

**COMBINED PROJECT INFORMATION DOCUMENTS / INTEGRATED
SAFEGUARDS DATA SHEET (PID/ISDS)
APPRAISAL STAGE**

Report No.: PIDISDSA17974

Date Prepared/Updated: 24-Jul-2016

I. BASIC INFORMATION

A. Basic Project Data

Country:	Lao People's Democratic Republic	Project ID:	P158504
		Parent Project ID (if any):	
Project Name:	Lao Road Sector Project II (LRSP2) (P158504)		
Region:	EAST ASIA AND PACIFIC		
Estimated Appraisal Date:	01-Aug-2016	Estimated Board Date:	13-Dec-2016
Practice Area (Lead):	Transport & ICT	Lending Instrument:	Investment Project Financing
Borrower(s):	External Finance Department, Ministry of Finance		
Implementing Agency:	Department of Planning and Cooperation		
Financing (in USD Million)			
	Financing Source		Amount
	BORROWER/RECIPIENT		20.00
	International Development Association (IDA)		25.00
	Nordic Development Fund (NDF)		12.40
	Financing Gap		0.10
	Total Project Cost		57.50
Environmental Category:	A - Full Assessment		
Appraisal Review Decision (from Decision Note):	The review did authorize the team to appraise and negotiate		
Other Decision:			
Is this a Repeater project?	No		

B. Introduction and Context

Country Context

Economic growth has been rapid in recent years in Lao PDR, boosted by the resource sector and its related activities but also buoyed by accommodative macroeconomic policies on both the fiscal and monetary fronts. Gross Domestic Product (GDP) has grown at an average of 7.5% per annum for the past 15 years to US\$12 billion. GDP grew by 7% in 2015. With key power generation plants and new power projects coming fully on stream in 2016 GDP growth is projected to remain at around 7 percent in 2016. Despite strong economic growth, poverty remains high in Lao PDR, Poverty declined from 33.5 percent in 2002/03 to 23.2 percent in 2012/13 and Lao PDR achieved the Millennium Development Goal (MDG) target of halving extreme poverty by 2015. However, the pace of poverty reduction and growth in consumption is less proportionate to economic growth.

The country has made significant progress in becoming more integrated both internally and with the regional and international trading system. Lao PDR completed its accession to the World Trade Organization (WTO) in February 2013. The country is also a member of the Association of Southeast Asian Nations (ASEAN) Economic Community (AEC).

Lao PDR is one of the ASEAN region's most vulnerable countries to natural disasters with the highest 100-year Probable Maximum Loss (PML) relative to GDP (as high as 11.7 percent). In 2009, Typhoon Ketsana resulted in estimated damages and losses of US\$58 million. In 2011, Typhoon Haima and Tropical Storm Nok-Ten caused damages of US\$66 million and US\$71.9 million, respectively. In 2013, a series of storms caused extensive flooding affecting 350,000 people in 12 provinces (out of a total of 18). Global and regional climate change projections suggest that natural disasters in Lao PDR are likely to intensify and become more frequent.

A Climate Change and Disaster Law is currently being developed with expected approval in 2017. The National Strategy on Climate Change (NSCC) was approved in early 2010, and climate change action plans for the period 2013-2020 have been prepared for key sectors, including transport. The NCCC forms the basis for the country's Intended Nationally Determined Contribution (INDC) presented to the Conference of the Parties in 2015 (COP21).

Since the 2000s Lao PDR has progressively devolved administrative responsibilities for public service delivery to local levels. The decentralization policy mandates central government to focus on policy, financing, regulatory frameworks and oversight, while planning and implementation responsibilities are delegated to provinces and districts. The process is intended to help improve service delivery and respond to local needs. The Constitution of Lao PDR was amended in 2015. One of the changes includes the establishment of provincial assemblies with the mandate to review and approve provincial investment plans.

Sectoral and institutional Context

The transport sector in Lao PDR is dominated by the road sub-sector representing 98% of total passenger km traveled, and 86% of freight moved in the country. Road transport remains at the core of the country's policy from land-locked to land-linked and central to economic development and poverty reduction. Therefore, the road network is the key priority for the transport sector, linking people to resources, markets, and public services.

The road network has a total length of 51,600 km and consists of national (16%), provincial

(18%), district (12%), rural (44%), urban (5%), and special roads (5%). Local roads (provincial, district and rural road) make up three quarters of the total network. Of the total road network, 22% is paved, 44% is gravel surfacing, while 34% is earth roads. Of this total, 22% is in excellent or good condition, 23% in fair condition, and 55% in poor condition; seasonal closures, particularly of local roads, are frequent due to poor surface, deficient cross drainage, lack of water crossing structures, flooding, and slope slides. A significant part of the core national roads were built 15 to 20 years ago and are in need of rehabilitation, improvement, and periodic maintenance.

Lao PDR is highly susceptible to climate impacts and the risk increases considerably if climate change projections are taken into account. The local transport infrastructure (especially unsealed roads) is particularly vulnerable to this threat as a result of general low standards, lack of adequate maintenance, and technical designs that have not accounted for increased climate variability. The importance of increased climate resilience for roads is now recognized as a potentially significant factor in reducing demand for emergency repair budget.

Growth in vehicle registration, a good indication of road traffic growth, has been extremely high by international standards at around 15% per annum across all vehicle types between 2007 and 2012. The three provinces of Vientiane Capital, Vientiane, and Bolikhamxay have experienced growth rates of over 500% in total vehicle registration since 2000. The proportion of motorcycles in the total registered vehicles (70%) is also extremely high by international standards. Reported road fatalities doubled between 2000 and 2010 (from 358 to 790), and increased to 1,054 in 2014. Nearly three-quarters of these fatalities are motorcyclists. Regionally, the WHO places Laos third behind Thailand and Vietnam (countries with significantly higher motorization) in terms of road crash related fatalities costing the country an estimated 2.7% of GDP (in 2010). Lao PDR has established a National Road Safety Committee.

The road sector is under the overall jurisdiction of the Ministry of Public Works and Transport (MPWT) with a mandate for strategic planning and oversight. The Department of Public Works and Transport (DPWT) of each province undertake the implementation roles for road works including procurement, contract management, quality control, and reporting. DPWT delegates tasks for data collection and site supervision for road works to District Office of Public Works and Transport (OPWT).

The road sector receives funding from three main sources including (i) Government budget, (ii) Road Maintenance Fund (RMF), and (iii) Foreign ODA. Road maintenance expenditure has had difficulty catching up with the growing road network. The RMF is the key mechanism to ensure the sustained allocation of funds for road maintenance and its main source of funds is a fuel levy. Recently, the GoL approved an increase in the road maintenance fuel levy, which now stands at LAK520 per liter, and which is expected to result in revenues of more than US\$60 million during 2016.

Despite this progress, the funding level of the RMF is insufficient to meet road maintenance needs, in particular for the provincial road network. While the annual funding needed for road maintenance is estimated at about US\$200 million/year. Furthermore, the Ministry of Transport and Public Works (MPWT) Annual Road Asset Report 2015 indicates that an additional US\$700 million are required to clear the maintenance backlog on the road network.

During the past 15 years, the GoL with assistance from the WBG and the Swedish International

Development Cooperation Agency (SIDA) and other development partners commenced a long-term plan to address road maintenance. Key initial outputs included the establishment and operationalization of the Road Maintenance Fund (RMF) in 2002. During 2004-2010, MPWT developed systems for optimizing decision-making and planning at national and provincial levels (RMS and PROMMS, respectively). Since 2012 with financing support from the Japan Policy and Human Resources Development (PHRD), MPWT has received technical assistance for the Project (Mainstreaming Disaster and Climate Risk Management into Investment Decisions). This project prepared a disaster risk assessment and hazard mapping for the road and irrigation sectors, and developed technical guidelines on climate resilient road and irrigation infrastructure in Lao PDR. Demonstrations of techniques for slope protection were carried out on a few critical sections of Road 1B financed under LRSP in Phongsaly province.

However, and despite the progress so far, lack of policies and effective business processes to guide and enable provinces to undertake maintenance tasks, insufficient funds, and weak technical and managerial capacities at local level as well as staff turnover have limited the use of the systems, and remain major challenges. A critical point in case is routine maintenance fundamental for climate resilience road asset management, which has not yet been effectively implemented for the entire road network, including national and provincial roads. Also the RMS and PROMMS do not provide data related to natural disaster damage, nor do they support the identification of sections vulnerable to extreme weather essential to identify and prioritize key road sections most vulnerable to climate threats.

Truck overloading remains a concern. Most of the main roads in Lao PDR were built with 8.2 ton of standard axle load, while ASEAN's minimum road standard is 9.1 ton. Overloaded trucks heavily affect the main national roads, such as Roads 13, 9, 3, 8, 7, and 12, which also serve transit transport. The issue also affects provincial and district roads. The GoL is looking at options for introducing overloading controls.

C. Proposed Development Objective(s)

Development Objective(s)

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

Key Results

Achievement towards the PDO would be tracked through the following outcome level indicators:

- ☐ Share of population who live within 2 km of all-weather road (disaggregated into female and male)
- ☐ Roads in good and fair condition as a share of total classified roads (percentage)
- ☐ National, Provincial, and District roads in pilot provinces receiving routine maintenance (Percentage)
- ☐ Direct project beneficiaries (Number) (Core)
- ☐ Female beneficiaries (Percentage) (Sub-Type: Supplemental) (Core)

D. Project Description

The project builds on the achievements of the LRSP to support the national program of provincial roads maintenance. The project will develop a maintenance investment framework and policy framework for the overall program that will be designed to maximize the effectiveness of public expenditures in the roads sector. The overall aim of the program is to strengthen the national systems of road maintenance and incrementally increase the length of the provincial roads network in good and fair condition, and its climate resiliency and safety.

The maintenance investment framework (under Component 1) will address the overall maintenance needs in Lao PDR at the program level, strengthening the institutional capacity of MPWT and DPWT, and mainstreaming the use of existing budgeting and maintenance management systems into the decision making process. The policy framework (under component 2) will address structural and policy level aspects through a series of technical assistance activities. Four main areas of focus have been identified which include a sustainable financing framework for the sector, sector governance including clarity on the roles and responsibilities of MPWT and DPWT, further development of asset management systems, and capacity building. The investment and policy frameworks will form the basis for future financing of the roads sector by Government, the World Bank and other development partners. The project will have parallel financing from the Nordic Development Fund (NDF). It is envisaged that additional donor partners including the European Investment Bank (EIB) and possibly the European Union (EU) will provide complementary financing. All financiers under LRSP2 will use a common Environment and Social Management Framework (ESMF) and a single Project Operation Manual (POM). This should provide a model for improved donor coordination in the sector. The project safeguards instrument that include the ESMF, RPF and EGPF will apply to other activities/subprojects financed by other financiers/donors. All activities/subprojects in the program will be in compliance with the ESMF regardless of source of funding.

Component Name

Component 1: Climate Resilient Road Maintenance. This component will support road maintenance in six provinces to increase the overall climate resilience roads.

Comments (optional)

This component will finance Climate Resilient Periodic Maintenance, Spot Improvements and routine maintenance in six provinces. The component will also finance design and supervision.

Component Name

Component 2: Institutional Strengthening of the both MPWT and DPWTs.

Comments (optional)

This component will provide technical assistance, goods, training, and operating costs for: (i) sector strategic planning and sustainable financing framework; (ii) sector governance including clarity on the roles and responsibilities of MPWT and DPWTs ;(iii) Climate Resilient Road Asset Management systems ; (iv) Capacity Building .

Component Name

Component 3: Project Management

Comments (optional)

This component will finance consulting services, goods, and IOC, for: (i) Project management and coordination for day-to-day implementation, and coordination among the implementing departments; (ii) Monitoring and Evaluation of activities and implementation, activities including

impact evaluation, beneficiary satisfaction assessment; (iii) financial and technical audit; (iii) procurement advisory support.

Component Name

Component 4: Contingency Emergency Response Component

Comments (optional)

A contingent emergency response component with a provisional allocation of zero dollars is included under the project in accordance with OP10, Paragraphs 12 and 13, for projects in situations of urgent need of assistance or capacity constraints.

E. Project location and salient physical characteristics relevant to the safeguard analysis (if known)

F. Environmental and Social Safeguards Specialists

Chaohua Zhang (GSU06)

Lola Ibragimova (GSU03)

Satoshi Ishihara (GSU02)

Waraporn Hirunwatsiri (GEN2B)

II. Implementation

Institutional and Implementation Arrangements

The Project will be implemented using existing government structure. MPWT will be the implementing agency with the overall management and coordination by the Department of Planning and Cooperation (DPC). The Department of Roads (DoR) will be responsible for planning and implementation of road related activities under Component 1. The DoR's role includes ensuring that safeguard requirements are mainstreamed in road maintenance planning, design and pre-construction works including tendering and contracting process. The Environmental and Social Division of the Public Works and Transport Research Institute (ESD/PTRI) will be the lead agency on safeguards implementation and monitoring and responsible for overall implementation, supervision and monitoring of the safeguards. The ESD/PTRI will also be responsible for providing safeguard training, ensuring effective mainstreaming of safeguard requirements into the road development project cycle, and undertaking research activities including updating the ESOM in close consultation with MoNRE and other agencies and the WB. The DPWTs and its OPWTs in the project provinces will be responsible for field implementation and day-to-day supervision of safeguards instruments. The DPWT of the Project provinces will establish the Environmental and Social Unit (ESU) specifically for the road sector to be responsible for the implementation of safeguards instruments and day-to-day supervision of safeguards measures. The DoR, ESD/PTRI and DPWTs will work in close coordination to ensure effective implementation and monitoring of safeguards instruments. The Department of Transport (DoT) will be responsible for implementation of the road safety program to be implemented under the Project. ESD/PTRI will carry out safeguard implementation performance auditing for all subproject program at their completion.

III. 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 will almost exclusively be done on the existing right-of-way. Activities may 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 would be carried out only on some critical sections may involve minor re-alignments to improve road safety and/or strengthening road climate resilience.</p> <p>It is anticipated that environmental impacts from road work activities will not be significant as the works will be conducted on the existing roads and may involve minor realignments without road widening, stabilization of land slide prone areas and elevating flood prone roads may involve more localized adverse impacts. Potentials impacts may include dust dispersion, noise, traffic obstruction and access, road safety, construction waste management, borrow and quarry pits management etc.</p> <p>Component 2 of the project will provide TA support to develop capacity of the MPWT. This will include activities aimed at implementing potential future PPP (Category A & B) projects. Since the capacity development activities under this project will potentially support Category A investments, the project is classified as a Category A project instead of Category B.</p> <p>A work plan will be prepared annually during implementation. To address OP/BP 4.01 requirements, the MPWT has prepared an 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).</p>

		<p>Public consultations in Vientiane Capital and four pilot provinces (Bolikhamxay, Xayabouly, Houaphan and Odomxay) were conducted on the ESMF, Resettlement Policy Framework (RPF), Ethnic Group Policy Framework (EGPF) Terms of References (TORs) and draft ESMF, RPF and EGPF reports. The draft ESMF, RPF and EGPF has been disclosed on the MPWT website and the Bank's InfoShop on April 11, 2016. The final ESMF, RPF and EGPF reports will be re-disclosed after clearance from the World Bank.</p> <p>For component 4 - Contingency Emergency Response Component (CERC), a generic Emergency Response Operation Manual will be 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.</p>
Natural Habitats OP/BP 4.04	Yes	<p>The Project activities are anticipated to be carried out within the existing roads ROW so clearance of natural habitats is not anticipated. However, because the locations of investments are not known before appraisal, and the target roads may be located in Protected Area (PA), Protection Forest Area (PFA), 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 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>The Project activities are anticipated to be carried out within the existing roads ROW and any clearance of forests is not anticipated.</p> <p>However, because the locations of investments are not known before appraisal, and the target roads may be located in Protected Area (PA), Protection Forest Area (PFA), or other critical habitats, this policy is triggered.</p> <p>Procedures to screen, identify, assess and address</p>

		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.➤(
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	The Project activities are anticipated to be carried out within the existing roads ROW. However, since not all the subproject locations are known before appraisal, this policy is triggered as a precaution. 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.
Indigenous Peoples OP/BP 4.10	Yes	It is likely that ethnic groups will be present at some point where investments under the program are 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.➤(An Ethnic Group Policy Framework (EGPF) was prepared to 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 Development Plan (EGDP). 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.
Involuntary Resettlement OP/ BP 4.12	Yes	Minor land acquisition and/ or loss of private assets may arise, although such impacts are likely to be

		<p>minor. The policy is thus triggered.</p> <p>A Resettlement Policy Framework (RPF) was prepared and disclosed before appraisal. The RPF provides policies and procedures to avoid, minimize or mitigate negative impacts that may result from the project investments.</p> <p>A work plan will be 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 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.</p>
Safety of Dams OP/BP 4.37	No	The project 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 project components involving international waterways as defined under the policy.
Projects in Disputed Areas OP/ BP 7.60	No	The project is not located in any known areas as defined under the policy.

IV. 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 project is not expected to have significant impact on the environment. Overall, long term social and environmental impacts will be positive in improving 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 to the existing 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 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 ROW and will not include 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. These potentials negative

impacts could be mitigated through application of ESMF and ECoPs prepared for the project. The project is expected to bring a range of positive benefits such as improved quality of roads and reduce time of travel, better access to services and markets and opportunities for short-term work. 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.

Component 2 of the project will provide TA supports to develop the capacity of the MPWT to implement potential Category A and B PPP Projects. The TA activities are not expected to lead to negative impacts on the environment and social issues rather, they aim to strengthen the MPWT environment and social management and technical capacity to identify, prepare and implement investment project in road sector. However, the TA activities may lead to implementation of investment in road sector including PPP project in the future that have environmental and social impacts downstream, when this is implemented. These potential impacts may include, but not limited to, loss of land, assets and income due to land acquisition and/or physical relocation of physical structures, impacts on natural habitats and forest, impacts from use of materials for construction, increased air pollution and noise from road construction and operation, impacts related to increased traffic speed, impacts on Physical Cultural Resources and impacts on socio-economic. The preparation of safeguards instruments that meet Category A requirements for the potential NR13 PPP project is being prepared under the on-going Lao Road Sector Project (LRSP) to address downstream impacts if the potential PPP project.

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 TA supports 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.

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.

A work plan will be prepared annually. To mitigate social and environmental impacts, MPWT has prepared an Environmental and Social Management Framework (ESMF) for screening and 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 the following activities will not be eligible for Project financing:

- (€ 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.
- (€ Loss or damage to cultural property, including sites having archeological (prehistoric), paleontological, historical, religious, cultural and unique natural values.
- (€ 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;

➤(ç Significant conversion or degradation of natural habitat or where the conservation and/or environmental gains do not clearly outweigh any potential losses.

➤(ç Construction of new roads and major road upgrading, improvement, and/or rehabilitation that is classified as EA Category A according to OP/BP 4.01.

The ESMF was prepared in line with the the GoL related regulations and the WB safeguard policies taken into account the MPWT Environmental and Social Operations Manual (ESOM) as well as the experience gained from safeguard implementation by MPWT agencies/staff and current issues related to road projects in Lao PDR. It covers all investments and TA 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 appropriate. All activities/ subprojects will be in compliance with the ESMF regardless of funding sources.

Component 2 of the project will provide TA support to develop the E&S capacity of the MPWT with view to the potential PPP, but the PPP road investment itself is outside the scope of the project. As mentioned earlier, the preparation of safeguards instruments that meet Category A requirements for the NR13 PPP project is being prepared under the on-going Lao Road Sector Project (LRSP). No safeguard instrument has been developed specifically for PPP capacity building activities but the project will ensure that TA activities would be conducted in line with World Bank safeguards policies to support potential future Category A PPP investments. E&S related capacity development activities to be supported under this project to address these potential impacts would be up to the level required for Category A investment. This will be spelled out in any the Consultant ToRs. OP 4.10 and OP4.12 requirements will be addressed in capacity development and any other works to be supported under the project with regard to PPP.

The ESMF and site specific safeguards instruments will be implemented by the MPWT and its line agencies including Department of Planning and Cooperation (DPC), the Environment and Social Division (ESD) of the Public Works and Transport Research Institute (PTRI), the DOR and relevant DPWTs.

The MPWT is familiar with and has experience in managing safeguards under World Bank financed projects and has developed Environmental and Social Optional Manual (ESOM), which is mostly comply with World Bank environmental and social safeguard policies. The knowledge and understanding of the World Bank ➤(ç environmental and social safeguard policies has been improved during LRSP implementation among the MPWT staff, both at the central and provincial level.

Training on application of ESOM was provided to DPWTs and key divisions of DOR during the on-going LRSP project implementation. However, an assessment on safeguard implementation capacity during the ESMF preparation suggested the following weaknesses: (i) ESD/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) lack of resources and budget for safeguards monitoring at DOR and DPWTs. Measures to address these gaps are recommended in the ESMF. Capacity building on safeguards 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 EDPF was conducted two times with key stakeholders including relevant government agencies, local NGOs in Vientiane Capital as well as local authorities and communities in some of 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 consultations were made in Vientiane capital and Bolikhamxay and Xayabouly on February 25, 2016 and during March 6-11, 2016, respectively, focusing on the project scope and draft TORs for the ESMF, EGPF, and RPF. The results were taken into consideration during the drafting of the ESMF, EGPF and RPF.

The Draft ESMF including RPF and EGPF were disclosed on the MPWT website and the Bank's InfoShop on April 11, 2016. The second set of consultations were 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 EGPF were also conducted in two more provinces in the north (Houaphan and Oudomxay) where are home to multiethnic groups. The final ESMF, EGPF and RPF taken into account consultation results will be re-disclosed in MPWT website and in the six pilot project provinces as well as on the World Bank website before appraisal.

B. Disclosure Requirements

Environmental Assessment/Audit/Management Plan/Other	
Date of receipt by the Bank	11-Apr-2016
Date of submission to InfoShop	11-Apr-2016
For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors	26-Jul-2016
"In country" Disclosure	
Lao People's Democratic Republic	11-Apr-2016
<i>Comments:</i>	
Resettlement Action Plan/Framework/Policy Process	
Date of receipt by the Bank	10-Apr-2016
Date of submission to InfoShop	11-Apr-2016
"In country" Disclosure	
Lao People's Democratic Republic	11-Apr-2016
<i>Comments:</i>	
Indigenous Peoples Development Plan/Framework	
Date of receipt by the Bank	10-Apr-2016
Date of submission to InfoShop	11-Apr-2016

"In country" Disclosure	
Lao People's Democratic Republic	11-Apr-2016
<i>Comments:</i>	
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:	
Physical Cultural Resources aspect has been addressed and disclosed as part of the ESMF.	

C. Compliance Monitoring Indicators at the Corporate Level

OP/BP/GP 4.01 - Environment Assessment	
Does the project require a stand-alone EA (including EMP) report?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
If yes, then did the Regional Environment Unit or Practice Manager (PM) review and approve the EA report?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
Are the cost and the accountabilities for the EMP incorporated in the credit/loan?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
OP/BP 4.04 - Natural Habitats	
Would the project result in any significant conversion or degradation of critical natural habitats?	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>] NA [<input type="checkbox"/>]
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 [<input type="checkbox"/>] No [<input type="checkbox"/>] NA [<input checked="" type="checkbox"/>]
OP/BP 4.11 - Physical Cultural Resources	
Does the EA include adequate measures related to cultural property?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
Does the credit/loan incorporate mechanisms to mitigate the potential adverse impacts on cultural property?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
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 [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
If yes, then did the Regional unit responsible for safeguards or Practice Manager review the plan?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
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 [<input type="checkbox"/>] No [<input type="checkbox"/>] NA [<input checked="" type="checkbox"/>]
OP/BP 4.12 - Involuntary Resettlement	
Has a resettlement plan/abbreviated plan/policy framework/process framework (as appropriate) been prepared?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
If yes, then did the Regional unit responsible for safeguards or Practice Manager review the plan?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]

Is physical displacement/relocation expected? Provided estimated number of people to be affected	Yes [] No [×] TBD []
Is economic displacement expected? (loss of assets or access to assets that leads to loss of income sources or other means of livelihoods) Provided estimated number of people to be affected	Yes [] No [×] TBD []
OP/BP 4.36 - Forests	
Has the sector-wide analysis of policy and institutional issues and constraints been carried out?	Yes [] No [] NA [×]
Does the project design include satisfactory measures to overcome these constraints?	Yes [] No [] NA [×]
Does the project finance commercial harvesting, and if so, does it include provisions for certification system?	Yes [] No [×] NA []
The World Bank Policy on Disclosure of Information	
Have relevant safeguard policies documents been sent to the World Bank's Infoshop?	Yes [×] No [] NA []
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 [×] No [] NA []
All Safeguard Policies	
Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?	Yes [×] No [] NA []
Have costs related to safeguard policy measures been included in the project cost?	Yes [×] No [] NA []
Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?	Yes [×] No [] NA []
Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?	Yes [×] No [] NA []

V. Contact point**World Bank**

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Borrower/Client/Recipient

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VII. Approval

Task Team Leader(s):	Name: Sombath Southivong	
<i>Approved By</i>		
Safeguards Advisor:	Name: Peter Leonard (SA)	Date: 25-Jul-2016
Practice Manager/ Manager:	Name: Michel Kerf (PMGR)	Date: 26-Jul-2016
Country Director:	Name: Constantine Chikosi (CD)	Date: 29-Jul-2016