



Combined Project Information Documents / Integrated Safeguards Datasheet (PID/ISDS)

Appraisal Stage | Date Prepared/Updated: 24-Sep-2019 | Report No: PIDISDSA27431



BASIC INFORMATION

A. Basic Project Data

Country Lao People's Democratic Republic	Project ID P170951	Project Name Lao PDR Road Sector Project 2 – Additional Finance	Parent Project ID (if any) P158504
Parent Project Name Lao Road Sector Project 2 (LRSP2)	Region EAST ASIA AND PACIFIC	Estimated Appraisal Date 19-Sep-2019	Estimated Board Date 19-Dec-2019
Practice Area (Lead) Transport	Financing Instrument Investment Project Financing	Borrower(s) Lao People's Democratic Republic (Lao PDR)	Implementing Agency Ministry Of Public Works and Transport

Proposed Development Objective(s) Parent

The Project Development Objective (PDO) is to strengthen maintenance systems to improve reliable road connectivity in Lao PDR, and to provide immediate and effective response in case of an Eligible Crisis or Emergency.

Proposed Development Objective(s) Additional Financing

The Project Development Objective (PDO) is to improve climate resilience and strengthen maintenance systems for a reliable road network in Lao PDR, and to provide immediate and effective response in case of an Eligible Crisis or Emergency.

Components

- Component 1: Climate Resilient Road Maintenance
- Component 2: Institutional Strengthening
- Component 3: Project Management
- Component 4: Contingent Emergency Response

PROJECT FINANCING DATA (US\$, Millions)

SUMMARY

Total Project Cost	28.50
Total Financing	28.50
of which IBRD/IDA	25.00
Financing Gap	0.00



DETAILS

World Bank Group Financing

International Development Association (IDA)	25.00
IDA Credit	25.00

Non-World Bank Group Financing

Counterpart Funding	3.50
National Government	3.50

Environmental Assessment Category

B-Partial Assessment

Decision

The review did authorize the team to appraise and negotiate

B. Introduction and Context

Country Context

1. The World Bank’s sustained engagement in the road sector in Lao People’s Democratic Republic (PDR), which began in the early 1990s, has recognized the importance of roads as enablers of economic development and later, in line with the Millennium Development Goals (MDGs) and Sustainable Development Goals (SDGs), as facilitators of inclusion and shared prosperity accompanied by a decrease in inequality. The initial projects focused on road improvement and maintenance. However, the sector has experienced an increase in the impacts of climate change, resulting in increased expenditures related to emergency repair and post disaster recovery. Integrating climate resilience into asset management approaches is therefore crucial in optimizing expenditure and sustaining the road network in as good condition as possible within the resources available. As a result, climate resilient road asset management became the focus of the Lao Road Sector Project 2 (LRSP2).

Sectoral and Institutional Context

2. The US\$25 million equivalent LRSP2 was approved on December 13, 2016 and became effective on February 7, 2017. The Project Development Objective (PDO) is to strengthen maintenance systems to improve reliable road connectivity in Lao PDR, and to provide immediate and effective response in the case of an Eligible Crisis or Emergency. The Project has been designed as a program to support the strengthening of maintenance systems that will result in improved connectivity. The Project finances climate resilient road improvement as well as periodic and routine maintenance works of provincial and district roads in six provinces (Phongsaly, Houaphan, Oudomxay, Xiengkhouang, Xayabouly and Bolikhamsay). In addition, the Project supports: (i) institutional development through the preparation of financing and policy frameworks and improved planning and



prioritization; (ii) improved governance systems; (iii) building technical capacity for the road sector as a whole in order to maximize the effectiveness of public expenditure and allow for the incremental increase in the length of the provincial road network in good and fair condition; and, (iv) improved climate resilience and safety.

C. Proposed Development Objective(s)

Original PDO

3. The PDO is to strengthen maintenance systems to improve reliable road connectivity in Lao PDR, and to provide immediate and effective response in case of an Eligible Crisis or Emergency.

Current PDO

4. As part of the Additional Finance, the PDO will change to “Improve climate resilience and strengthen maintenance systems for a reliable road network in Lao PDR, and to provide immediate and effective response in case of an Eligible Crisis or Emergency”.

Key Results

5. Progress towards achieving the PDO will be measured with the following Outcome Level indicators:
 - (a) Preparation and implementation of three-year rolling climate resilient road maintenance plans, on annual basis (Yes/No);
 - (b) Share of total provincial and district road network in Project area in good and fair condition (Percentage);
 - (c) Share of rural population with access to an all-season road (National) (Percentage);
 - (d) Share of rural population with access to an all-season road in project area (Percentage);
 - (e) Direct project beneficiaries (Number)¹; and,
 - (f) Kilometers of road improved with climate resilience measures and receive maintenance (Kilometers).

D. Project Description

6. Lao PDR is highly susceptible to natural hazards including floods and storms. The local transport infrastructure is particularly vulnerable to the impacts of extreme weather events and climate change as a result of generally low design and construction standards, lack of adequate maintenance, and technical designs that have not accounted for increased variability. The growing impacts of natural disasters and extreme weather events on the road network have resulted in a growing maintenance backlog and has increased the need for emergency repair. The importance of increased climate resilience for the road network is now therefore recognized as a significant factor in reducing emergency repair expenditures. The LRSP2 Additional Finance is necessary to help support the financing of climate resilient road works following the disaster events that affected Lao PDR from July to September 2018, including Tropical Storm Son-Tinh, the flash flooding caused by a breach in the Xe pien-Xe Nam Noy hydropower saddle dam, and Tropical Storm Bebinca.
7. The Additional Finance proposes to provide an International development Association (IDA) credit of US\$25 million equivalent from the IDA Crisis Response Window (CRW) for the LRSP2. In addition, the proposed Additional Finance includes a Level 2 Restructuring of LRSP2 to:

¹ Disaggregated by female beneficiaries.



- Revise the Project Development Objective (PDO) to include climate resilience;
 - Revise the results framework and monitoring indicators;
 - Remove the Disbursement Linked Indicator (DLI) from Component 1.2;
 - Change the disbursement estimates to account for the additional financing;
 - Change the components and costs;
 - Extend the project closing date by 40 months from August 31, 2022 until December 31, 2025 for the implementation of activities under the Additional Finance; and,
 - Change the current Environmental Category A safeguards classification to Category B.
8. The Additional Finance will support the Government of Lao PDR (GoL) to scale up LRSP2 to: (i) carry out climate resilient improvements and maintenance of sections of NR13 S using an Output and Performance-Based Road Contract (OPBRC) approach; (ii) provide additional technical and operational assistance for the sector strategy, training and capacity building, contract management, quality assurance, road safety, and environmental and social monitoring; and, (iii) provide small boats to communities located in flood-prone areas along the NR13 S to be used to rescue villagers during flooding. No additional safeguard policies will be triggered. In addition, as part of the Additional Finance, no changes are proposed to the implementation and financial management arrangements that are currently in place.
9. The Additional Finance will also include a change to the current Environmental Category A safeguards classification to Category B. Environmental Category A was applied to LRSP2 as it was expected during preparation that the technical assistance activities could lead to the development and implementation of investments in the road sector that meets Category A, and a possible public-private partnership project (PPP), which were expected to have downstream environmental and social impacts. However, the technical assistance for the preparation of the PPP has been completed and no resources will be allocated under the Additional Finance to prepare a PPP. In addition, LRSP2 Additional Finance will not finance works that are expected to result in high risks and significant impacts (i.e., will not finance works classified as Category A) and will instead focus on routine and periodic road maintenance, including spot improvement to improve climate resilience and road safety of the southern section of NR13. The proposed works would be mainly carried out on the existing carriageway within the existing right of way and may involve minor adjustments in some spots (still to be confirmed through a survey), to improve road safety and/or strengthen road climate resilience. The potential impacts from these activities are anticipated to be minor, site specific, localized, temporary and manageable.

E. Implementation

Institutional and Implementation Arrangements

10. **Institutional and Implementation Arrangements.** The Ministry of Public Works and Transport (MPWT) is the Project Implementing Agency and will be responsible for the overall supervision, execution, and management of LRSP2 Additional Finance. The Department of Finance (DoF) will have overall responsibility for financial management of the project. DoF staff is responsible for accounting and disbursement of project funds, and overall procurement support to MPWT departments implementing LRSP2 activities, ensuring that the Government and IDA's procurement guidelines, as well as those of financiers of LRSP2 are followed and the correct procurement documents are used.



11. MPWT's Department of Roads (DoR) will be responsible for overseeing the implementation of Component 1 on climate resilient road maintenance including monitoring progress, supervising the procurement process, chairing of the Procurement Evaluation Committee, providing prior review, reviewing work plans, and allocating funds to routine and periodic maintenance activities.
12. MPWT's Department of Planning and Cooperation (DPC) will implement all activities related to sector strategic planning, financing and policy framework development. DPC will also be responsible to oversee the overall project coordination and management. DPC have the specific following roles and responsibilities: (i) prepare the updated Project Operational Manual (POM) and ensure that it is followed; (ii) review and update implementation schedule for all project activities and disbursement plan (jointly with DoF); (iii) consolidate quarterly and yearly progress reports from all MPWTs implementing agencies; and report on project progress to MPWT Minister of Public Works and Transport, the WB, and other program financiers; (iv) ensure that Audits (technical and financial) are carried out; (v) ensure safeguard activities are implemented; (vi) review and clear training plans prior to implementation; and, (vii) identify and resolve issues related to implementation constraints or delays.
13. The Department of Inspection (DoI) will have overall responsibility for quality assurance of the project implementation including contract management for independent technical and financial auditors. The department will also responsible for monitoring and reporting on the grievance mechanism implementation in coordination with the ICT division of the Cabinet Office, and work with the provincial Division of Inspection at DPWT.
14. The Environmental Research and Disaster Prevention Division of Works of the Public Works and Transport Research Institute (EDPD-PTRI) will be responsible for: (i) overseeing full compliance with project safeguard instruments and will conduct monitoring of safeguard policy implementation in coordination with DoR and Provincial Offices for Natural Resources and Environment (PONRE); (ii) ensuring DoR includes the safeguards requirements into the bidding documents; (iii) monitoring the supervision of the implementation of these requirements; (iv) verifying safeguards mitigation measures are applied; (v) liaising with the Department of Environment and Social Impact Assessment of the Ministry of Natural Resources and Environment (MONRE), including for updating the Environmental and Social Operations Manual (ESOM) and for ESOM capacity development of DPWT and OPWT; and, (vi) integrating the gender dimension into safeguards documents, and consultation processes. EDPD-PTRI will provide an annual report on the environmental and social impacts of the works carried out under the program and ensure all road maintenance works are at all times carried out in conformity with the Environmental and Social Management Framework (ESMF) in a manner which ensures that any adverse environmental impact is effectively mitigated in a timely and satisfactory manner.
15. The provincial Departments of Public Works and Transport (DPWT) are responsible for administration of local roads including Provincial, District, and Rural roads. As part of the Additional Finance, DPWT will work with DoR for day-to-day site supervision and quality control, as well as liaison with the local communities.

F. Project location and Salient physical characteristics relevant to the safeguard analysis (if known)

All six provinces covered by the ongoing parent project (LRSP2) are largely covered by mountains with rolling features over flat areas. Phongsaly (PSL), Xayaboury (XBL), and Oudomxay (ODX) are located in the



north and northwest of the country while Houaphan (HP), Xiengkhouang (XK), and Bolikhamxay (BKX) are in the northeast and central and Attapue (ATP) is located in the south. Under the LRSP2 Additional Finance, the NR13 S section runs through 5 districts and two provincial capital towns of Borikhamxay and Khammouane where 85 villages were initial observed along the road section. There are some sensitive receptors including schools, district hospitals, health centers and cultural heritage (village temples) along the NR13 S section found outside the area of the right of way. Some temporary small structures built or extended and naturally growing trees were observed along the road right of way. Some multi-ethnic villages were observed along the NR13 S section. A detailed assessment will be conducted to identify the presence of ethnic groups, impacts on the communities including ethnic groups and mitigation measures after the detail survey and design of the road subproject have been finalized with critical spots determined to improve road safety, climate resilience and accommodate emergency and temporary stop in selected area.

G. Environmental and Social Safeguards Specialists on the Team

Sybounheung Phandanouvong, Social Specialist
Waraporn Hirunwatsiri, Environmental Specialist

SAFEGUARD POLICIES THAT MIGHT APPLY

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	<p>The project investments focus on Provincial and District routine road maintenance, some periodic maintenance, spot improvements, and climate resilience strengthening. The works have been almost exclusively been done on the existing right-of-way. Activities include elevating flood prone road sections, paving road sections with steep slope and the sections passing through large communities, drainage improvement/ construction, slope improvement/ stabilization etc. These spot improvement activities have been carried out only on some critical sections and involve minor re-alignments to improve road safety and/or strengthening road climate resilience.</p> <p>No major environmental impacts from road work activities were identified and reported under the parent project. Insignificant and temporary impacts</p>



identified were managed and minimized through site specific EMPs, ECOP and close supervision. These include dust dispersion, noise, traffic obstruction and access, road safety, construction waste management, borrow and quarry pits management etc.

Environmental Category A applied under the parent project is changed to B as the LRSP2 Additional Finance will not finance works that are expected to result in high risks and significant impacts and will focus on routine and periodic road maintenance, including spot improvement to improve climate resilience and road safety of the southern section of NR13. Additionally, the TA preparation of the PPP, which initially warranted higher environmental safeguards category under the parent project, has been completed. Under the AF, no further resources will be allocated to PPP or TA to prepare PPP-related activities.

Component 2 of the project will continue to provide TA support to ensure PIA capacity is in place to implement the project activities and safeguard instruments to be applied under LRS2 AF. These are Environmental and Social Management Framework (ESMF) for screening and assessing environmental and social issues and the associated site-specific safeguard instruments. The ESMF covers all investments and TA activities financed under the project and includes generic Environmental and Social Management Plan (ESMP) and Environmental Code of Practices (ECOPs).

Public consultation on the safeguard instruments was conducted in August 2019. Outcomes of the consultation are reflected in the final ESMF, RPF and EGPF, which has been cleared by the Bank and re-disclosed prior to appraisal.

For component 4 - Contingency Emergency Response Component (CERC), a generic Emergency Response Operation Manual has been prepared for use countrywide during project implementation. The CERC component will be activated once the Operational Manual and the safeguard documents



		are prepared and found to be acceptable by the Bank.
Performance Standards for Private Sector Activities OP/BP 4.03	No	This is not PPP type of investment. The investment is entirely government executed.
Natural Habitats OP/BP 4.04	Yes	<p>Like the parent project, LRS2 AF activities are anticipated to be carried out within the existing roads ROW so clearance of natural habitats is not anticipated. However, the NR13 S section run along two Protected Areas (PA) with some natural habitats observed. This policy is therefore triggered.</p> <p>Procedures to screen, identify, assess and address sub-project impacts on natural habitats has been included in the ESMF. These clearly state that investments will not be financed where: Significant conversion or degradation of natural habitat or where the conservation and/or environmental gains do not clearly outweigh any potential losses.</p>
Forests OP/BP 4.36	Yes	<p>Like the parent, the AF activities are expected to be carried out within the existing roads ROW and any clearance of forests is not anticipated.</p> <p>However, because the target NR13 S section may run along 2 Protected Area (PA) or other critical habitats, this policy is triggered.</p> <p>Procedures to screen, identify, assess and address sub-project impacts on natural habitats has been included in the ESMF. These clearly state that investments will not be financed any road works in any areas where significant conversion or degradation of natural habitat or where the conservation and/or environmental gains do not clearly outweigh any potential losses.</p>
Pest Management OP 4.09	No	The project activities are not expected to use pesticides, nor lead to increased usage of pesticides.
Physical Cultural Resources OP/BP 4.11	Yes	<p>The activities funded through the parent project as well as LRS2 AF are expected to be carried out within the existing roads ROW. However, this policy is triggered for the purpose of precaution.</p> <p>Procedures to screen, identify and mitigate impacts on PCR as well as 'Chance Find' procedures have been included in the ESMF to ensure that unexpected discovery of PCR are properly handled.</p>



Under the parent project, ethnic groups were identified to be present where investments under the program were prepared so the policy is triggered. However, the ESMF clearly indicates that investments will not be made for any road sections which are likely to create adverse impacts on ethnic groups within the village and/or in neighboring villages or unacceptable to ethnic groups communities living in a village of mixed ethnic composition. Under LRSP2 AF, some ethnic groups were observed along the NR13 S section.

The existing Ethnic Group Engagement Framework (EGPF) applied under the parent project is updated to be used for LRS2 AF. EGPF provide policies and procedures to ensure that the following would be conducted in line with the OP 4.10, namely: (i) ethnic screening; (ii) free, prior and informed consultations with ethnic groups leading to their broad community support; and (iii) Social Assessment (SA) and the development of an Ethnic Groups Engagement Plan (EGEP).

If ethnic groups are found to be present in project affected areas, free, prior and informed consultations leading to their broad community support will be conducted and Social Assessment (SA) be conducted, and site- specific EGDP will be developed and disclosed prior to the commencement of the annual work plan.

Like the parent project, minor land acquisition and/or loss of private assets may arise, although such impacts are likely to be minor. The policy is thus triggered.

A Resettlement Policy Framework (RPF) applied under the parent project has been updated and disclosed before appraisal. The RPF provides policies and procedures to avoid, minimize or mitigate negative impacts that may result from the project investments.

A work plan has been prepared annually. For minor impacts that may occur such as losses of small parcels of land or economic assets, including restriction of access during the period of

Indigenous Peoples OP/BP 4.10

Yes

Involuntary Resettlement OP/BP 4.12

Yes



		construction, an Abbreviated Resettlement Action Plan will be prepared in line with the provisions of the RPF. The Abbreviated RAP will primarily include anticipated temporary land acquisition impacts. A full site- specific Resettlement Action Plan (RAP) will be developed and disclosed for any section, if more than 200 people or 40 households are affected.
Safety of Dams OP/BP 4.37	No	Like the parent project, AF will not involve construction or rehabilitation of dams nor investment, which rely on the services of existing dams.
Projects on International Waterways OP/BP 7.50	No	There are no known components of both parent project and LRS2 AF involving international waterways as defined under the policy.
Projects in Disputed Areas OP/BP 7.60	No	The parent project as well as AF is not located in any known areas as defined under the policy.

KEY SAFEGUARD POLICY ISSUES AND THEIR MANAGEMENT

A. Summary of Key Safeguard Issues

1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts:

The Environmental Category A, was applied under the parent project (LRSP2) because as it was expected during preparation that the Technical Assistance (TA) activities would support the development and implementation of investments in the road sector, and a possible PPP, which were expected to have significant downstream environmental and social impacts. However, it has become clear that the LRSP2 will not finance any further development and implementation investments and the PPP or related activities that are expected to result in high risks and significant impacts. The TA activities are no longer part of the project. Thus, the Environmental Category is changed to B.

The safeguard category B will also apply to LRSP2 Additional Finance because it will not finance works that are expected to result in high risks and significant impacts (i.e., works classified as Category A) and will instead focus on routine and periodic road maintenance, including spot improvement to improve climate resilience and road safety of the southern section of NR13. The proposed works would be mainly carried out on the existing carriageway within the existing right of way and may involve minor adjustments in some spots (still to be confirmed through a survey), to improve road safety and/or strengthen road climate resilience. The potential impacts from these activities are anticipated to be minor, site specific, localized, temporary and manageable.

In addition, long term social and environmental impacts will be positive from improved road accessibility, road safety, road climate resilience and well-being of local people. Potential negative impacts on the environment will be minor in scope, short-term and localized because the project will finance maintenance and repairs of the existing provincial roads only. Project activities may cause temporary disruption of traffic in the sections of roads under maintenance and repairs. They may generate noise and dust, typical for road works and lead to the accumulation of construction waste.



Pollution from fuel and lubricants associated with the deployment of transportation and construction machinery is also possible. All of these possible negative impacts are expected to be modest given the small scale of the planned works, confined to the immediate area of project intervention. Project activities will be confined almost exclusively to the existing alignment and right of way and will not include the construction of new roads. Therefore, the project does not carry any significant risk of destroying important natural habitats, damaging forest stands, or affecting other ecosystems and physical cultural resources in any tangible and/or irreversible ways. The potential negative impacts could be mitigated through the application of the ESMF and Environmental Code of Practices (ECoPs) prepared for the project. Given the sector-wide approach, some negative impacts related to potential disruptions during construction and limited or restricted access to economic activities of vendors along the alignment are envisaged.

An initial assessment and consultation conducted in August 2019 reveal that potential impacts due to land acquisition and resettlement are expected to be insignificant, temporary and manageable. AF works aim to follow the existing alignment with possible minor changes at sharp curves and/or expansion of road surface (e.g. from 9 meters to 12 meters) to improve road safety and accommodate emergency and temporary stop in selected area.

With regards to Indigenous People, some ethnic groups mixed with majority Lao Tai groups were initially observed along the NR13 S section. A detailed assessment will be conducted to identify ethnic groups, impacts on their livelihood and mitigation measures after the detailed survey and design of the road subproject are finalized. The existing Ethnic Group Development Framework (EGDF), which is renamed as Ethnic Group Engagement Framework (EGEF) in response to the client's suggestion has been updated to accommodate the scope of the Additional Finance. In the event that an ethnic group is identified to be present with collective attachment to the project area, an Ethnic Group Development Framework Plan (EGEP) will be prepared to be implemented under the Additional Finance in line with the updated EGEF. The cost for the preparation and implementation of the EGEP will be part of the Environmental and Social Management Framework (ESMF) budget. Both the ARAP and EGEP will outline the process of the Grievance Redress Mechanism (GRM) that will provide access for project-affected people and concerned stakeholders to raise their concerns and provide feedback for the project. The ARAP and EGEP are required to be publicly disclosed and completed prior to commencement of civil works. Gender integration will be implemented under Component 1 and 2.

2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:

The project road maintenance and spot improvement works may result in an increase in traffic, number of vehicles, driving speed, accidents and fatalities. To address these impacts, road safety considerations have been included in the ESMF. The project will also provide support on road safety to the National Traffic Safety Council and Department of Transport and training on traffic safety, including implementation of the traffic safety action plan and roll out of public awareness raising campaigns.

Work contractors to be hired are expected to establish their camp sites and borrow pits for their workers, construction equipment and materials which may pose possible risks and impacts on community health and safety. These include, but should not be limited to possible communicable diseases, (STD, HIV/AIDs, tuberculosis), waste and water-borne diseases, Gender-Based Violence (GBV), Violence Against Children (VAC) and other forms of Sexually Exploitation and Abuse (SEA) and human trafficking.

3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.

N/A



4. Describe measures taken by the borrower to address safeguard policy issues. Provide an assessment of borrower capacity to plan and implement the measures described.

The Environmental and Social Framework (ESF) will not be applied to the project as it meets the eligibility criteria for processing an Additional Finance under the safeguard policies, as the activities to be supported under the Additional Finance would not raise the safeguards category of the original project or trigger any new safeguards policies or risks. The exact location of the new investments will be determined by a Feasibility and Detailed Design Study which is expected to be completed after appraisal. Therefore, exact locations of the new investments will not be known by the time of appraisal. For the Additional Finance the existing ESMF, RPF and the EGEF/EGEF will be updated to reflect the proposed additional scope, and publicly disclosed prior to appraisal. A work plan for safeguard implementation including capacity development activities is prepared annually. To mitigate social and environmental impacts, MPWT has prepared an ESMF with tools provided for assessing environmental and social issues and for preparing required site-specific safeguard instruments once specific locations and technical details of the selected investments are identified during project implementation. The ESMF indicates that any activities resulting in the following will not be eligible for financing under the Additional Finance:

- (a) Likely to create adverse impacts on ethnic groups within the village and/or in neighboring villages or unacceptable to ethnic groups communities living in a village of mixed ethnic composition.
- (b) Loss or damage to cultural property, including sites having archaeological (prehistoric), paleontological, historical, religious, cultural and unique natural values.
- (c) Purchase of gasoline or diesel generators and pumps; guns; chain saws; large amount of pesticides, insecticides, herbicides and other dangerous chemicals; asbestos and other investments detrimental to the environment.
- (d) Significant conversion or degradation of natural habitat or where the conservation and/or environmental gains do not clearly outweigh any potential losses.
- (e) Construction of new roads and major road upgrading, improvement, and/or rehabilitation that is classified as Category A according to OP/BP 4.01.

ESMF was prepared in line with and taking into account, the government-related regulations, the World Bank safeguard, the MPWT's ESOM, as well as experience gained from safeguard implementation by MPWT agencies/staff and current issues related to road projects in Lao PDR. It covers all investments and technical assistance activities financed under the project to address requirements of the safeguard policies triggered by the project including OP/BP 4.01, OP/BP 4.04, OP/BP 4.36, OP/BP 4.11, OP/BP 4.10 and OP/BP 4.12. It is envisaged that should other donors provide complementary financing to that under this project the ESMF will apply to them as well, updated as required. All activities/ subprojects will be in compliance with ESMF regardless of funding sources.

In addition, the Environmental and Social Health and Safety (ESHS) guidelines including Code of Conducts being applied under the parent project will be adopted by the NR13 S subproject to prevent and address the potential risks and impacts on community health and safety. The ESHS requirements will be included in bidding documents to be complied by the work contractors whose performance will be closely supervised and reported by the project. A Grievance Redress Mechanism (GRM) will be established based on the existing national system with a village mediation committee (unit) and fiduciary structures in place from the district to the national level. GRM will provide access for the target villages and people affected by the project activities to raise their concerns and suggestions on the project development and implementation.

The ESMF and site-specific safeguards instruments will be implemented by MPWT through the Environmental Research and Disaster Prevention Division (EDPD formerly known as ESD) of the Public Works and Transport Research Institute (PTRI), the DoR and relevant DPWTs with oversight from Department of Planning and Cooperation (DPC).



MPWT is familiar with and has experience in managing safeguards under World Bank-financed projects and has developed the ESOM, which are mostly consistent with World Bank's environmental and social safeguard policies. In addition, knowledge, and understanding among MPWT staff, both at the central and provincial levels, of World Bank environmental and social safeguard policies has improved through the implementation of the Lao Road Sector Project (LRSP).

Training on application of ESOM was provided to DPWTs and key divisions of DoR as part of the implementation of the LRSP2 project. An assessment on safeguard implementation capacity during the preparation of the ESMF suggested the following weaknesses: (i) EDPD/PTRI appears to be the only agency with enough capacity and staffing on safeguard training and monitoring, while the capacity of DoR and DPWTs to implement safeguards remains limited; and, (ii) there is a lack of resources and budget for safeguards monitoring at DoR and DPWTs. Measures to address these gaps are recommended in the ESMF. In addition, capacity building for safeguard compliance is included as a key element of the institutional development activities under the project for which funding is allocated in the project budget.

5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people.

Consultation on the draft ESMF, RPF, and EGEF for the parent project was conducted twice with key stakeholders including relevant government agencies, local NGOs as well as local authorities and communities in some of the pilot provinces (Bolikhamxay and Xayabouly) in a free, prior and informed consent manner to seek their views and establish their broad support for the project implementation. The first of consultation was made in Vientiane capital and Bolikhamxay and Xayabouly on February 25, 2016, and the second event was done with the central level stakeholders in Vientiane Capital during March 6-11, 2016, respectively, focusing on the project scope and draft terms of reference for the ESMF, EGEF, and RPF. The results were taken into consideration during the preparation of the draft ESMF, RPF, and EGEF.

The draft ESMF including RPF and EGEF were disclosed on the MPWT website and the Bank InfoShop on April 11, 2016. The second set of consultations was conducted on the drafts (English and Lao) in Bolikhamxay and Xayabouly and in Vientiane in late April 2016. Additional consultations on the draft ESMF, RPF, and EGEF were also conducted in two more provinces in the north (Houaphan and Oudomxay) where they are home to multi-ethnic groups. The final ESMF, EGEF, and RPF with the consultation results taken into account were re-disclosed on the MPWT website and in the six project provinces as well as on the World Bank website before appraisal. Consultation for the on-going subprojects under parent project is being conducted during the preparation of the subproject an alignment sheet for year 2. For the area where the ethnic minority group is present with collective attachment to the project area, the consultation is carried in a free, prior and informed consent manner to seek their views and establish their broad support for the project implementation.

Consultation on the draft updated ESMF, RPF, and EGEF for the LRSP2 Additional Finance was conducted in both target provinces, Bolikhamxay and Khammouane during August 19-21, 2019. Public consultation for LRSP2 Additional Finance will be conducted in Vientiane during appraisal of the project. The project information leaflet (PIL) applied under LRSP2 and NR13 project was updated to be applied under LRSP2 Additional Finance. The PIL has been distributed to all project-affected villages and households on August 6, 2019 before the consultation to provide information on the project design, potential impacts (both positive and adverse), mitigation measures and GRM procedures including the contact detail of responsible persons.

The first draft updated ESMF including the RPF and EGEF (in both English and Laos) were disclosed on the MPWT



website on August 12, 2019, before consultation and the final drafts will be disclosed on prior to appraisal and submitted to the World Bank for review and clearance. The final ESMF, RPF, and EGEF, taking into account World Bank comments, will be re-disclosed after appraisal.

B. Disclosure Requirements (N.B. The sections below appear only if corresponding safeguard policy is triggered)

Environmental Assessment/Audit/Management Plan/Other

Date of receipt by the Bank 30-Aug-2019	Date of submission for disclosure 13-Sep-2019	For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors
--	--	--

"In country" Disclosure

Lao People's Democratic Republic
14-Sep-2019

Comments

Resettlement Action Plan/Framework/Policy Process

Date of receipt by the Bank 30-Aug-2019	Date of submission for disclosure 13-Sep-2019
--	--

"In country" Disclosure

Lao People's Democratic Republic
14-Sep-2019

Comments

Indigenous Peoples Development Plan/Framework

Date of receipt by the Bank 30-Aug-2019	Date of submission for disclosure 13-Sep-2019
--	--

"In country" Disclosure

Lao People's Democratic Republic
14-Sep-2019

Comments



If the project triggers the Pest Management and/or Physical Cultural Resources policies, the respective issues are to be addressed and disclosed as part of the Environmental Assessment/Audit/or EMP.

If in-country disclosure of any of the above documents is not expected, please explain why:

C. Compliance Monitoring Indicators at the Corporate Level (to be filled in when the ISDS is finalized by the project decision meeting) (N.B. The sections below appear only if corresponding safeguard policy is triggered)

OP/BP/GP 4.01 - Environment Assessment

Does the project require a stand-alone EA (including EMP) report?

Yes

If yes, then did the Regional Environment Unit or Practice Manager (PM) review and approve the EA report?

Yes

Are the cost and the accountabilities for the EMP incorporated in the credit/loan?

Yes

OP/BP 4.04 - Natural Habitats

Would the project result in any significant conversion or degradation of critical natural habitats?

Yes

If the project would result in significant conversion or degradation of other (non-critical) natural habitats, does the project include mitigation measures acceptable to the Bank?

Yes

OP/BP 4.11 - Physical Cultural Resources

Does the EA include adequate measures related to cultural property?

Yes

Does the credit/loan incorporate mechanisms to mitigate the potential adverse impacts on cultural property?

Yes

OP/BP 4.10 - Indigenous Peoples

Has a separate Indigenous Peoples Plan/Planning Framework (as appropriate) been prepared in consultation with affected Indigenous Peoples?

Yes

If yes, then did the Regional unit responsible for safeguards or Practice Manager review the plan?

Yes



If the whole project is designed to benefit IP, has the design been reviewed and approved by the Regional Social Development Unit or Practice Manager?

Yes

OP/BP 4.12 - Involuntary Resettlement

Has a resettlement plan/abbreviated plan/policy framework/process framework (as appropriate) been prepared?

Yes

If yes, then did the Regional unit responsible for safeguards or Practice Manager review the plan?

Yes

Is physical displacement/relocation expected?

TBD

Is economic displacement expected? (loss of assets or access to assets that leads to loss of income sources or other means of livelihoods)

TBD

OP/BP 4.36 - Forests

Has the sector-wide analysis of policy and institutional issues and constraints been carried out?

Yes

Does the project design include satisfactory measures to overcome these constraints?

Yes

Does the project finance commercial harvesting, and if so, does it include provisions for certification system?

Yes

The World Bank Policy on Disclosure of Information

Have relevant safeguard policies documents been sent to the World Bank for disclosure?

Yes

Have relevant documents been disclosed in-country in a public place in a form and language that are understandable and accessible to project-affected groups and local NGOs?

Yes



All Safeguard Policies

Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?

Yes

Have costs related to safeguard policy measures been included in the project cost?

Yes

Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?

Yes

Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?

Yes

CONTACT POINT

World Bank

Sombath Southivong
Senior Infrastructure Specialist

Chanin Manopiniwes
Senior Infrastructure Economist

Borrower/Client/Recipient

Lao People's Democratic Republic (Lao PDR)
Angkhansada Mouangkham
Deputy Director General, External Finance Department, Minist
angkhansada@yahoo.com

Implementing Agencies

Ministry Of Public Works and Transport
Thongdeun Khammany
Deputy Director General, Department of Finance, Ministry of
thongdeun@yahoo.com



FOR MORE INFORMATION CONTACT

The World Bank
1818 H Street, NW
Washington, D.C. 20433
Telephone: (202) 473-1000
Web: <http://www.worldbank.org/projects>

APPROVAL

Task Team Leader(s):	Sombath Southivong Chanin Manopiniwes
----------------------	--

Approved By

Safeguards Advisor:	Peter Leonard	24-Sep-2019
Practice Manager/Manager:	Almud Weitz	26-Sep-2019
Country Director:	Nicola Pontara	26-Sep-2019