeguards Advisor ESSA	Nina Chee (SAESSA) Cleared on 10-Jan-2022 at 09:45:36 GMT-05:00

Public Disclosure

