



Concept Environmental and Social Review Summary

Concept Stage

(ESRS Concept Stage)

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BASIC INFORMATION

A. Basic Project Data

Country	Region	Project ID	Parent Project ID (if any)
Lao People's Democratic Republic	EAST ASIA AND PACIFIC	P178545	
Project Name	Community Livelihood Enhancement And Resilience		
Practice Area (Lead)	Financing Instrument	Estimated Appraisal Date	Estimated Board Date
Social Sustainability and Inclusion	Investment Project Financing	4/10/2023	7/11/2023
Borrower(s)	Implementing Agency(ies)		
Lao People's Democratic Republic	Poverty Reduction Fund - Ministry of Agriculture and Forestry		

Proposed Development Objective

The proposed project development objective is to diversify and increase household incomes and improve nutritional outcomes for targeted poor communities in selected Provinces and in case of an Eligible Crisis or Emergency, respond promptly and effectively to it.

Financing (in USD Million)	Amount
Total Project Cost	34.00

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]

The proposed operation would contribute to poverty reduction and COVID-19 recovery and resilience, in targeted poor rural areas. The activities would build on lessons-learned from the PRF series - in particular from PRF III currently being implemented in 4 northern provinces. The new operation would also focus on reaching the poorest areas in Laos based on the most recent poverty data. The project would channel block grants to targeted villages through a well-established community-led development platform. Funding would support improved access to productive



infrastructure and income generating opportunities. This would be achieved primarily through construction or rehabilitation of basic and climate resilient infrastructure and support to livelihood activities through village Self Help Groups - including nutrition sensitive livelihood activities. Implementation of the CLEAR sub-projects will be directly managed at the village level and the project will therefore build the capacity of local communities to plan, implement, and sustain these sub-projects. It is anticipated that GoL would increase co-finance of the operation from the national budget.

The proposed project would include the following five components:

Component 1: Local Economic Development Initiatives Sub-grants and Capacity Building

Funding under this component would provide support for selected climate resilient subprojects to improve local living conditions and access to productive infrastructure. This would include: (a) the rehabilitation of village-level water supply system and sanitation infrastructure; (b) the rehabilitation of on-farm irrigation systems; (c) the rehabilitation of tertiary roads; and (d) the construction or rehabilitation of small-scale storage or processing facilities for horticultural products and animal husbandry, solar driers for example. Activities would be financed through the provision of sub-grants and technical assistance to selected villages within the project area.

Component 2: Community Livelihood Enhancement

This component would finance the development and strengthening of Self-Help Groups (SHG) and Producer Groups (PGs) in targeted villages. For the establishment and strengthening of SHGs, activities to be financed would include the following: (i) Community outreach; (ii) Group formation; and (iii) Savings and livelihoods training. For the establishment and strengthening of PGs, CLEAR will: (i) invest in identifying existing groups already engaged in small scale productive activities and; (ii) provide support to well performing SHG who are able to scale up productive activities. The support provided by CLEAR to PGs will include: (i) support to conduct market diagnostics, (ii) identification of economic activities in line with the groups' existing skills and the result of the market analysis; (iii) development of business plans and provision of entrepreneurship grants for well performing PGs and (iv) provision of specialized technical assistance that will include farming techniques and information on climate resilient agriculture to improve productivity and yields; crop diversification and livestock rearing techniques with the aim of improving nutritional outcomes.

Component 3: Community Nutrition Interventions

This component will focus on improving community level nutrition outcomes by building on the SHG platform to disseminate key information on nutrition. This component will finance the following: (a) Development and implementation of a comprehensive nutrition and sanitation behavior change strategy focusing on supporting improved nutritional outcomes for children under two. The behavior change strategy will use a multi-pronged approach. Interpersonal communication will be an important feature of the strategy with community volunteers reaching out to households. Interventions with SHG will also include participatory methods and incorporate audio-visual tools where relevant; and (b) knowledge dissemination and training on nutrition sensitive livelihood activities for SHG members. This activity will also include the establishment of home gardens and the rearing of small livestock. This will be aimed at promoting dietary diversification at the household-level for poor and vulnerable households who may not be engaged in PG activities.



Component 4: Project Management, Capacity Building and Monitoring and Evaluation

This component will provide technical and operational assistance for the day to- day management of the Project. It will include remuneration of national, provincial, district PRF staff as well as the costs of community facilitators; associated equipment and operating costs; accounting, procurement, financial management, internal controls, auditing, and other specialized support. Importantly, this component will finance a review of how community based poverty reduction interventions can be further embedded in PRF and MAF core programs. This component will also finance the establishment and roll-out of the project’s Management Information System and the implementation of dedicated assessments.

Component 5: Contingent Emergency Response Component (US\$0) - This component will have an initial zero value but may be financed during project implementation to allow for an agile response to an eligible crisis or emergency.

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 in kum bans and districts in Northern and Central provinces in Lao PDR. Selection of project locations will be made during project preparation and implementation based on multiple parameters, including poverty levels, impacts by COVID-19, and those most likely to be affected by climate change. The Lao PDR is a mountainous and land linked country (236,800 km²). The total population of Lao PDR is 7.3 million people in 2020. In the north and central region, especially along the eastern border between Lao and Vietnam, the environmental features can be characterized as mountainous with large area of forest covers mixed with degraded forests, beautiful scenery, and sandy soil in general. There are few state forest land areas in these regions, namely, Nam Et Phou Louey and Nakai Nam-Theun Nation Parks bordered with Vietnam are home to the unique and globally significant biodiversity. There are limited flat land along the Mekong River part of which are bordered with Thailand. Laos has two main seasons, the wet season (June to November) and the dry season (December – May). These seasons determine to a great extent the agricultural activities that can be undertaken in a geographic area unless irrigation water is applied.

Seasonal poor air quality can also be observed, mostly in the north and northeast, due to slash and burn activities and development of plantation by foreign companies as well as transboundary air pollution from neighboring countries. Encroachment into state forest land areas for agricultural and livestock activity remain the main reason for forest degradation. Slash and burn activity also caused for seasonal forest fire in many rural areas across the country. Application of large amount of chemicals and pesticides for plantations (banana and rubber plants) in the past also caused fish-kills and water pollution and expansion of concession license for plantation has been prohibited during the past 5 years. UXO risk in the regions, especially in mountainous area along the Lao-Vietnam border remains high.

Lao PDR is culturally diverse with 50 ethnic groups, including ethnic groups whose livelihood is mainly dependent on agriculture, as well as other forest and land based resources. Although there is a traditional poverty divide between urban and rural area’s, with rural areas lagging behind in terms of poverty indicators, including limited access to basic infrastructure, there is a growing sub-group of urban poor emerging in cities across Laos. Also, the regional distribution of poverty in the country has shifted. In recent years, poverty has declined primarily in southern and



northern regions. By contrast poverty in the central region – previously the wealthiest – declined only slightly. Food insecurity remains a critical issue in Lao PDR, with moderate to severe food insecurity experienced by nearly 20 percent of the population in 2018. The prevalence of moderate to severe food insecurity was highest in the central region at 25 percent compared and about 20 percent in the northern and southern regions. It’s households in the northern region, however, that have the lowest nutrient intake and are at highest risk of nutritional deficiencies. This has significant repercussions in terms of chronic malnutrition among children. Stunting in Laos remained highest in the northern region and among ethnic minorities. Food insecurity remains predominantly a rural issue (25 percent of rural households being food insecure compared to 11 percent of the urban population in 2018).

Lao PDR has experienced increased vulnerability to climate change, environmental degradation, and shocks. In particular, the country has significant exposure to flooding (riverine and flash flooding), the frequency of which is expected to increase with climate change.

D. 2. Borrower’s Institutional Capacity

The PRF will implement the CLEAR project building on the institutional and implementation modality of PRF III. The PRF is an autonomous entity legally established in May 2002, in accordance with the Prime Minister’s Decree (73/PM, 2002), and is run in accordance with the Decree of the Prime Minister (10/PM, 2012). It is governed by the PRF Board which is chaired by the Minister to the Government Office and consists of the Vice Ministers of the Ministry of Finance (MOF) and the Ministry of Planning and Investment (MPI), representatives of all other ministries and provincial vice-governors where the PRF operates. The PRF would continue to use the GoL’s three tier organizational structure, with an increased focus at the district level. Project activities may involve local communities and mass organizations, especially the Lao Women Union (LWU) and Lao Front for National Development (LFND).

For CLEAR implementation will follow the existing arrangement for PRFIII-AF comprising a CLEAR/project central office (PCO) led by the Project Management Team (PMT) under the leadership of the Executive Director (ED). PCO will mobilize a team of consultants to provide technical assistance (TA) to PAFO and DAFO who are now responsible for planning and implementation of the VDP process and provide capacity building to local communities. To ensure effective implementation of the ESF activities, it is important that at each project level (central, provincial, and district), there will be an ESF focal point to be responsible for ensuring timely and effective integration and/or implementation of ESF instruments including forging cooperation and engagement with key stakeholders during the planning, implementation, and M&E on project activities. The PCO will be responsible for strategic oversight, planning, coordination, M&E, and reporting to WB and GOL and other development partners (DPs) within and outside the country.

In terms of capacity and experience, review of current PRF PMT team suggested that many of the PCO staff have extensive experience on ES screening and integration of safeguard measures into subproject design and now embarking on issues related to natural disaster and UXO safety. However, they will need additional training on the ESF instruments and application of the ESSs for the project activities and update the training materials for the ESF instruments during the planning (VDP) process, technical survey and design, and M&E. Reporting on the ESF implementation progress as part of the project progress report as well as a standalone ES monitoring report (ESMR) will also have to be strengthened to meet the ESCP requirements.

At provincial and local levels some staff may have some experience on safeguard planning and implementation, however, they will need more specific training on aspects related to the subproject activities and reporting requirements during the subproject cycle.



The World Bank has worked closely with the PFR in the ongoing project. The PRF 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). It is expected that the ESF consultants to be mobilized for preparation of the ESF documents (ESCP, SEP, and ESMF) will also provide initial training to the PCO and PPCO and develop several specific SOPs and manual for implementation at provincial, district, and village levels as part of the ESMF.

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

A. Environmental and Social Risk Classification (ESRC)

Moderate

Environmental Risk Rating

Moderate

The project will support rehabilitation of infrastructures to improve local economic and community livelihood through (i) the rehabilitation of village-level water supply and sanitation systems; (ii) the rehabilitation of on-farm irrigation systems; (iii) the rehabilitation of tertiary roads through the provision of subgrants to selected beneficiaries within the project area and technical assistance (TA); and (iv) the construction or rehabilitation of small-scale storage or processing facilities for horticultural products and animal husbandry, solar driers. The project will channel block grants to targeted villages in a subproject approach, however, the exact location and type of activity will only be confirmed during project implementation. Similar to the activities supported under ongoing PRFIII-AF, the project will deploy number of staff including Young Graduated students to work with local communities in selected provinces to support subprojects implementation. Most of project staff will be based at ditstrict level with occasionally travel to villages. The experience from PRF III suggested that these type of subprojects experienced some risk and impact on local people and environment, neverdeless, they are are predictable, temporary, small and site specific and could be managed through the design of subprojects and well design and implement environmental mitigation measures. The direct environmental risk and impact are expected from (1) physical construction and renovation civil works (noise, vibration, dust, generation and management of construciton wastes); (2) occupational health and safety issue of project personnel who are implementing project’s activities (injured from falling subject and other construction activities, road safety, and transmitted and infected with COVID-19); (3) potential involvement of project staff in consuming and trading wildlife and other NTFP while working and staying in remote village areas; (4) Community Health and Safety (CHS) of those involve in project activities and accident caused by project vehicle; (5) exposure to an unexploded ordinance (UXO) risk, especially, for activities associated with the earthwork in provinces along the border with Vietnam. Indirect risk and impact are expected from (1) generation and management of solid waste during the operation of office facilities (including minor electronic waste from the used IT equipment procured by the project), (2) access to and extraction of natural resources by road users while using tertiary road supported by the project (including expansion of forestland, involving with illegal hunting and logging), (3) improper/unsafe use of pesticides, fertilizers for agricultural intensification and irrigation related subproject, (4) no protection of water sources for future water supply, (5) unsafe used of water tap built by the project which may lead the bad environment and illness in the village, and (6) potential fire at storage or processing facilities built for horticultural products and animal husbandry, solar driers supported by the project and other nearby facilities.

Social Risk Rating

Moderate

The social risk is classified as Moderate. Whilst the project aims to deliver a range of benefits, project activities have the potential to generate moderate, predictable, mitigatable social risks and impacts, that are low in magnitude.

Public Disclosure



Social risks and impacts anticipated for this project include: (a) lack of stakeholder engagement; (b) risk of exclusion and discrimination particularly of ethnic minorities and vulnerable groups if not adequately represented in project activities; (c) risk of elite capture, (d) risks related to the labor and working conditions of project workers; (e) small scale land acquisition and/or access restriction, (f) risk of Sexual Exploitation and Abuse and Sexual Harassment (SEA/SH) and (g) child labor. These risks and impacts are for the most part predictable and possible to mitigate during the lifetime of the project. This risk rating takes into consideration ES capacity of PRF with the implementation of project under the WB OPs. 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, ESS5 as well as ESS7. 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, and cultural needs of the various groups including ethnic groups. The project is expected to bring substantial benefits to the quality of life of local communities from the community infrastructure, community livelihoods and improved nutrition. Communities may have concerns about elite capture of community infrastructure, if it does not benefit the whole community but only a subset of the population. While the Infrastructure component will focus on rehabilitation of existing infrastructure (water supply, irrigation, and tertiary roads), construction of various new infrastructure is also considered, including construction of small-scale storage or processing facilities for horticultural products and animal husbandry and solar driers. These new constructions may require small scale land acquisition. Improved watershed management for village water supply systems and irrigation systems may require access restrictions to preserve and/or rehabilitate forest cover in these watersheds and prevent contamination of the water sources. The civil and infrastructure-related works will be carried out primarily by the communities. This introduces the risk of child labor when persons below 18 risk becoming involved as community labor. For some specialized works, such as water supply, this may entail hiring a design engineer and contractor and result in a very small labor influx.

Public Disclosure

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:

As described in previous sections, the project activities will involve small scale livelihood and nutrition improvement including construction and rehabilitation of basic and climate resilient infrastructure that support the livelihood activities under Project Components 1 and 2. While the focus will mainly be on rehabilitation of existing infrastructures, some greenfield development of water supply and sanitation, irrigation and tertiary roads, small-scale storage or processing facilities for horticultural products and animal husbandry, and solar driers are expected. These new potential constructions will be under USD50,000 and will follow the typology of sub-projects currently implemented in PRFIII. Regardless the size of subproject, the environmental and social risk and impact screening mechanism will be provided as part of ESMF considering the size, location, and socio-economic dynamics on the ground of each subproject(s). It is expected that locations and nature of the civil works (especially those related to irrigation, water supply, and roads) will be small. Subproject will be similar to activities being implemented under the ongoing PRFIII-AF. PRF experience suggested that these small infrastructures can create some environmental risks and impacts but all are localized, temporary, and can be mitigated through effective discussion through the village



development planning (VDP) process (positive and negative list) as well as effective screening and planning during technical survey and design.

Environment risks and impact from proposed civil works during the construction will be limited to generation of air (mostly dust), noise, and construction wastes while those during operations would include waste disposal and soil/water pollution, and these impacts can be mitigated through implementation of a simple site-specific ESMP comprising good construction practices and active engagement with local authority and local communities (LA/LC) to manage all possible impacts, reduce waste generation and promote protection of local environment and natural resources. The ESCOP will be prepared and implemented for most of renovation civil works which will be conducted by local community. To mitigate potential risk on UXO, the project will also provide budget to collaborate with National Regulatory Agency (NRA) for UXO technical survey for all project funding activities that involve deep excavations and/or expansion of land area so that a UXO free certificate can be obtained before the construction. Project supported structure, particularly, the storage or processing facilities will be designed and constructed considering national legal requirements, the EHSs and other GIIP, taking into consideration safety risks to third parties and affected communities including the life and fire measure.

The project will also support agriculture extension and on-farm activity where environmental aspect will have to be well considered, particularly the safe use of pesticide/herbicide. Pest Management Plan will be developed as part of ESMF and implemented for all relevant agriculture extension activity.

Potential social risks and impacts include a) lack of stakeholder engagement; (b) risk of exclusion and discrimination particularly of ethnic minorities and vulnerable groups if not adequately represented in project activities; (c) risk of elite capture, (d) risks related to the labor and working conditions of project workers; (e) small scale land acquisition and/or access restriction, (f) risk of Sexual Exploitation and Abuse and Sexual Harassment (SEA/SH) and (g) child labor. These risks and impacts will be managed and mitigated through (a) and ESMF, including LMP, RPF and the CERC manual as annex, and (b) the SEP.

For the project's CERC component, a CERC Manual and CERC Addendum to the ESMF will be prepared prior to project appraisal expected in March 2023 and the ESCP will include provisions for them.

At the preparation stage and prior to appraisal, PRF with the support from consultants, will develop, consult and disclose an Environmental and Social Commitment Plan (ESCP) and Environmental and Social Management Framework (ESMF) to ensure possible environmental and social risk and impact are considered. ESMF will include (a) Resettlement Policy Framework (RPF), (b) Labor Management Procedures (LMP), (c) a negative list of activities not eligible for financing, (d) guideline and principle for preparation and implementation of ESMP for relevant subproject, (e) ESCOP to be applied for key project activities (include measure addressing impact from renovation civil works, livelihood, nutrition, climate change, life and fire) which will be implemented and monitored during the project implementation, and (d) budget, staffing, and operational arrangements for project E&S risk management monitoring and reporting and include a training plan informed by the capacity needs assessment, all ESF related activities to be funded by the Client as part of the project budget.



During the implementation stage, site specific E&S screening will be conducted following the screening procedure outlined which will be developed in the ESMF to identify environmental and social risk and impact, and mitigation measures for each proposed subproject.

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

The environment and social policies of the Government of Lao PDR will not be applied for the project activity.

ESS10 Stakeholder Engagement and Information Disclosure

The PRF will prepare Stakeholder Engagement Plan (SEP), including a GRM, before appraisal and incorporating the engagement for, and findings from, the E&S assessment process during preparation. 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. Stakeholder identification, analysis and engagement will inform assessment and processes and practices prescribed in the ESMF. The approach to engagement activities will consider the needs of ethnic groups, vulnerability, language, literacy as well as consent, both as part of engagement and the assessment process. The engagement will ensure not only risks are managed but benefits are accessible to all.

The project is expected to involve different groups of stakeholders from national to village levels, including local communities, government line agencies, mass organizations and the private sector. The project’s stakeholders and the level of their engagement will be identified and analyzed by the PRF during project preparation. Stakeholder groups include: (a) those directly affected: people living target communities for infrastructure, agricultural activities and nutrition activities and volunteers benefitting from the capacity building, (b) line ministries: Ministry of Agriculture and forestry (MAF), Ministry of Planning and Investment (MPI), Ministry of Finance (MOF) and the Ministry of Health (MOH) (c) local government administrations: provincial and local authorities and village chiefs, (d) interested individuals and groups including: civil society organizations, women’s organizations, ethnic group leaders and organizations; (e) private sector: construction companies, agribusiness, road transport companies, (f) academics, non-governmental and community based organizations working on livelihoods and nutrition (g) and development partners at the central level.

Success of this project in delivering socially inclusive benefits and achieving planned project outcomes will depend on meaningful and culturally appropriate stakeholder engagement, including with vulnerable households, women, ethnic groups, and children. The SEP will seek to ensure that beneficiaries and affected communities will be engaged, especially regarding project infrastructure options. Specific public communications campaign and consultations about the risks, impacts and project benefits will be undertaken.

As part of the information disclosure arrangements, the drafts of ESMF (including LMP and RPF), SEP and ESCP will be disclosed publicly on the websites of the implementing agencies, with directly affected households meaningfully consulted. Meetings will be consistent with applicable government guidance on COVID-19 measures for public gatherings. 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), contracted workers (service providers, employees of consulting firms), and community workers, but is not anticipated to involve any primary supply workers (workers from ongoing providers of essential goods and materials).

The project is not financing major construction civil works with potential for large numbers of local and external laborers. The civil and infrastructure-related works will be carried out primarily by the communities. However, for some specialized works, such as water supply, this may entail hiring a local contractor and result in very low labor influx. Direct and contracted workers to be involved in the construction and/or renovation civil works are likely to be local contractors and communities through the current mechanism being developed under PRFIII-AF. This introduces the risks of child labor when persons below 18 risk becoming involved as community labor. The project will apply the minimum age of 18 for any worker, including community labor. Local villagers may provide voluntary community labor for the renovation activities and transportation of materials. As participating government civil servants, project staff may be mobilized at central, provincial, district, and village levels will be subject to existing employment terms and conditions as well as occupational health and safety requirements and protections against forced and harmful child labor.

Labor related risk include the risk of (i) workers health and safety resulting from unsafe working conditions and travel, (ii) employment discrimination, (iii) labor related disputes and (iv) Sexual Exploitation and Abuse and Sexual Harassment (SEA/SH) and child labor. Worker's health and safety risks include risks related to road travel during work in remote areas of the country.

The ESMF will include a Labor Management Procedures (LMP) applicable to the project. Existing procedures under PRFIII-AF will be assessed for gaps with ESS2 requirements. The LMP will apply to different categories of project workers and will be established as part of ESMF prior to project appraisal. 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. It will ensure that all workers are provided with adequate resources and tool kits, safe accommodations, and transport, first aid-kits and emergency contact procedures available at working sites. The project will ensure that adequate Social Security (health and life insurance) is provided to project personnel according to the Labor Law before the commencement of their assignment. The project will also develop a dedicated labor grievance mechanism, as part of LMP, for direct and contracted workers. The LMP will describe measures for concerns of voluntary community workers to be referred to the overall project GRM. Training will be provided before activity implementation to all project staff with a dedicated counselling mechanism.

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, 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 project will need to ensure that any risks of SEA/SH 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 ESMF. To address the risk of SEA/SH, the ESMF will include a template of a Code of Conduct (CoC) to prevent and manage SEA/SH. 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.

ESS3 Resource Efficiency and Pollution Prevention and Management

The proposed project will involve renovation and construction of livelihood supported infrastructure and other type of civil works such as small offices where resources use and pollution prevention including wastes management will be considered. Waste management measures will be developed as part of site-specific ESMP for new construction civil work and an ESCOP will be provided as part of ESMF for renovation civil work to ensure construction wastes including hazardous waste such as old asbestos roofing are properly managed. For irrigation and agricultural intensification related subproject, during operation, measures to mitigate potential negative impacts due to limited knowledge of farmers on GoL regulations related to prohibited pesticides and toxic chemicals as well as measures to safely use those that are allowed and ways to safely dispose its packages and/or containers will be identified including the needs for training. Measure on materials sourcing, energy saving, and water use will also be developed and applied for relevant subprojects. When possible, pollution prevention during operations of the infrastructure including waste and wastewater management, efficiency use of water for irrigation and other livelihood promotion activities will be integrated in the project and subproject design to inform and educate local communities and related local leaders. In addition, the project will also support agriculture extension and on-farm activity where the safe use of pesticide/herbicide must be considered. Management efforts will be addressed as part of ESS1 where SS-ESMP and a generic ESCOP will be developed and applied addressing ESS3 requirement in all infrastructure supported activities, and. a Pest Management Plan consistent with the Lao legislations on pesticide management will be developed as part of ESMF and implemented for all relevant agriculture extension activity.

ESS4 Community Health and Safety

Laos has experienced increased vulnerability to climate change, environmental degradation, and shocks in the rural remote areas, particularly, flooding (riverine and flash flooding), landslide and drought. A checklist for climate change and disaster review will be included as part of ESMF to screen for a proposed subproject, findings will be considered in the design and implementation of infrastructure subprojects to ensure that project supported activities are adopted and resilience to the possible climate change and disaster. Specific measures addressing COVID-19 risks,



acceptable to WB and GOL will also be provided in the ESMF and applied to all project related personnel and communities.

Contracted labor and community workers are likely to be recruited locally to support implementation of sub-project including minor civil works in project target districts. Community, Health and Safety must be well considered where sub-projects are involved. There may be some risks related to infectious diseases, vector-borne diseases, soil, water, and waste-related diseases, impacts on privacy, mental well-being, and road safety etc. Health and safety measures proportionate to sub-project's activities will be developed before project appraisal as part of ESMF and implement throughout project period to ensure Community Health and Safety issue are well managed in accordance with ESS4 requirement.

Risks associated with Sexual Exploitation and Abuse (SEA) exist, particularly in settings where project staff interact with remote vulnerable groups. Existing country analysis shows that traditional methods of problem solving remain dominant for conflict in the home and communities, particularly for ethnic groups in remote regions without access to information and services. The project's ESMF will pay specific attention to SEA/SH and recommend measures to be incorporated into project design. Guidance and Codes of Conduct (CoC) on interaction with communities will be incorporated into labor procedures, and grievance redress mechanism. The Lao Women's Union (LWU) will be engaged as the main focal point on SEA/SH and the ESMF will involve mapping of service providers to understand capacity to deal with any incidents should they arise and to inform a procedure for referral.

The project may finance the construction of new or rehabilitation of existing dams for irrigation or water supply purpose, if it is the case, regardless of the size, location and type, requirement under paragraph 2 and 5 of ESS4 Annex 1. (Safety of Dams) will apply to all dams' subproject to be financed by the CLEAR.

ESS5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement

While the Infrastructure component will focus on rehabilitation of existing infrastructure (water supply, irrigation and tertiary roads), construction of various new infrastructure is also expected, including construction of small-scale storage or processing facilities for horticultural products and animal husbandry and solar driers. These new constructions may require small scale land acquisition.

There is risk of temporary displacement of some minor structures while new infrastructure may also involve minor land acquisition. Therefore, prior to appraisal, the PRF will prepare a Resettlement Policy Framework (RPF) and criteria for ES screening for land acquisition, restriction on land use and involuntary resettlement will be prepared as part of the ESMF according to the requirements of ESS5. The RPF will include guidance on Voluntary Land Donations for specific instances, such as donation of small plots of land for the construction of community water supply tap stand/handpumps or underground crossing of community gravity flow water supply pipelines.

ESS6 Biodiversity Conservation and Sustainable Management of Living Natural Resources

ESS6 is relevant. The project will not involve in any primary production or harvesting of living natural resources and support any activities in the area designated as biodiversity conservation and/or protected areas as defined by Government of Laos (GOL), however, many local communities are located nearby state forestland areas, these



include, protected area, protection forest area and production forest area where are home to significant biodiversity. Project supported activity maybe directly and/or indirectly involved with extraction of natural resources. A list of Do's and Dont's to prevent direct workers (staff) and contracted workers from involving in any form of natural resource extraction, habitat degradation, wildlife trade and consumption will be developed as part of the ESMF and applied to all project personnel while working in the village's areas, particularly, those are living near to the forestland areas. Trainings on related National regulations will be provided for the staff and workers prior to any field activity. The local communities will also be educated and encouraged to take actions to promote protection of watershed and local environment, no wildelife trade and consumption, and prevention of forest fire as part of their subproject's activities. A screening list will be developed and implemented ensuring that ESS6 requirement are well considered and addressed under ESS1.

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

The project will be implemented in kum bans and districts in Northern and Central provinces and many of its target districts and villages are likely to be inhabited by non-Lao speaking ethnic groups, although the total number of ethnic beneficiary and affected peoples will still be unknown at preparation. Lao PDR has 50 officially recognized ethnic groups (up from 49 with the recognition of the ethnic Brou as a distinct group in 2018) inhabiting remote mountainous and forested areas as well as the lowland plains and tributaries of the Mekong River. Predominantly Lao speaking ethnic populations inhabit the towns and lowlands straddling the eastern side of the Mekong River and more remote areas are largely inhabited by diverse Sino-Tibetan and Mong-Yaomien speaking ethnic groups in the mountainous northern provinces, and Mon-Khmer speaking ethnic groups of the central and southern Annamite ranges. These groups meet the screening criteria for identification as indigenous peoples under ESS7 in that they have an attachment to land and forest resources for their livelihoods and culture, self-identify as ethnic groups, have distinct dialects, languages, and cultural institutions.

The proposed project activities are designed to benefit poor population and are unlikely to cause harm to ethnic land, livelihoods, or cultural heritage. However, without informed design, poorly targeted activities may prolong barriers for ethnic group access and fail to provide benefits to those vulnerable and disadvantage groups. Project design and stakeholder engagement activities will be prepared to ensure that planning and implementation measures meet ESS7 objectives and described in the SEP. During the preparation of the project, a Stakeholder Engagement Plan (SEP) will be prepared describing ways to inform project activities to the vulnerable ethnic groups so that the project activities are designed with sensitivity to the cultural and linguistic barriers to participation in project activities and include measures aimed at reducing inequality in livelihood development opportunities and outcomes in predominantly ethnic areas.

The project activities should include design of training materials and communication tools that have been developed under previous PRF projects as well as other relevant projects to enhance social-emotional behavior of local population towards environmental conservation, nutrition, and hygiene improvement, especially those related to COVID-19 infection. A representative sample of ethnic groups who are likely to participate in or be affected by the project will be consulted on during project preparation to inform design of project activities and detailed stakeholder engagement will occur once subproject locations are known and screened for ES risks.



The ongoing program for rural development and poverty reduction in Lao PDR involves the consolidation of remote (predominantly ethnic minority) communities into larger communities (often a mix of Lao and other ethnic groups). Two types of consolidation may have occurred (1) village communities have been administratively consolidated and/or (2) many villages have been physically consolidated in previous years or scheduled to relocate for large investment projects such as hydropower. Even where physical consolidation has occurred years ago administratively consolidated village committees may not be representative of all groups within the community. Screening of subproject activities under the project should identify whether the beneficiary community has been consolidated within the past four years and investigate capacity of ethnic groups within the new community to participate in project benefits. A grievance redress mechanism that is culturally and linguistically accessible to different ethnic groups should be disseminated in communities receiving project activities.

Because project activities are not expected to have a negative impact on ethnic groups the main risk relates to a poor understanding of local practices, organizations structures, barriers and preferences, meaningful consultation leading to the inclusion of ethnic groups from project activities, including for the selection of community infrastructure, establishment and implementation of self-help groups for livelihood programs, microfinance and nutrition is key. Therefore, requirements of ESS7 on meaningfully involving ethnic groups in project activities will be included in the SEP and not in a standalone document. Requirements on ethnic representation in community committees will be built into project design through inclusion of minimum ethnic (and gender) representation requirements in community committee establishment requirements and guidelines, outlined as part of the POM.

ESS8 Cultural Heritage

ESS8 is not currently relevant. The project will involve small civil works and livelihood support activities; however, the activities are unlikely to pose any negative impact on any tangible cultural heritage sites. Risks to cultural heritage will be addressed in the ES screening form to ensure sub-project activities do not adversely impact either tangible or intangible cultural heritage. Intangible ethnic cultural heritage is unlikely to be materially affected by these civil works and other project activities, but associated risks will be identified during ES screening for proposed sub-projects. Chance Finds Procedure will be incorporated into ESCOP which will be developed as part of ESMF prior project appraisal and implemented throughout project period. Guidance will be provided in the ESMF to prevent trafficking in local cultural objects (such as prohibited Buddha sculptures and religious items) or entry to prohibited cultural areas (spiritual or cultural sites, graves) respected by the local community.

ESS9 Financial Intermediaries

ESS9 is not relevant. The project will facilitate self-help livelihood groups accessing financial institutions or intermediaries, but not provide funding to FIs.

C. Legal Operational Policies that Apply

OP 7.50 Projects on International Waterways No

OP 7.60 Projects in Disputed Areas No

Public Disclosure



III. WORLD BANK ENVIRONMENTAL AND SOCIAL DUE DILIGENCE

A. Is a common approach being considered?

No

Financing Partners

No other financing partners at this stage.

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. An Environmental and Social Commitment Plan (ESCP)
2. A Stakeholder Engagement Plan (SEP), including Stakeholder Analysis and a Grievance Redress Mechanism and covering the requirements under ESS7; and
3. A Project level Environmental and Social Management Framework (ESMF), including:
 - An ES screening procedure to guide and inform site specific assessments and management plans based on the degree of significance of anticipated impacts and associated risks for all proposed activities
 - Labour Management Procedures (LMP)
 - Resettlement Policy Framework (RPF)
 - Capacity needs assessment
 - Environmental and Social Code of Practice (ESCOP) for renovation civil works;
 - Operational arrangements for project E&S risk management (budget, staffing, training)
 - A CERC-ESMF or Addendum.

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

- Institutional arrangement include those for ESF implementation
- Effective implementation of the project's E&S instruments
- Site specific assessments and development of site specific environmental and social management plans to be undertaken during project implementation
- Preparation, disclosure and consultation of site-specific plans.
- Effective operationalisation and effective implementation of GRMs.
- Meaningful engagement throughout project implementation.
- Effective operationalisation of Incident Management System.
- Implementation risks management measures and their monitoring.
- ESF capacity building for the implementing agencies at all levels, including Young Professionals.
- Allocation of adequate resources (human, including consultants and financial resources) for the implementation of risk management measures and monitoring.
- Terms of References (TORs) to conduct project's activities (study, analysis, plans, training, and capacity building, design and supervision consultants) to be reviewed by the Bank to ensure that the requirements of the World Bank ESF policy is effectively integrated.
- Provisions for CERC.

Public Disclosure



C. Timing

Tentative target date for preparing the Appraisal Stage ESRS

15-Nov-2022

IV. CONTACT POINTS

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Borrower/Client/Recipient

Borrower: Lao People’s Democratic Republic

Implementing Agency(ies)

Implementing Agency: Poverty Reduction Fund - Ministry of Agriculture and Forestry

V. FOR MORE INFORMATION CONTACT

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VI. APPROVAL

Task Team Leader(s): Patricia Maria Fernandes, Benjamin Burckhart
Practice Manager (ENR/Social) Mona Sur Recommended on 05-May-2022 at 17:02:17 GMT-04:00
Safeguards Advisor ESSA Nina Chee (SAESSA) Cleared on 06-May-2022 at 14:24:20 GMT-04:00