



# Project Information Document (PID)

Concept Stage | Date Prepared/Updated: 08-Nov-2022 | Report No: PIDC34113

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

Country Lao People's Democratic Republic	Project ID P178883	Parent Project ID (if any)	Project Name Reducing Rural Poverty and Malnutrition Project II (RRPM II) (P178883)
Region EAST ASIA AND PACIFIC	Estimated Appraisal Date Sep 04, 2023	Estimated Board Date Dec 08, 2023	Practice Area (Lead) Social Protection & Jobs
Financing Instrument Investment Project Financing	Borrower(s) Lao's Peoples Democratic Republic	Implementing Agency Ministry of Agriculture and Forestry	

**Proposed Development Objective(s)**

The Project Development Objective is to expand access to the Conditional Cash Transfer Program, to improve selected nutrition behaviors, and to enhance the Government of Lao PDR's capacity to deliver integrated multi-sectoral nutrition interventions in priority target areas 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

Moderate

Concept Review Decision

Track II-The review did authorize the preparation to continue

Other Decision (as needed)

## B. Introduction and Context

### Country Context

**Over the past two decades, the Lao People’s Democratic Republic (PDR) has witnessed one of the fastest economic growths in East Asia and the Pacific but has also experienced increasing macroeconomic instability in recent years.** Lao PDR is a lower-middle-income country with a gross domestic product (GDP) per capita of US\$2,539 and a population of 7.4 million in 2021. From 2017 to 2019, the economy grew at an average of 6.2 percent per year, driven primarily by the capital-intensive natural resources sector (mining and hydropower) and supported by infrastructure development and tourism. However, it slowed to 0.5 percent in 2020 due to the COVID-19 pandemic. Structural vulnerabilities—exacerbated by the COVID-19 pandemic and the conflict in Ukraine—brought growth down to about 2.5 percent in 2021.

**Poverty is also expected to increase in the last few years due to the pandemic and the conflict in Ukraine.** Poverty rates declined from 40.5 percent in 2012 to 32.5 percent in 2018 (measured at the lower-middle-income poverty line of \$3.65 a day 2017 PPP). Progress in poverty reduction remained slow, with the poverty rate estimated to stagnate at around 31.7 percent in 2022. Labor market indicators improved in April-May 2022, while most businesses resumed operations. Poorer households are benefitting from a recovery in wage earnings and remittances. However, rising domestic prices due to Covid-19 and the conflict in Ukraine are threatening living standards particularly in the absence of social assistance. Nearly two-thirds of households have reduced education and health spending to cope with inflation. Most households responded to food inflation by reducing food consumption, switching to cheaper food, hunting, and gathering, or resorting to self-production.

**Inequality remains a key challenge, with significant geographic and income disparities.** Even before the pandemic, the rate of poverty reduction was slow compared to that of gross domestic product (GDP) growth, indicating that growth has not been fully contributing to poverty reduction, and some groups remain very vulnerable. The Gini coefficient increased from 36.2 to 38.8 between 2012 and 2018. While poverty reduction has been faster in rural areas than urban areas, a large gap remains between the two, with the urban poverty rate at 15 percent and the rural rate at nearly 41 percent. Lao PDR has some of the largest equity differentials with regard to coverage of basic maternal and child health services. The share of mothers delivering birth at health facility ranges from 87 percent in the wealthiest quintile to only 11 percent in the poorest quintile.

Limited fiscal space, poverty, and inequality have affected human capital investments in Lao PDR. Lao PDR’s Human Capital Index is 0.46, which means that a child born in the country today can expect to be only 46 percent as productive when he/she turns 18 years as someone who enjoyed complete education and full health. This is the lowest Human Capital Index among all its neighbors, with Cambodia at 0.49, China at 0.65, Myanmar at 0.47, Thailand at 0.61, and Vietnam at 0.69. Malnutrition in Lao PDR is among the worst in Southeast Asia – while showing a decline in the past two decades with stunting rate higher than Myanmar, Cambodia, Vietnam, and Thailand.



**Childhood chronic undernutrition (stunting) levels remain high, impacting human and economic potential for Lao PDR.**

About 33 percent of children under five years were stunted, 21 percent underweight, and 9 percent wasted according to the latest nationally representative survey in 2017. Stunting affects several groups disproportionately—the poor, ethnic minorities, rural children, and upland areas of the country—and stunting and underweight rates among children in the poorest wealth quintile (which is predominantly rural) are over three times the rates for children in the richest quintile. In the northern provinces where data were more recently collected, stunting rates were close to fifty percent and even higher among some ethnic groups with no sign of improvements since 2017. Almost one in five Laotians experienced moderate to severe food insecurity in 2018 (World Bank, 2020a). COVID-19 and the conflict in Ukraine are adding to the vulnerability of the most in need, with a significant increase in food insecurity, negative coping mechanisms and rupture in health and nutrition service provision, stunting and undernutrition. Recent estimates suggest that globally by 2022, COVID-19-related disruptions could result in an additional 2.6 million stunted children, 168,000 additional child deaths, 2.1 million maternal anemia cases, and 2.1 million children born to women with a low BMI.

**Climate change and natural disasters further increase the vulnerability of the population, particularly the one living in rural areas.**

The Climate Risk Country Profile (CRCP) of Lao PDR conducted by the World Bank and the Asian Development Bank in 2021 highlights that Lao PDR is amongst the most vulnerable countries to projected climate change trends, as its communities face significant climate-related hazards that are exacerbated by poverty, malnourishment, and high exposure of poor and marginalized communities. These events are likely to have distributional impacts; the ADB study highlighted that many households in Lao PDR have a high probability of falling into extreme poverty when exposed to relatively high frequency flood and drought events

Sectoral and Institutional Context

**The social protection system in Lao PDR is nascent and has very limited coverage.** Lao PDR displays among the lowest public social expenditure (less than 1 percent of the GDP), out of which 90 percent is on social insurance (Lao Social Protection Assessment, 2021). Only 12 percent of the population are covered by at least one social protection program (ILO, World Social Protection Database) compared to South-Asia's average, where 43 percent of the population is covered by social insurance programs. The large informal sector makes it difficult to expand the coverage of social insurance. With three-quarters of employment in the informal sector, only 8 percent of unemployed persons receive unemployment benefits. The latest data show that only four percent of the poor and most vulnerable are covered by social assistance programs, well below South-East Asia's average of 20 percent (World Bank Systematic Country Diagnostic 2021).

**Even though it is yet to be formally established, the National Social Protection Strategy (NSPS) 2020 sets the country's social protection vision, goals, and objectives for 2030.**

The National Social Protection Committee (NSPC), proposed under NSPS, will be responsible for implementing and monitoring the progress of the NSPS, while coordinating among implementing agencies and development partners. NSPS Secretariat is to be located at the Ministry of Labor and Social Welfare (MOLSW) and will be responsible for coordinating relevant ministries towards the achievement of NSPS. Under strategic objective 3 of NSPS, the provision of services and benefits to pregnant women and children is coordinated and implemented by MOLSW, the Ministry of Agriculture and Forestry (MAF), and the Ministry of Education and Sports (MOES). In addition to this responsibility set by the NSPS, MAF has the mandate over rural development and poverty reduction, and it is the implementing agency for the nutrition-sensitive conditional cash transfer program, named Helping Hand, supported by the RRPM project. Moreover, MAF is one of four key actors in the National Nutrition Strategy and Action Plan (NNSAP) along with the Ministry of Health (MOH), MOES and the Ministry of Planning and Investment (MPI). In the mid-term, as the NSPC is officially established, it is essential that MAF coordinates closely with MOLSW and other concerned agencies.



**Aligned with NSPS, the “Helping Hand” program started implementation in 2021 in targeted geographic areas.** The objective of the cash transfer program is to alleviate poverty, improve diet diversity, increase utilization of essential health and nutrition services, and encourage improved health and nutrition practices of poor nutrition vulnerable children. Over 22,000 pregnant women and young children coming from poor households from 12 districts in four northern provinces (nutrition convergence target area) have enrolled in the program since the program launched in February 2021. As of September 2022, about 16,000 beneficiaries receive cash transfers every two months, approximately USD 20 per month. The total number of eligible beneficiaries is expected to increase to around 21,000 after enrolling beneficiaries in 245 control villages of the impact evaluation. The cash transfers are made digitally where feasible, working with private and public partners to find ways to incentivize the expansion of digital financial services to targeted areas as well as the financial inclusion of marginalized communities.

**The CCT program has proven to be effective in changing behaviors and enhancing the utilization of available relevant services, but there is substantial scope for improvement.** Key challenges in implementing the CCT include 1) delayed and irregular payments: some payments were delayed up to four months; 2) eligible but not-enrolled beneficiaries: around 8.4% of eligible individuals have not been enrolled in the program as of June 2022, requiring enhancements in communication and case management; 3) Issues in compliance monitoring: the system lacks the capacity to distinguish those who could receive health services and those who complied but could not receive services (e.g. a beneficiary that complies with the conditionality by attending the programmed SBCC session and the session is not provided); 4) limited use of the grievance redress mechanism: the number of grievances recorded in the system is limited; and 5) CCT MIS requires additional improvements to assure reporting is made timely and feedback loops can be used for continuous improvement of the implementation process.

**The previous operation helped set up the building blocks of the social protection system, but the usage is mostly limited to CCT.** The RRPM project supported the development of Proxy Means Test (PMT) formula, conducting mass-registration surveys to build a social registry. As of September 2022, the social registry is used only for the CCT program, despite the original concept of supporting the eligibility assessment of various government and donor-financed programs. The social registry would enable all the relevant line agencies to use the centralized and updated registry to carry forward the subsequent business processes (i.e., application intake, data verification, and processing using a common household poverty assessment platform) without collecting data in the field. Similarly, the current beneficiary registry only recognizes CCT beneficiaries. Going forward, integrating beneficiary registries of several programs will be critical to better understanding who is receiving what from different government programs, and it is of particular importance for the nutritional convergence programs. Likewise, the existing payment platform is limited to delivering a regular CCT program, and its potential has not been fully utilized to support the transfers of other cash-based interventions, such as emergency cash transfers.

**Beneficiaries’ surveys show high satisfaction with programs and services provided in target areas.** A beneficiary survey conducted in August 2021 showed high satisfaction with the cash transfer process, the accessibility of health center services including vaccination for beneficiaries, and increased consumption of nutritious food. Close to 98 percent of the beneficiaries complied with the main CCT conditionalities, where utilization of basic health and nutrition services has increased significantly, that is, vaccination, anti-natal care, and growth monitoring

### **Lao PDR convergence approach to Reduce Stunting**

**The causes of undernutrition in Lao PDR are multi-faceted and multi-sectoral.** Among the key drivers of undernutrition are (i) childcare and feeding practices; (ii) food availability, dietary diversity, and security; while the burden of infectious disease is affected by (iii) environmental factors, particularly water supply and sanitation, hygiene practices and (iv) the



availability and utilization of health and nutrition services (pre- and post-natal). Lao PDR has poor results across many of these drivers of undernutrition. The diversity in diet is low, with rural households consuming an average of three out of nine major food groups. Poor feeding practices for infants and young children compounds this problem, for example, children 6-23 months old children are not fed vitamin A rich vegetables even when their mothers consume them. On the supply side, critical gaps in preventive services such as immunization, antenatal care (ANC), postnatal care (PNC and growth monitoring and promotion) have a disproportionate impact on the nutrition outcome of women and children in the poorest population group. Intergenerational factors, driven by social and gender norms, have a substantial influence on undernutrition. Lao PDR's adolescent birthrate was the highest in the region (about 94 out of 1,000 births correspond to girls ages 15 to 19). The likelihood of being stunted is at least 10 percentage points higher among children conceived by women below the age of 17.

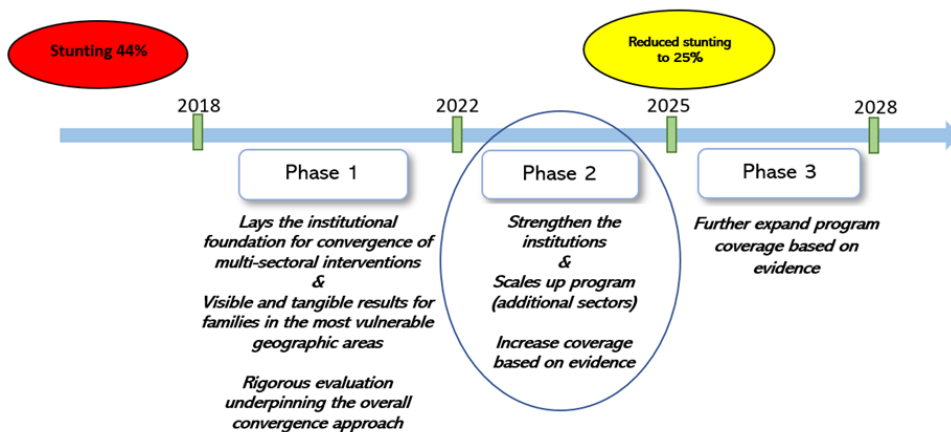
**In response to the multidimensional causes of undernutrition in Lao PDR, the government is committed to implement a multi-sectoral approach to accelerate stunting reduction.** In line with the 9th National Socio-Economic Development Plan (2021-2025) and under the guiding framework of and National Nutrition Strategy (2016-2025) and Plan, the Government of Lao PDR has set the goal to reduce stunting to 25 percent by 2025 through a Multisectoral Nutrition Convergence Approach (MNCA). The NNS includes 11 strategic directions and 22 priority interventions across health, agriculture, WASH, education, and cross-cutting ones to address the key drivers of undernutrition. National Nutrition Committee (NNC) was amended in 2016 to lead and coordinate efforts around nutrition. The committee is chaired by a Deputy Prime Minister with one Vice Chair being the Minister of Health. The NNC has Deputy Ministers from 12 ministries and civil society organizations as members.

**In 2018 the World Bank developed a multi-sectoral long-term strategy to support the GoL in operationalizing the national nutrition strategy.** The goal of the overall approach was to optimize existing and future operational and technical assistance (TA) commitments, as well as the policy dialogue to accelerate the stunting reduction. The relevant nutrition-sensitive and nutrition-specific interventions will be coordinated to the extent possible in four key areas: (a) geographic convergence of relevant interventions in the same communities and households; (b) use of common Social and Behavior Change Communication (SBCC) strategy, action plan, and tools for consistent messaging; (c) leveraging of each other's delivery platforms, for example, pre-established community structures; and (d) use of common monitoring and evaluation (M&E) Frameworks. The overarching framework is summarized in figure 1.

*Figure 1. World Bank-Lao PDR Phased Multisectoral Approach to Reduce Stunting, 2018–2028*<sup>1</sup>

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<sup>1</sup> The national target of reduction of stunting to 25 percent pertains to the national level. The World Bank convergence approach will be centered on a subset of four provinces and given that the operations will converge in areas with a higher stunting prevalence (including some provinces with over 60 percent stunting), the approach will significantly contribute to the national goal of stunting reduction.



In phase 1, several World Bank operations – ongoing and new – have come together to provide interventions to the same households spread across the same 12 districts of 4 Northern provinces. Phase 1 of the sectoral operations are co-located in 12 priority districts in the four Northern provinces (Xiang Khouang, Houaphan, Phongsaly, and Oudomxay) with the highest share (> 40 percent) and absolute numbers of stunted children. The specific projects in phase 1 (figure 2) include the Health Governance and Nutrition Development Project (HGNDP; P151425); the Health and Nutrition Services Access Project [HANSA; P166165]); the Scaling-up Water Supply, Sanitation and Hygiene Project (SWSSHP; P164901); the Early Childhood Education (ECE; P145544 and the following up ECD operation); the Poverty Reduction Fund Project (PRFIII; P157963) and its additional financing (P168620); and the Reducing Rural Poverty and Malnutrition project (P162565). Each of these interventions address a key cause of undernutrition in Lao PDR: poverty and vulnerability, limited access to quality health and nutrition services, limited access to water and sanitation, and limited knowledge of adequate maternal and child health and nutrition practices and early childhood development at the household level. In addition, these projects help address issues that cut across sectors, particularly gender dynamics and ethnic diversity that contribute to high levels of stunting.

**Implementation progress of the nutrition convergence approach to date has been very promising with increased utilization of basic health and nutrition services and productive inclusion activities among target households, along with increased knowledge on nutrition enhancing behaviors.** Immunization rates increased to 78 percent in 2020 from 34 percent in 2017. Almost 80 percent of pregnant women in the project areas have attended the requisite four ANC sessions. PNC at 48 hours after birth improved from 27 percent to 58 percent in project areas, while multiple postpartum visits within six weeks remained low. With more than 80 percent of infants being exclusively breastfed, an important milestone in nutrition-specific behaviour has been reached. Integrated outreach and SBCC in all the villages are provided regularly. There is an improvement in household diet diversity indicators. Self-Help Groups (SHGs) have been set up in the project areas and they are saving and loaning for agricultural production and emergencies (over 1,000). Farmer nutrition groups (FNGs) organize cooking sessions a couple of times every week, along with training on milling technology. While service utilization has shown promising improvement, there is a scope for improving the quality of services, such as the SBCC session and nutrition services and counselling during ANC and PNC. Addressing quality aspect is essential to ensure increased service utilization is translated to improved nutritional outcomes.

Phase 2 of this multi-sectoral approach will focus on strengthening the institutions and further scaling up programs and its coverage. Five active and three pipeline operations are implemented simultaneously in the same geographical areas and reaching the same households to accelerate stunting reduction (figure 2). Lessons learned from phase 1 point out to the importance of a robust targeting system and tracking of convergence of services as well as challenges on the local level capacity to plan, manage funds and coordinate the convergence program. These will be adequately addressed in the



components of phase 2 project.

The project is aligned with the WBG's Country Partnership Framework (CPF) FY2022–2026. The World Bank Group Country Partnership Framework (CPF) for Lao PDR FY2022–FY2026 establishes that the WBG will continue to address stunting through a multi-sectoral nutrition convergence approach, which is aligned with the 9th NSEDP 2021–2025 and the National Plan for Nutrition (NPA) under the NNS 2016–2025, and adopts a multi-sectoral convergence approach, bringing together the services of agricultural, social, health and education ministries in targeted geographical areas. The proposed project will specifically contribute to Objective 5 of the CPF, which is to expanded use among women and children of practices and services beneficial to nutrition and objective which focuses on improving inclusive access to quality health services. The World Bank will continue to support the MNCA with several projects targeting the same villages and, where applicable, the same households, with synchronized interventions.

The project supports the World Bank's Gender Equality Strategy (2016–2023). Gender aspects are incorporated into its design that promotes the first objective of the strategy: improving human endowments through investment in health, education and social protection. The operation will also support implementation of the East Asia and Pacific Regional Gender Action Plan and the specific priorities of the Country Gender Action Plan (CGAP) for Lao PDR 2017-2021 which include tackling high maternal mortality rates and adolescent pregnancy and promoting participation of women in planning and decision making at the local level. Finally, the project is also aligned with the World Bank Social Protection and Jobs Compass 2022.

The RRPM II operation is aligned with all four pillars of the WBG's Global Crises Response Framework (CRF). In terms of Pillar 1, responding to food insecurity, the proposed project supports vulnerable households through scaling-up of targeted, nutrition-sensitive social protection. This operation will also contribute to expand financial access to women, by promoting digital payments to beneficiary mothers as well as financial literacy through SBCC sessions aligning with pillar 2. Concerning Pillar 3, strengthening resilience, the RRPM II will enhance social protection systems, leveraging the newly created delivery platform, to mobilize shock-responsive relief to poor and vulnerable households in the event of climate induced and other types of shocks. Moreover, the project materializes a multi-sector human development approach designed to reduce stunting aligning both WB Global Practices and GoL Ministries (Pillar 4) to improve nutritional outcomes.

#### Relationship to CPF

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

The Project Development Objective is to expand access to the Conditional Cash Transfer Program, to improve selected nutrition behaviors, and to enhance the Government of Lao PDR's capacity to deliver integrated multi-sectoral nutrition interventions in priority target areas and in case of an Eligible Crisis or Emergency, respond promptly and effectively to it.

#### Key Results (From PCN)

- a) Number of CCT beneficiaries (gender disaggregated)
- b) Percentage of Children 6 – 23 months from cash transfer beneficiary households consuming foods from four or more recommended food groups.
- c) Share of CCT beneficiaries with increased utilization of relevant health and nutrition services
- d) Number of villages reporting Child Scorecard to track convergence of nutrition interventions on first 1,000-day households.

### **D. Concept Description**

The project will comprise three components that will continue to support the implementation of the nutrition-sensitive conditional cash transfer to address poverty and malnutrition, improve and enhance social protection systems, and promote the planning, coordination, and monitoring of the multisector nutritional convergence approach. Component 1 will focus on strengthening the building blocks of a social protection system developed in phase 1. This will include updating and promoting a wider use of the social registry, initiating interoperability of beneficiary management systems across ministries, and supporting adaptations to the delivery platform to make it shock responsive. Component 2 will continue to finance the conditional cash transfers focused on families with pregnant women and infants ages 0–2 years (that is, the first 1,000 days), along with improvements in the implementation of these. Component 3 will enhance the management capacity and accountability mechanism of the Multisectoral Nutrition Convergence program, including planning, coordination, and monitoring, as well as day-to-day support for the implementation of the project.

#### **Component 1. Strengthening Social Protection Building Blocks**

This component aims to strengthen the key building blocks of a social protection system. Specifically, the component



supports i) the enhancement of the social registry; ii) the development of an integrated beneficiary registry and enhancement of the Management Information System (MIS); and iii) the building of an adaptive social protection (ASP) system.

For the social registry, the component will support reviewing and updating the targeting mechanisms based on the Proxy Means Test (PMT) methodology developed under RRPM, which estimates welfare and ranks households. To populate the social registry, the project will continue supporting the data collection (including on-demand mechanisms and one mass-registration survey nationwide), currently planned for 2025, to be aligned with the schedule for Decree 348 survey). The component will also extend the functionality of the social registry for multiple programs beyond CCT, supporting beneficiary targeting for programs within the nutrition convergence approach, emergency responses including climate shocks, and other government and humanitarian agency programs inter alia.

As the social registry will serve multiple programs, the project will also finance the integrated beneficiary registry and enhance the MIS building on the existing CCT MIS. The integrated beneficiary registry with the enhanced Business Intelligence (BI) module of the MIS could help monitor and coordinate ‘who receives what’ across different programs while also identifying possible coverage gaps. The project will help the MAF consolidate multiple databases under the integrated beneficiary registry, carry out demographic matching and deduplication exercises to clean the data, and seed unique identification number (ID) for each beneficiary’s record. Reflecting the modern principles and practices of data privacy protection, the project will also support the MAF and concerned agencies to develop, adopt, and implement a beneficiary data governance framework. During project preparation, the team has been exploring the possible databases to be included (e.g., MOH’s DHIS2) and a unique ID to facilitate interoperability. For instance, the registry may be able to use the national ID produced from the Civil Registration and Vital Statistics (CRVS) project (P167601) managed by the Ministry of Home Affairs (MOHA).

The concept of Adaptive Social Protection (ASP) supported under this project is to leverage the SP system for disaster risk management (DRM) and climate change adaptation. Specifically, the project will promote the ASP in two areas: 1) enhancing the CCT business process and policy; and 2) strengthening the social protection delivery system (e.g., social and integrated beneficiary registries, MIS, institutional capacity, and payment mechanisms). The former includes support for enhancing the CCT Operations Manual and/or developing relevant policies to ensure business continuity of the CCT program in the event of shocks (e.g., ensuring continuous payment delivery and possible modifications to other implementation procedures), while supporting the scale-up of the CCT program through expanding the coverage and/or increasing the grant amounts in case of an emergency. Based on the modifications to CCT business process, the project will support the strengthening of the social protection delivery system, including ensuring scalability and flexibility of the payment system in the event of shocks.

#### Component 2: Helping Hand Conditional Cash Transfer (CCT)

The objective of this component is to support effective implementation of the Helping Hand CCT program to poor pregnant women and children under two years of age in convergence villages. This component will finance the cash transfers to program beneficiaries.

The proposed project will continue financing the grants of CCT beneficiaries in convergence villages over the period of four years. Beneficiaries receive cash transfers every two months, currently set at KIP 200,000 (~US\$20) per month, subject to meeting compliance with the health and nutrition related co-responsibilities. The program requires that pregnant women/children fulfill the following co-responsibilities: (i) pregnant women attending antenatal care at health centers or integrated outreach sessions, according to MOH protocol; (ii) children 0-2 years old receiving growth monitoring by visiting health centers or integrated outreach sessions; (iii) children receiving immunization according to their age, as established



by MOH; and (iv) the grantee (i.e. recipient of the transfer) and/or proxy attending social behavior change communication sessions at least once a month.

The proposed project will continue its support in current convergence areas supported under RRPM, while expanding its geographic coverage to additional provinces/districts, which will be selected in coordination with convergence projects. The selection of new target areas will consider poverty incidence and density based on the PMT survey, other vulnerabilities (such as risks of climate change), and operational considerations for implementation. The latest PMT survey is ongoing and expected to be completed by the end of December 2022. Thus, the final target area will be selected in early 2023. Program parameters such as the level of the eligibility threshold (i.e., poverty threshold) and benefit amount will be reviewed based on lessons learned and adequacy analysis.

### Component 3: Coordination, management, monitoring, and evaluation

This component will finance two main project activities. The first focuses on project management assistance to MAF. This includes the provision of technical and operational assistance for day-to-day implementation, communication, procurement, financial management, environmental and social framework management, policy research, citizen engagement, payment service provision and capacity-building support to the MAF for project implementation. This activity will also finance the implementation of key process monitoring tools for the operation of the CCT program (i.e. spot-checks, beneficiaries' perception and satisfaction surveys, post-monetary distribution surveys) as well as expert services, knowledge transfer, and trainings to enhance business processes and systems to improve implementation (i.e. enrollment, compliance verification, payments, and the grievance redress mechanism).

The second part of this component will support the Ministry of Planning and Investment (MPI) for overall coordination and M&E of the nutrition convergence program in project areas as well as coordination on geographical targeting through technical and operational assistance. Building on lessons learned from phase 1, the project will enhance its focus on strengthening the local level (province, district) capacity and incentives to plan, manage funds and coordinate the implementation of the convergence program. This will include: (i) refining the planning guidelines used at different levels; (ii) providing additional staffing, facilitation and support for organizing regular supportive supervision and multi-sectoral coordination meetings; (iii) building the management capacity of District Nutrition Committee to provide program oversight, including coordination of SBCC activities and synergy across delivery platforms at village level; and (iv) exploring a results-focused incentives approach. The component will include technical assistance for MPI to address cross-cutting issues such as public financial management to ensure the integration of priority nutrition interventions into regular government planning and budgeting process and the timeliness and predictability of funding for local government. In terms of geographical targeting, this component will support coordination of nutritional convergence projects to continue and expand the co-location of districts and villages, based on agreed targeting criteria.

The component will finance training and operational cost for the execution of the coordination, development, and implementation of comprehensive M&E system. The project will support the roll out of innovative routine monitoring tools such as child scorecard to track convergence of services at the individual level. The project will include capacity building for MPI to enhance the analytics and the use of data for evidence-based decision making by making better use of the vast amount of monitoring data being collected through various instruments/tools. A robust data use strategy and its implementation plan will be developed. This component will also finance a Knowledge, Attitude and Practice (KAP) survey as well as impact evaluation of the CCT program to enable better understanding of how the intervention affects outcomes and assessment of longer-term impacts. The proposed evaluation will build on that of phase 1 by tracking both treatment



and control groups from phase 1 and new beneficiaries under phase 2.

**Component 4: Contingency Emergency Response**

This component is proposed as a contingency emergency response component that will be activated only if the Government declared an emergency. This component will allow rapid reallocation of project proceeds to respond to unanticipated eligible crisis or emergency.

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 have positive environmental and social impacts by improving a social protection system. The project will finance the integrated beneficiary registry which will allow for monitoring and coordinating who receives what? across programs while also identifying gaps, financing some small civil work like nutrition halls/centers, supporting the delivery of the CCT program to support pregnant women and/or children under two years old in poor and vulnerable households in selected priority target areas. The cash grants will be provided to enhance key operational aspects of the CCT program including enrollment, compliance monitoring, payment, grievance redressal, and case management. The project will also finance coordination, management, policy research, citizen engagement, and capacity-building for project implementation as well as facilitate multisectoral coordination at the province and district levels and provide contingency emergency response to allow rapid reallocation of project funds to respond to unanticipated eligible crisis or emergency. Experience from a similar set of activities and implementation arrangements financed under RRMPI suggested that these types of activities can only induce minor negative environmental and social risks and impacts. However, the assessment suggested that 6 out of 10 ESSs (ESS1, ESS2, ESS3, ESS4, ESS7, and ESS10) are relevant to the project.

Environmental risk is classified as Moderate. The project will involve the local staff who will travel and work in remote villages, especially, the villages in mountainous areas; civil work activities involved local workers and communities and transportation of the project's goods including construction materials from the city to villages in a remote area. The environmental risk and impact are expected from (1) physical construction and renovation civil works (noise, vibration, dust, generation, and management of construction wastes); (2) occupational health and safety issues of project personnel who are implementing the 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. However, project activities will enable the opportunity to enhance the knowledge and understanding of local authorities and local communities on the conservation of natural resources and the environment, solid waste management, especially those related to plastic wastes, and other environmental management aspects.

Social risk is classified to be Moderate. The project does not involve any large-scale infrastructure development activities



or interventions that trigger economic or physical displacement of people, damages to properties, or envisaged additional lands. The main social risks are; (a) exclusion of certain people because the project impacts may fall disproportionately on individuals implementing conditional cash transfers for the poorest and vulnerable households, particularly those disadvantaged or vulnerable job seekers and trainees/graduands; (b) risk related to labor and working conditions including volunteers "Village Facilitators" fair incentives, times, travel insurance and potential Occupational Health and Safety (OHS) risks (c) construction induced impacts to people's mobility and access and (d) potential Sexual Harassment (SH), Gender-Based Violence (GBV) during the distribution of services and goods to the targeted population. In particular, risks of exclusion for certain ethnic minority/ IP communities in benefiting from project support and equal access to the benefits are key concerns that need to ensure that the project benefits will be delivered in a culturally appropriate manner.

These potential environmental and social risks and impacts are expected to be minor, localized, and temporary and can be mitigated through the design and implementation of subprojects and environmental and social mitigation measures in compliance with ESF requirements. The client will develop, consult, and disclose an Environmental and Social Commitment Plan (ESCP), ESMF which will include guidelines and principles for the development and implementation of E&S mitigation measures to ensure that project activities are in compliance with ESF requirements. All ESF-related activities are to be funded by the Client as part of the project budget. 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. A Stakeholder Engagement Plan (SEP), including a Grievance Redress Mechanism (GRM), will be prepared. These measures will be implemented within a specified timeframe and the status of implementation will be reviewed as part of project monitoring and reporting. 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 sub-project. For the preparation of the ESF instruments, the client will engage International and local consultants to support the preparation of the required ESF instruments.

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**APPROVAL**

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