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Report No: PAD3071

INTERNATIONAL DEVELOPMENT ASSOCIATION

PROJECT APPRAISAL DOCUMENT

ON A

PROPOSED CREDIT

IN THE AMOUNT OF SDR 18.2 MILLION
(US$25 MILLION EQUIVALENT)

TO THE

LAO PEOPLE'S DEMOCRATIC REPUBLIC

FOR A

LAO PDR CIVIL REGISTRATION AND VITAL STATISTICS PROJECT

March 9, 2020

Health, Nutrition, and Population Global Practice
East Asia and Pacific Region

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CURRENCY EQUIVALENTS

(Exchange Rate Effective January 31, 2020)

Currency Unit =	Lao Kip (LAK)
LAK 8,884.94 =	US$1
US$1.3770 =	SDR 1

FISCAL YEAR
January 1–December 31

Regional Vice President:	Victoria Kwakwa
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ABBREVIATIONS AND ACRONYMS

APIS	Advanced Programming and Information Systems
CMIS	Civil Management Information System
CPF	Country Partnership Framework
CRVS	Civil Registration and Vital Statistics
DA	Designated Account
DCM	Department of Citizen Management
DHIS2	District Health Information Software
DOHA	District Office of Home Affairs
ECOP	Environmental Code of Practice
FM	Financial Management
FRL	Family Registration Law
GDP	Gross Domestic Product
GoL	Government of Lao PDR
GRS	Grievance Redress Service
ICD	International Statistical Classification of Diseases and Related Health Problems
ICT	Information and Communication Technology
IFR	Interim Unaudited Financial Report
IPF	Investment Project Financing
IT	Information Technology
LSB	Lao Statistics Bureau
MCCD	Medical Certification of Cause of Death
MICT	Ministry of Information, Culture, and Tourism
MOES	Ministry of Education and Sports
MOF	Ministry of Finance
MOFA	Ministry of Foreign Affairs
MOH	Ministry of Health
MOHA	Ministry of Home Affairs
MOJ	Ministry of Justice
MOLSW	Ministry of Labor and Social Welfare
MPI	Ministry of Planning and Investment
MPS	Ministry of Public Security
NA	National Assembly
NPCO	National Program Coordination Office
NSEDP	National Socio-Economic Development Plan
NT2	Nam Theun 2
NUOL-FSS	National University of Laos, Faculty of Social Science
PDO	Project Development Objective
POHA	Provincial Office of Home Affairs
POM	Project Operational Manual
PPF	Project Preparation Facility
PPSD	Project Procurement Strategy for Development
SBCC	Social and Behavior Change Communication
SDG	Sustainable Development Goal

SOP	Standard Operating Procedure
STEP	Systematic Tracking of Exchanges in Procurement
UIN	Unique Identification Number
UNICEF	United Nations Children's Fund
WHO	World Health Organization

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DATASHEET

BASIC INFORMATION

Country(ies)	Project Name	
Lao People's Democratic Republic	Lao People's Democratic Republic Civil Registration and Vital Statistics Project	
Project ID	**Financing Instrument**	**Environmental Assessment Category**
P167601	Investment Project Financing	B-Partial Assessment

Financing & Implementation Modalities

[ ] Multiphase Programmatic Approach (MPA)	[ ] Contingent Emergency Response Component (CERC)
[ ] Series of Projects (SOP)	[ ] Fragile State(s)
[ ] Disbursement-linked Indicators (DLIs)	[ ] Small State(s)
[ ] Financial Intermediaries (FI)	[ ] Fragile within a non-fragile Country
[ ] Project-Based Guarantee	[ ] Conflict
[ ] Deferred Drawdown	[ ] Responding to Natural or Man-made Disaster
[ ] Alternate Procurement Arrangements (APA)	

Expected Approval Date	Expected Closing Date
30-Mar-2020	31-Mar-2025

Bank/IFC Collaboration

No

Proposed Development Objective(s)

To improve coverage of civil registration of vital events, particularly births and deaths in Lao PDR, with the establishment of a functional electronic civil management information system.

Components

Component Name	Cost (US$, millions)

Component 1: Strengthening the Provision and Use of Civil Registration Services	21,300,000.00
Component 2: Monitoring and Impact Evaluation	1,000,000.00
Component 3: Project Management	2,700,000.00

Organizations

Borrower:	Lao People's Democratic Republic
Implementing Agency:	Ministry of Home Affairs

PROJECT FINANCING DATA (US$, Millions)

SUMMARY

Total Project Cost	25.00
Total Financing	25.00
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

IDA Resources (in US$, Millions)

	Credit Amount	Grant Amount	Guarantee Amount	Total Amount
Lao People's Democratic Republic	25.00	0.00	0.00	25.00
National PBA	25.00	0.00	0.00	25.00
Total	**25.00**	**0.00**	**0.00**	**25.00**

Expected Disbursements (in US$, Millions)

WB Fiscal Year	2020	2021	2022	2023	2024	2025	2026

Annual	0.07	1.28	2.45	5.58	7.79	7.62	0.20
Cumulative	0.07	1.36	3.81	9.39	17.18	24.80	25.00

INSTITUTIONAL DATA

Practice Area (Lead)

Health, Nutrition & Population

Contributing Practice Areas

Climate Change and Disaster Screening

This operation has been screened for short and long-term climate change and disaster risks

SYSTEMATIC OPERATIONS RISK-RATING TOOL (SORT)

Risk Category	Rating
1. Political and Governance	Substantial
2. Macroeconomic	High
3. Sector Strategies and Policies	Moderate
4. Technical Design of Project or Program	Moderate
5. Institutional Capacity for Implementation and Sustainability	Substantial
6. Fiduciary	Substantial
7. Environment and Social	Moderate
8. Stakeholders	Substantial
9. Other	
10. Overall	Substantial

COMPLIANCE

Policy

Does the project depart from the CPF in content or in other significant respects?

[ ] Yes [✓] No

Does the project require any waivers of Bank policies?

[ ] Yes [✓] No

Safeguard Policies Triggered by the Project	Yes	No
Environmental Assessment OP/BP 4.01	✓	
Performance Standards for Private Sector Activities OP/BP 4.03		✓
Natural Habitats OP/BP 4.04		✓
Forests OP/BP 4.36		✓
Pest Management OP 4.09		✓
Physical Cultural Resources OP/BP 4.11		✓
Indigenous Peoples OP/BP 4.10	✓	
Involuntary Resettlement OP/BP 4.12		✓
Safety of Dams OP/BP 4.37		✓
Projects on International Waterways OP/BP 7.50		✓
Projects in Disputed Areas OP/BP 7.60		✓

Legal Covenants

Sections and Description
Institutional Arrangements
Financing Agreement: Schedule 2, Section I.A
One month after the Signature Date with respect to the establishment of the Project Steering Committee,
Recurrent, Continuous
The Recipient shall not later than one month after the Signature Date establish the Project Steering Committee , and thereafter maintain, throughout the Project implementation period, the Project Steering Committee, National Program Coordination Office (NPCO), Technical Teams within MOHA, and technical staff within each provincial office and district office of MOHA; all with composition, functions, staffing and resources satisfactory to the Association and set out in the Project Operations Manual.

Sections and Description
Project Operational Manual
Financing Agreement: Schedule 2, Section I.B
Recurrent, Continuous
The Recipient shall ensure that the Project is carried out in accordance with the Project Operational Manual, and not amend, waive or abrogate any provisions of the manual unless the Association agrees otherwise in writing.

Sections and Description
Annual Work Plans and Budgets
Financing Agreement: Schedule 2, Section I.C
Recurrent, Annual: November 30, Annually
The Recipient shall prepare and furnish to the Association for its no-objection no later than November 30 of each fiscal year an annual work plan and budget during the implementation of the Project containing relevant Project activities and expenditures proposed to be included in the Project in the following fiscal year, including a specification of the sources of financing.

Sections and Description
Mid-term Review
Financing Agreement: Schedule 2, Section II.B
Once, 30 months after the Effective Date
Obligation of the Recipient to prepare and furnish to the Association a mid-term report in form and substance satisfactory to the Association.

Sections and Description
Safeguards
Financing Agreement: Schedule 2, Section I.D
Recurrent, Continuous
The Recipient shall ensure that the Project is carried out in accordance with the provisions of the Safeguards Instruments and the site-specific safeguard plans, not amend, abrogate, repeal, suspend or waive any of their provisions unless the Association agrees otherwise, and report on their status of implementation as part of the project reports.

Conditions

I. STRATEGIC CONTEXT

A. Country Context

1. **The Lao People's Democratic Republic is a highly biodiverse landlocked country in the middle of Southeast Asia.** Lao PDR has a population of 6.9 million and the lowest population density in the Association of Southeast Asian Nations community, with most of the land in mountainous areas. Lao PDR is endowed with natural resources, including forests, wildlife, water (the 1,700 km Mekong River is the second most diverse watershed in fish biodiversity in the world), and mineral resources. It is administratively divided into northern, central, and southern regions and further into 17 provinces plus Vientiane Capital, 148 districts, and 8,459 villages. Although two-thirds of the population still lives in rural areas, the urban population increased by 40 percent between 2005 and 2015.

2. **Lao PDR faces some headwinds on the macroeconomic front.** Growth has moderated in recent years, declining from 6.3 percent in 2018 to a historical low of 5.2 percent in 2019, owing mainly to natural disasters (floods, droughts, and a caterpillar infestation) that affected the agricultural sector. The fiscal deficit increased to nearly 5 percent of gross domestic product (GDP) in 2019, up from 4.7 percent of GDP in 2018. Revenue mobilization remains a challenge due to partial policy implementation and weak tax administration. The revenue-to-GDP ratio declined from 16.2 percent in 2018 to 14.8 percent in 2019. The rising fiscal deficit has resulted in growing public debt, estimated at almost 60 percent of GDP in 2019, up from 57.2 percent of GDP in 2018. The risk of debt distress remains high.

3. **The economic outlook is subject to downside risks.** Growth is expected to rebound to 5.8 percent on average during 2020–2021. Revenue mobilization is expected to bring down the fiscal deficit to 4.5 percent of GDP by 2021, with a debt-to-GDP ratio of 58.3 percent in the same year. Trade tensions could dampen growth in Lao PDR's major trading partners, spilling over to the domestic economy through lower trade and investment and lower prices for export commodities. Domestic risks also include low levels of foreign reserves and limited fiscal space, which increase the vulnerability to adverse shocks; more frequent weather-related shocks; and limited progress on building buffers, reducing debt, and addressing financial sector stability.

4. **Progress toward reducing poverty has continued, albeit at a slower pace than in the past.** The incidence of poverty fell from 46 percent to 23 percent between 1992 and 2012. The official estimates of poverty and inequality in 2018–2019 are expected to be available in mid-2020. Meanwhile, the incidence of poverty (using the international poverty line) is projected to have declined to 18.4 percent in 2019 and is expected to fall below 18 percent in 2020–2021. The incidence of poverty remains much higher in rural (23 percent) than in urban areas (7 percent). Poverty is particularly entrenched among remote and highland communities that are isolated during the rainy season, and gender disparities remain significant.

5. **The political and social environment has remained stable, but challenges persist in the implementation of key reforms.** Implementation of key reforms remains a challenge owing to limited capacity and a complex political economy. The top priorities of the Government of Lao PDR (GoL) include maintaining macroeconomic stability, advancing the green growth agenda, further reducing poverty, improving the investment climate, protecting the environment, and strengthening disaster response and preparedness. In 2019, the National Assembly (NA) adopted several resolutions to provide legal backup

for and enhance the performance of the GoL and judiciary bodies. The NA is asking for more accountability and the curbing of corruption.

6. **Lao PDR is a fast-growing middle-income country, but poverty is still pervasive.** The rate of economic growth since 2000 has hovered around 7 percent. Lao PDR is slowly transitioning from a rural, agrarian economy to one based primarily on mining and tourism. Access to basic services such as education, health, and infrastructure has improved, but social indicators still lag behind those of comparator countries.

7. **The GoL aspires to modernize the country and graduate from the least-developed country status by 2024.** The GoL's ambitious agenda includes boosting human capital and further reducing poverty, integrating more firmly into the regional economy, and modernizing the country, including its systems for more evidence-based and informed decision making. In this context, the 8th National Socio-Economic Development Plan (NSEDP, 2016–2020) underlines the importance of improving registration of vital events (including birth, death, marriage, divorce, and migration) to provide timely and accurate data to improve planning and monitoring of development programs at the national and provincial levels. Further, properly identifying the poor to provide them with targeted services helps improve governance.

B. Sectoral and Institutional Context

8. **Civil registration and vital statistics (CRVS) systems are critical for improved targeting and the delivery of services.**[1] While serving the fundamental purpose of providing legal status and its corresponding documentation as proof of such status, civil registration linked to identity management systems facilitates access to social and financial services. In addition, the systematic collection and analysis of statistics on vital events such as birth, death, marriage, divorce, and adoption are critical for effective planning and monitoring of programs at the national and lower administrative levels. A unique identification number (UIN), assigned at birth, allows data stored in the national civil register to be linked with management information systems belonging to other ministries (for example, family book, national identity card, district health information software [DHIS2], civil service, social registry, pensions, social security, passport, transportation or driver's license, taxes, health care, finance, education, voter rolls, and immigration), increasing the effectiveness and efficiency of public service delivery.

9. **Despite some progress, CRVS in Lao PDR remains weak.** In 1990, the NA enacted the Family Registration Law (FRL), which was amended in 2009 to require registration of vital events. Registration has been recorded in the family book, which is paper based and administered by the Ministry of Public Security (MPS) and is mainly used for security purposes. The factors contributing to the low birth registration coverage (estimated at 39 percent in 2018) include (a) limited staff capacity for CRVS, (b) lack of awareness of importance and benefits of vital events registration, (c) paper-based birth and death registration and storage limiting data retrieval and timely verification, and (d) low registration rates in remote areas due to lack of transportation and operational budget for outreach services. Death registration tends to lag birth registration because the incentives for death registration are few and the barriers are many. Moreover, in Lao PDR, people follow the tradition of being at home at the time of

[1] Civil registration refers to the continuous, permanent, compulsory, and universal recording of the occurrence and characteristics of vital events pertaining to the population as provided by decree or regulation in accordance with the legal requirements of a country.

death, and relatives tend to request hospital discharge when death is imminent. Consequently, the death registration rate is low, and provision of death certificates is patchy and inconsistent. Moreover, causes of death are not usually determined, and the World Health Organization (WHO) guidelines are not used in Lao PDR.

10. **To address these challenges, the GoL established the Ministry of Home Affairs (MOHA) in 2011.**[2] MOHA's Department of Citizen Management (DCM), formerly a department within the MPS, has been mandated by the Prime Minster with registering life events in Lao PDR and is to collaborate closely with seven other line ministries (Ministry of Health [MOH], Ministry of Justice [MOJ], the MPS, Ministry of Education and Sports [MOES], Ministry of Planning and Investment [MPI], Ministry of Foreign Affairs [MOFA], and Ministry of Labor and Social Welfare [MOLSW]).

11. **The GoL is committed to improving CRVS, and the World Bank has been providing CRVS technical assistance to MOHA since 2015.** At the first ministerial conference on CRVS in Asia and the Pacific, held in November 2014 in Bangkok, Thailand, the GoL joined other countries in the region in adopting the Ministerial Declaration to 'Get Everyone in the Picture' in Asia and the Pacific, endorsing the Regional Action Framework on CRVS, and proclaiming 2015–2024 as the Asia and the Pacific CRVS Decade.

12. **The 2016–2025 CRVS strategic plan has been finalized and endorsed by the Prime Minister in 2017.** MOHA drafted the Lao PDR 2016–2025 CRVS strategic plan and organized the first-ever national stakeholder consultative workshop on CRVS in March 2016. The Prime Minister endorsed the strategic plan on May 10, 2017, and subsequently, the GoL requested the World Bank Group's financial and technical support in its implementation. The three goals of the strategy are to (a) achieve universal civil registration of births, deaths, and other vital events; (b) provide all individuals with legal documentation of civil registration of births, deaths, and other vital events, as necessary, to claim identity, civil status, and ensuing rights; and (c) produce and disseminate accurate, complete, and timely vital statistics (including causes of death) based on registration records.[3]

13. **The amended FRL was approved by the NA on June 14, 2018.** An FRL drafting committee comprising representatives from MOHA, the MOJ, the MPS, MOFA, the MOLSW, the Department of Law of the NA, and the Legal Department of the Government Office was formed under the overall guidance of the Vice Minister of Home Affairs. MOHA held stakeholder consultations in the northern, central, and southern regions during July and August 2017 to obtain input from provincial offices of the eight line ministries, the District Office of Home Affairs (DOHA), and village chiefs. The ordinary session of the NA, VIII Legislature, approved the amended FRL on June 14, 2018, and the President of Lao PDR promulgated it on July 31, 2018, and published it in the official gazette.

[2] MOHA has 15 departments (including the DCM) plus the Cabinet Office which serves as the front office for the minister and the two vice ministers and is responsible for finance and administration. The DCM is mainly technical and has three divisions (family registration, vital statistics, and relocation).

[3] The strategy has eight priority areas: (a) improve the legal and regulatory environment to enable a well-functioning CRVS system; (b) improve the CRVS system's organization, functioning, and services for universal coverage; (c) increase human resources and capacity building; (d) create a comprehensive civil management information system (CMIS) and produce and disseminate vital statistics based on civil registration records; (e) invest in infrastructure and equipment; (f) increase community awareness for full participation and universal use of CRVS services; (g) expand financial resources (investment and operational budget); and (h) strengthen external coordination and assistance.

14. **A Civil Management Information System (CMIS) has been designed.** MOHA uses paper records, which leads to delays in reporting (quarterly from village to district, half yearly from district to province, and yearly from province to the central level). The development of a comprehensive CMIS will ensure the availability of real-time data. In 2016, MOHA recruited Advanced Programming and Information Systems (APIS) to design a CMIS, considering the Lao PDR context. APIS developed three options (basic, intermediate, and advanced), and MOHA decided on the intermediate option, which was approved by the Prime Minister. Moreover, considering that data centers are capital intensive and hard to plan and execute, they need constant maintenance and do not offer advantages over cloud-based systems.

15. **The CMIS rollout will prioritize the nutrition convergence provinces.** Given the multidimensional causes of malnutrition, the World Bank is financing several projects to reduce stunting in 12 districts in 4 northern provinces of Lao PDR.[4] The World Bank Group is coordinating its support for nutrition-sensitive and nutrition-specific interventions in Lao PDR in four key areas: (a) geographic convergence of nutrition-specific and nutrition-sensitive 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, preestablished community structures; and (d) exploring of possibilities for common monitoring and evaluation frameworks. A social registry will be developed as part of the ongoing Reducing Rural Poverty and Malnutrition Project (P162565). The CMIS rollout (Table 1) will prioritize the same 12 districts to serve as the foundational system for the social registry and provide data for the 'denominator' for the indicators for monitoring these convergence projects.

16. **Lao PDR is one of the 77 IDA and Blend[5] countries prioritized for support in the 2016–2030 World Bank Group CRVS Action Plan.** The World Bank Group Data Council endorsed the 2016–2030 Strategic Actions Program for Addressing Development Data Gaps in December 2015, which includes action plans for three initial priority areas: household surveys, CRVS, and price statistics.

C. Relevance to Higher-Level Objectives

17. **The World Bank Group's Country Partnership Framework (CPF), Report No. 110813-LA, for Lao PDR for 2017–2021, aligned with the 8th NSEDP, supports lasting accessible opportunities for all.** It prioritizes three focus areas for World Bank Group engagement: supporting inclusive growth, investing in people, and protecting the environment. A robust CRVS system will contribute to inclusive growth and a cross-cutting theme in the CPF: Strengthening institutions and systems for improved policy implementation. This CRVS project will increase the capacity of the GoL to produce and disseminate reliable, timely macroeconomic, and social poverty statistics to monitor and evaluate the 8th NSEDP targets and Sustainable Development Goals (SDGs) and conduct regular macroeconomic surveillance.

[4] Reducing Rural Poverty and Malnutrition Project (P162565), Lao PDR Health Governance and Nutrition Development Project (P151425), Early Childhood Education Project (P145544), Poverty Reduction Fund III (P157963), Scaling-Up Water Supply, Sanitation, and Hygiene Project (P164901), and pipeline Health and Nutrition Services Access Project (P166165).
[5] Blend countries are countries that are eligible for IDA loans and are also creditworthy enough to borrow from IBRD.

II. PROJECT DESCRIPTION

A. Project Development Objective

PDO Statement

18. The Project Development Objective (PDO) is to improve coverage of civil registration of vital events, particularly births and deaths in Lao PDR, with the establishment of a functional electronic civil management information system.

PDO-Level Indicators

19. The four PDO-level results indicators are

(a) National birth registration coverage (Percentage),

(b) Birth registration coverage in rural districts (Percentage),

(c) Birth registration coverage in the bottom 20 percent districts (Percentage), and

(d) National death registration coverage (Percentage).

B. Project Components

20. The proposed project will support the implementation of the 2016–2025 Lao PDR CRVS strategy and has three components.

Component 1: Strengthening the Provision and Use of Civil Registration Services (US$21.3 million)

21. This component has two subcomponents: Subcomponent 1.1: Strengthening Provision of Civil Registration Services and Subcomponent 1.2: Generating Demand for Civil Registration Services and Citizen Engagement.

Subcomponent 1.1: Strengthening Provision of Civil Registration Services (US$20.3 million)

22. The proposed activities under this subcomponent include (a) disseminating the 2018 FRL; (b) establishing a CMIS; (c) introducing approaches to improve birth, death, marriage, divorce, and migration registration and medical certification of cause of death (MCCD); (d) building capacity of appropriate personnel; and (e) supporting supervision of DOHA and provincial offices of home affairs (POHAs).

(a) **Disseminating the 2018 FRL.** The project will support translation of the 2018 FRL from Lao into other local languages (for example, Hmong, Khmu, and Sino-Tibetan) and English and dissemination nationwide to government agencies (at national, provincial, and district levels) and the public through various channels, including workshops, national and local TV and radio, brochures, flyers, booklets, posters, and Facebook. MOHA will hold stakeholder consultations for the national, provincial, and district offices of the eight line ministries and village chiefs, to disseminate the FRL along with instructions for its implementation and the

CRVS strategic plan. The standard operating procedures (SOPs); registration forms; and certificates for birth, death, marriage, divorce, and migration will be finalized, printed, and distributed. The dissemination will be implemented in conjunction with the SBCC program of Subcomponent 1.2, described in paragraph 23.

(b) **Establishing a CMIS.** The CMIS (Figure 1) will be rolled out countrywide, and the CMIS activities that the project will support include procuring, installing, and maintaining user devices (desktops, laptops, tablets, multifunction printers [scan, print, and copy], uninterruptible power supply, standby generator, and furniture); providing Internet service; providing cloud-based services; establishing a live backup copy at the Lao National Internet Center; training information and communication technology (ICT) and registration staff and ICT maintenance and helpdesk; digitizing archived paper records;[6] procuring secured paper; and providing consulting services. Consultants (firms and/or individuals) will assist MOHA in reviewing technical specifications for the user devices and Internet connectivity, preparing bidding documents, preparing the CMIS operational manual to be included in the Project Operational Manual (POM), and managing the CMIS contracts. A CMIS training plan will be developed and implemented for capacity building of DOHA, POHA, the DCM, and the relevant personnel in the other ministries on the use of the software.

The CMIS design will ensure interface with the national identity database for the family book and national identity card (maintained by the MPS)[7] and other management information systems (currently in use or that will be developed by other ministries) such as DHIS2, civil service, social registry, pensions, social security, passport, transportation or driver's license, taxes, health care, finance, education, voter rolls, and immigration. Nevertheless, data privacy and confidentiality will be maintained.[8] Further, an international expert will be recruited to enhance the capacity of the Lao Statistics Bureau (LSB) to produce annual vital statistics using the CMIS data.

Phasing in CMIS in the provinces. A four-phase approach will be used to introduce the CMIS in all 18 provinces and Vientiane Capital, considering the regional distribution (Table 1). The selection of provinces for Phases II to IV was based on readiness[9] of provinces to implement the CMIS as described below:

- **Phase I.** This phase includes three provinces, each representing the most advanced areas in each of the three regions (Vientiane Capital [central], Luangprabang [northern], and Champasak [southern]). ICT equipment (computers, printers, and

[6] A detailed description of the process for digitizing and indexing all the existing paper records has been developed and could feed into household survey/mass registration for the development of a social registry in the nutrition convergence districts.
[7] The 2018 FRL requires MOHA to assign a UIN at birth registration and share it with the MPS to ensure that the same UIN is used for issuing a national identity card for people ages 15 and older. The 2018 FRL also requires that a birth certificate be issued to newborns before they are registered in the family book.
[8] MOHA has developed instructions on CMIS data privacy and protection to ensure secure and correct collection, access, use, and disclosure of data and protect the rights of individuals. MOHA will ensure adherence throughout project implementation.
[9] Provinces will be deemed ready to implement CMIS when ICT equipment (computers, printers, and scanners) has been installed along with Internet connectivity and relevant personnel have been trained.

scanners) has already been installed and Internet connectivity provided to all 31 DOHAs and POHAs using funds from the GoL.

- **Phase II.** This phase includes four provinces, all in the northern region selected for the nutrition convergence approach activities.
- **Phase III.** This phase includes four provinces covered under the previous World Bank Group-financed Nam Theun 2 (NT2) Project or that have adopted the health database modalities of the NT2 Project.[10]
- **Phase IV.** This phase includes the remaining seven provinces.

Table 1. Phasing of Provinces for CMIS Implementation

No.	Province	Region	Districts (number)	Population (number)	CMIS Phase	Health Facilities Ready for DHIS2[a] (number)	NT2 with Health Database	Intervention versus Control
1	Vientiane Capital	Central	9	820,940	I	—	—	Intervention
2	Luangprabang	Northern	12	431,889	I	2	—	Intervention
3	Champasak	Southern	10	694,023	I	—	—	Intervention
4	Oudomxay[b]	Northern	7	307,622	II	45	—	—
5	Xiengkhuang[b]	Northern	7	244,684	II	27	—	—
6	Huaphanh[b]	Northern	10	289,393	II	28	—	—
7	Phongsaly[b]	Northern	7	177,989	II	5	—	—
8	Borikhamxay	Central	7	273,691	III	—	NT2	—
9	Khammuane	Central	10	392,052	III	62	NT2	—
10	Savannakhet	Central	15	969,697	III	85	NT2	—
11	Bokeo	Northern	5	179,243	III	22	NT2	—
12	Vientiane Province	Central	11	419,090	IV	8	—	Control
13	Xaysomboun	Central	5	85,168	IV	—	—	Control
14	Luangnamtha	Northern	5	175,753	IV	37	—	Control
15	Xayabury	Northern	11	381,376	IV	33	—	Control

[10] The NT2 Project supported the establishment of a health database, with electronic health records at selected health facilities in four NT2 Project districts in Khammuane and Borikhamxay Provinces. There were other districts in three provinces that were nonproject target districts but were designated as 'adopters'; that is, these districts, which were not part of the NT2 Project, had established similar health databases. The three NT2-related provinces are

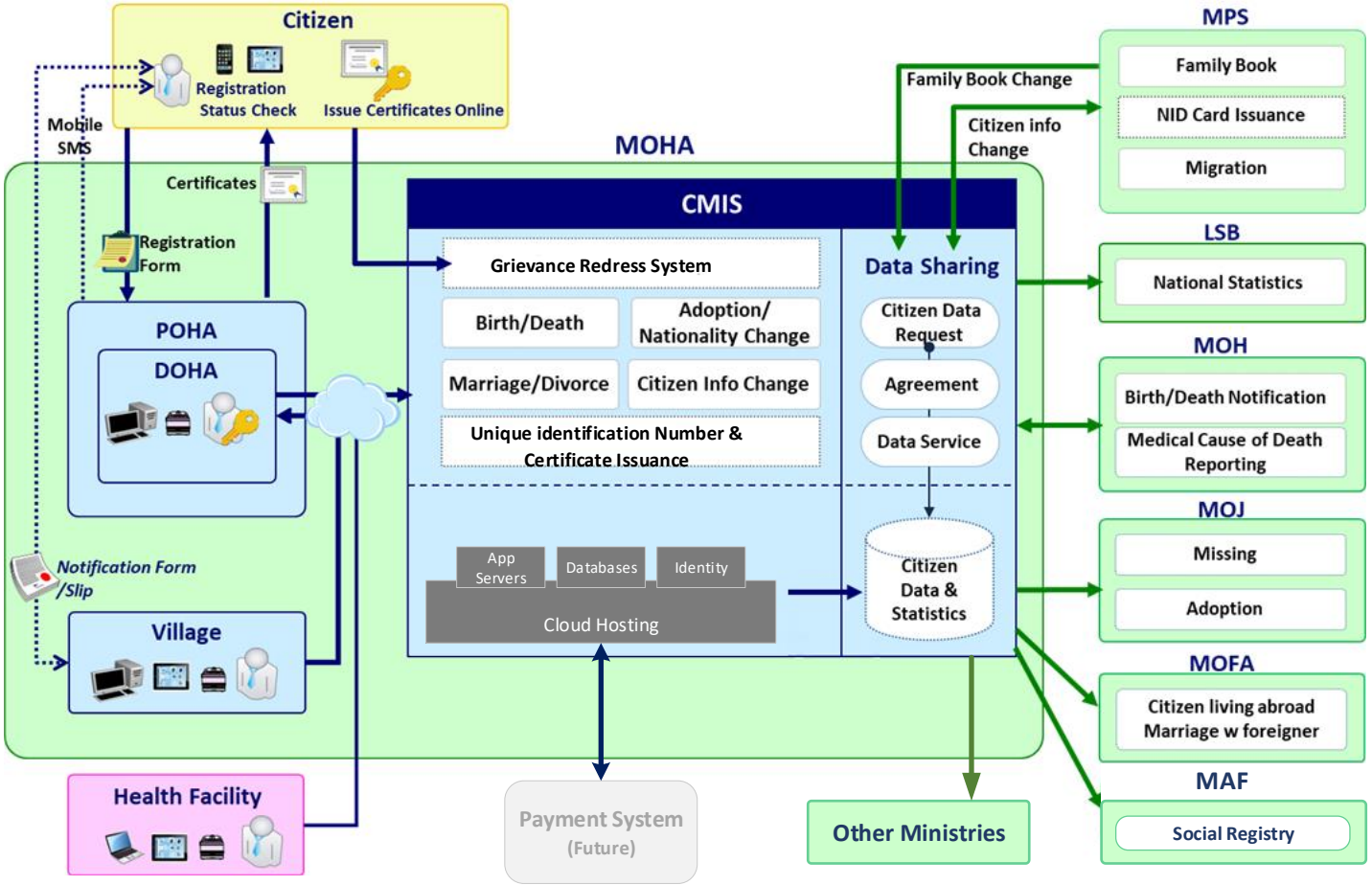
- Khammuane (3 of 10 districts covered): Nakai (NT2), Gnommalath (NT2), and Mahaxay (NT2);
- Borikhamxay (7 of 7 districts covered): Khamkeuth (NT2), Bolikhanh (adopters), Viengthong (adopters), Pakkading (adopters), Pakxan (adopters), Thaphabath (adopters), and Xaichamphone (adopters); and
- Bokeo (5 of 5 districts covered): Tonpheung (adopters), Meung (adopters), Houayxai (adopters), Paktha (adopters), and Pha Oudom (adopters).

All three NT2-related provinces plus Savannakhet Province, which has the most health facilities that can directly access DHIS2, are Phase III provinces. On-site electronic birth notification from health facilities that will be directly captured at DOHAs will be implemented in Phase III health facilities, which are ready.

No.	Province	Region	Districts (number)	Population (number)	CMIS Phase	Health Facilities Ready for DHIS2[a] (number)	NT2 with Health Database	Intervention versus Control
17	Attapeu	Southern	5	139,628	IV	—	—	Control
16	Saravane	Southern	8	396,942	IV	46	—	Control
18	Sekong	Southern	4	113,048	IV	18		Control

Note: a. Number of health care facilities that can directly access DHIS2 (that have computers, Internet connection, and staff with basic computer skills), based on the MOH 2017 data.
b. Provinces for the nutrition convergence approach activities.

Figure 1. CMIS Flow



Note: MAF = Ministry of Agriculture and Forestry; a. Originally developed by the Korea National IT Industry Promotion Agency and modified by CRVS Solutions Pty Ltd. to replace the data center with cloud-based services.

(c) **Introducing approaches to improve birth, death, marriage, divorce, and migration registration and MCCD.** The project will support the training of health personnel, DOHA and POHA staff, and relevant personnel from other line ministries on the SOPs for birth, death, marriage, divorce, and migration registration to allow uniform application across the country. The project will allocate operating costs to DOHAs to cover transportation for mobile registration teams to provide outreach services to remote or hard-to-reach areas and for the collection of registration forms (births and deaths) from village chiefs and for purchase of supplies such as printer cartridges/ink and printing paper for birth, death, marriage, divorce, and migration. In addition, MOHA is considering assigning a registrar to the Mother and Child Hospital, which has the highest number of deliveries in the country for a majority of the births to be registered.[11] Moreover, MOHA will coordinate with the MOES for birth registration of children who enroll in kindergarten or primary school without birth certificates. Regarding the MCCD, the project will initially focus on activities that would improve death registration coverage and issuance of death certificates (for deaths at home or in a health facility) and will use a phased approach to introduce the WHO MCCD and International Statistical Classification of Diseases and Related Health Problems (ICD) coding in selected hospitals.[12] International experts will train physicians on the MCCD and ICD coding in the four hospitals that recorded the most number of deaths in 2017[13] and selected professors from the University of Health Science, to ensure that there are enough trainers so that the training can be expanded to other hospitals. In parallel, health information officers will be trained to apply the ICD rules for statistical coding of causes of death. Given that progress is expected to be slow, future expansion to other hospitals will be determined at the project midterm review.

(d) **Capacity building.** The project will help enhance the CRVS capacity of various actors in different sectors.[14] A detailed training plan has been developed and will be included in the POM. A full-time project adviser has been hired to oversee implementation of the capacity-building plan and to work closely with local and international consultants in delivering the various trainings noted earlier. The World Bank Group, together with development partners, launched a state-of-the-art 13-module CRVS eLearning course in May 2017.[15] The contents of selected modules are being adapted and will be translated into Lao for use in the training. Where possible, short training videos, in Lao, on specific topics will be produced to facilitate

[11] In 2017, there were 5,690 births in the hospital but only 1,560 birth registrations in Xaythany District in 2017; fewer than 27 percent of births in the hospital were registered. According to the 2015 census, Xaythany District in Vientiane Capital, with a population of 196,565, is the district with the largest population and has a larger population than six provinces in Lao PDR (Attapeu, Bokeo, Luangnamtha, Phongsaly, Sekong, and Xaysomboun).

[12] For deaths that occur in health facilities where a trained physician is available, the attending physician should complete frames A and B of the WHO MCCD form. For deaths that occur in health facilities where staff such as nurses and medical assistants are available, only frame B of the MCCD form should be completed.

[13] The four hospitals with the most deaths in 2017 recorded in DHIS2 (31 percent [975 out of 3,096]) are Mittaphab Hospital (348 deaths), Mahosod Hospital (251 deaths), Savannakhet Provincial Hospital (227 deaths), and Luangprabang Provincial Hospital (149 deaths).

[14] Provincial and district officials from eight line ministries, health personnel and health information officers in health facilities, and CMIS users and administrators.

[15] Civil Registration and Vital Statistics Systems (basic level of the self-paced format) at https://olc.worldbank.org/content/civil-registration-and-vital-statistics-systems-self-paced.

the trainings. The training will be introduced in phases in line with the phasing of the CMIS and SBCC program.

(e) **Supportive supervision.** The MOHA DCM will regularly supervise POHAs, and POHAs will regularly supervise DOHAs. The project will allocate funds to the DCM and POHAs to cover some operating costs such as transportation for supportive supervision. Annual national stakeholder consultations will be organized where the best-performing and most-improved POHAs and DOHAs (based on number of births, deaths, marriages, divorces, and migration registrations in the preceding year) will be awarded certificates of recognition for excellent services.[16]

Subcomponent 1.2: Generating Demand for Civil Registration Services and Citizen Engagement (US$1.0 million)

23. This subcomponent will support the following activities:

(a) **Conducting audience analysis** to understand the knowledge, attitudes, practices, and social norms regarding birth, death, marriage, divorce, and migration registration. This will entail desk reviews of qualitative research findings and examination of sociodemographic characteristics, psychographic characteristics, barriers and facilitators, gender,[17] and effective communications channels. The National University of Laos Faculty of Social Science (NUOL-FSS) has already collected qualitative (in-depth interviews and focus group discussions) baseline data on knowledge, attitudes, practices, and social norms.

(b) **Developing a communication strategy** based on the audience analysis, including summary of the audience analysis, communication objectives, SBCC theory for improving civil registration, key messages, communication channels for disseminating messages, and implementation and monitoring plan and time line.

(c) **Organizing stakeholder consultative workshops** to review and gain feedback on the communication strategy. The stakeholders will include representatives from the eight line ministries involved with CRVS, Ministry of Information, Culture, and Tourism (MICT); MOHA Department of Ethnic and Religious Affairs; MOHA Department of Local Administration; POHAs; DOHAs; village chiefs; Lao Women's Union; Lao Front for National Construction; National Committee for the Advancement of Women and the Mother-Child; and development partners.

[16] 2018 FRL Article 67—Policies towards Persons with Outstanding Achievements—individuals, legal entities, or organizations having outstanding achievements in implementing this law, such as correct family registration, will receive awards or other policies in accordance with the relevant regulations.

[17] The 2018 birth registration data did not show any appreciable difference between boys and girls. The 2018 birth registration data indicated that 35,498 boys and 35,234 girls were registered, a male-to-female ratio of 1.01, which is in line with the gender ratio of 103 males to 100 females reported in the 2015 census. However, the project will monitor birth registration according to gender and will take an appropriate corrective action if large differences are found.

(d) **Designing messages and developing materials** (for example, brochures, flyers, booklets, posters, Facebook page, SMS, scripts for national and local TV and radio, village loudspeakers, and talk shows).

(e) **Pretesting messages** and materials with target audience and key stakeholders to agree on necessary revisions.

(f) **Implementing and monitoring progress of the communication strategy** in Luangprabang and Champasak Provinces and Vientiane Capital (same areas as the CMIS pilot) for the first year. The time line for introduction in the remaining provinces may be similar to the CMIS phasing.

24. MOHA will recruit an international SBCC adviser during project preparation to work closely with the MOHA DCM and the MICT's Department of Mass Media to design and implement the SBCC. This subcomponent will also support the design and implementation of a grievance redress system.[18] The redress system will ensure that beneficiaries have multiple channels (for example, direct contact with the registration office, contact with the village chief, a suggestion box at the registration office, a hotline, a CMIS website, a Facebook page, and SMS) to report grievances or suggestions regarding birth, death, marriage, divorce, and migration registration. The baseline audience analysis includes a question on preference for the various channels noted earlier. The SBCC program will incorporate awareness raising regarding the grievance redress system, and MOHA will engage an interagency working group and a citizen group that can continually provide input on analyzing, monitoring, and improving the grievance redress system. The planned activities on communication strategy, consultative workshops, and materials for communication as well as the grievance redress will be tailored specifically for ethnic groups in Lao PDR and comply with the policies of the Lao PDR concerning ethnic groups, as well as the World Bank Group's policy OP/BP 4.10 on Indigenous Peoples.

Component 2: Monitoring and Impact Evaluation (US$1.0 million)

25. The monitoring and evaluation of the project will entail process evaluation (monitoring of implementation progress), monitoring of the Results Framework, and impact evaluation. Process evaluation will be employed as a tool for learning during implementation. Quarterly, semiannual, and annual progress reports will be developed and disseminated to stakeholders, and data will be used to make informed decisions and take appropriate corrective actions during project implementation. In addition, data will be collected to monitor the Results Framework. Details on project monitoring are described in section III.B, and the impact evaluation is detailed in the following paragraphs.

Impact Evaluation

26. An impact evaluation of the combined SBCC program and CMIS will employ quantitative and qualitative methods. Impact evaluation-dedicated baseline and end line data will be collected. Although project activities will be implemented countrywide, the impact evaluation will contrast outcomes among selected districts that receive the CRVS strengthening activities during CMIS Phase I with outcomes in selected districts in Phase IV (Table 1). Specifically, the evaluation will match selected districts in the three

[18] The CMIS on-site testing noted earlier included an electronic grievance redress system.

intervention provinces (one province per region: Vientiane Capital [central], Luangprabang [northern], and Champasak [southern]) and seven control provinces (Vientiane Province [central], Xaysomboun [central], Luangnamtha [northern], Xayabury [northern], Attapeu [southern], Saravane [southern], and Sekong [southern]).

27. The following research questions will be addressed by the impact evaluation:

(a) Did the combined SBCC program and CMIS improve birth, death, marriage, divorce, and migration registration in Lao PDR?

(b) Did the combined SBCC program and CMIS increase awareness of civil registration and grievance redress in Lao PDR?

28. Quantitative and qualitative data would be employed to address the abovementioned research questions. The NUOL-FSS has analyzed the baseline qualitative data (key informant interviews and focus group discussions) that it collected from July to December 2018 to identify SBCC target audiences and understand their knowledge; attitudes; practices; social norms; facilitating factors; and barriers regarding birth, death, marriage, divorce, and migration registration. In addition, a baseline sample household survey will be administered in the selected districts in the CMIS Phase I and IV provinces before the SBCC multimedia campaign to collect baseline data on awareness of civil registration and grievance. An end line sample household survey and qualitative data collection will be conducted in the same baseline districts before the launch of the SBCC multimedia campaign in Phase IV provinces. A difference-in-difference method within the matched district pairs will be used to evaluate whether the combined SBCC program and CMIS increased awareness of civil registration and grievance redress, as measured through surveys, as well as improved coverage of birth, death, marriage, divorce, and migration registration using civil registration administrative data that MOHA collects from 2015 to 2024.

Component 3: Project Management (US$2.7 million)

29. A National Program Coordination Office (NPCO) has been formed and staffed with MOHA personnel, and additional consultants are required to support the management of the project. The capacity of MOHA staff will be enhanced with a combination of on-the-job training and short courses. The project will also support the painting of existing office space and provision of office furniture and equipment for project personnel and consultants. Vehicles and motorcycles will be procured for use to facilitate project implementation, and the project will cover some operating costs of the NPCO.

C. Project Beneficiaries

30. The primary project beneficiaries are children whose births will be registered and men and women whose marriages, divorces, and migration will be registered. The estimated cumulative number of project beneficiaries is 784,800: 500,000 birth registrations, 130,000 death registrations, 130,000 marriage registrations, and 24,800 divorce registrations. In addition, improved CRVS systems could benefit a large segment of the population who will receive proper identification documents that will facilitate access to essential services and those who will receive better public services enabled by better-quality civil registration data for effective planning and monitoring of services.

D. Results Chain

Problem Statement

31. Poor coverage of civil registration is limiting good governance, availability of data needed for the planning and monitoring of programs at the national and local levels, and access to public and financial services.

Problems and Constraints

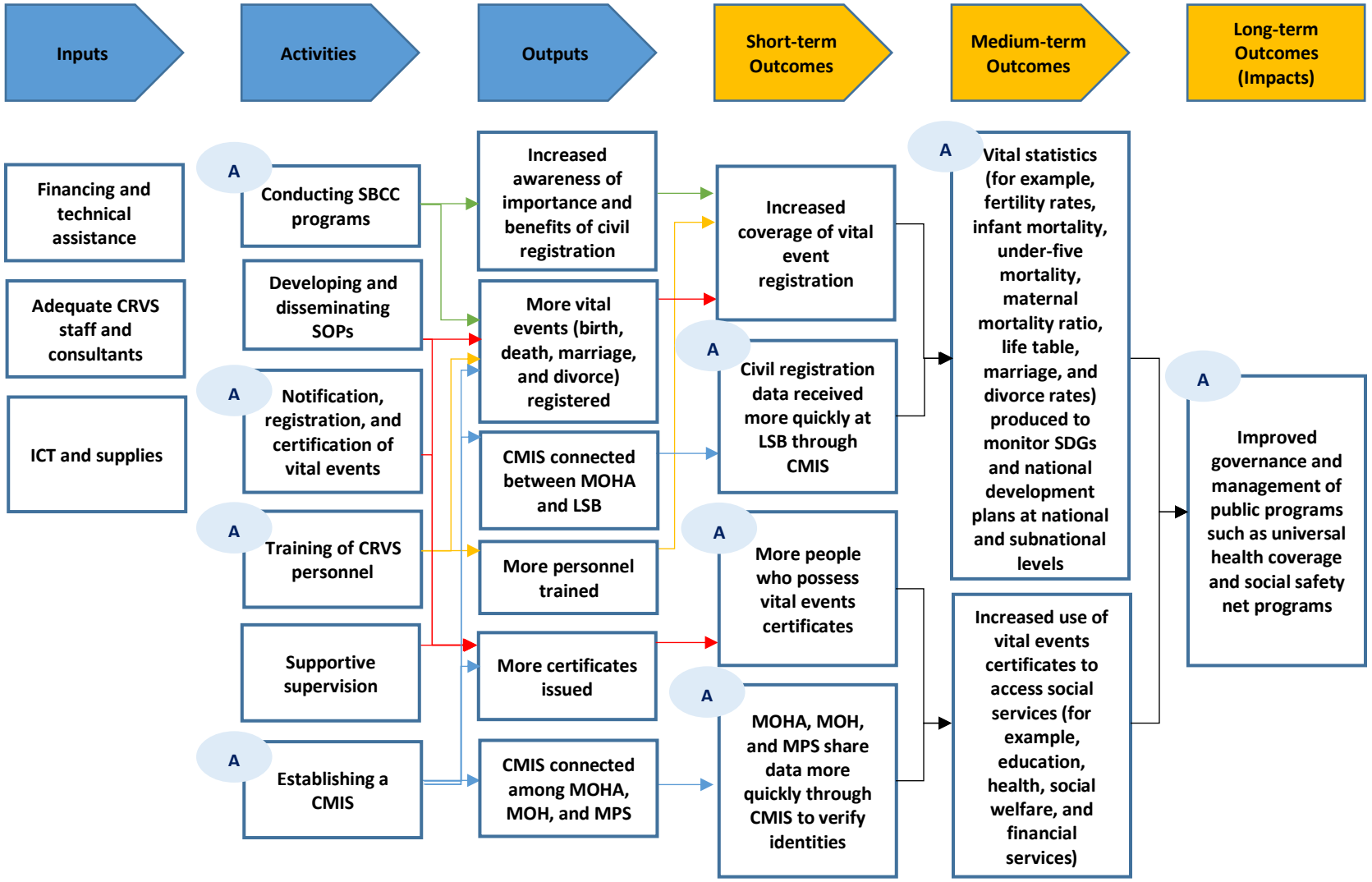
- Lack of uniform SOPs across districts, provinces, and ministries (MOHA, the MOH, and the MPS)
- Limited staff capacity for CRVS
- Lack of awareness of importance and benefits of vital events registration
- Limited data retrieval and timely verification due to paper-based birth and death registration and storage, requiring laborious manual processing of forms and data, resulting in lack of efficiency and vulnerability to fire and mold
- Lack of ICT equipment (for example, computers, printers, and scanners) and limited Internet connectivity resulting in delayed submission of civil registration data from district-level offices to province-level and central-level offices and slow information sharing between government offices in general
- Low registration rates in remote areas due to lack of vehicles for outreach services
- Limited funds for DOHA and POHA operating costs
- Registration fees as a barrier to registration among the poor

Assumptions

- A1: Citizens will seek registration services when they appreciate the importance and benefits.
- A2: Better delivery of civil registration services (including waiving registration fees for the poor) will lead to better vital events registration coverage.
- A3: Trained and motivated CRVS staff will improve quality of civil registration services.
- A4: CMIS will lead to more efficient registration services, reduce wait time for receipt of certificates, and ensure timely production of vital statistics.
- A5: Data will be shared while data privacy and confidentiality are protected.
- A6: Citizens will pick up their copies of civil registration certificates.
- A7: Data will be shared while data privacy and confidentiality are protected.
- A8: LSB has the capacity to analyze and present vital events data.

- A9: The GoL will use vital statistics to plan and monitor public policy and programs.

Figure 2. Theory of Change



E. Rationale for Bank Involvement and Role of Partners

32. The 2016–2030 World Bank Group multisectoral CRVS Action Plan has a goal of achieving universal civil registration of births, deaths, and other vital events—including reporting the cause of death and providing access to legal proof of registration—for all individuals by 2030. Lao PDR is one of the prioritized countries identified for World Bank Group support. The 8th NSEDP and CPF underscored the significance of improving CRVS in Lao PDR, and the World Bank Group, as a multisectoral CRVS global leader, is uniquely positioned to provide support through lending operations, advisory services and analytics and sharing of international experience.

33. Some support from other development partners has been provided. Before May 2015, Plan International and the United Nations Children's Fund (UNICEF) supported MOHA in developing a draft CRVS strategy. The WHO has been providing technical support to the MOH on ICD coding, and collaboration with the WHO will be essential for ICD coding and MCCD. In addition, as noted earlier, development partners such as the Asian Development Bank, International Organization for Migration, Japan International Cooperation Agency, Luxembourg Development Cooperation, Plan International, Swiss Red Cross, UNICEF, United Nations Population Fund, United Nations Resident Coordination Office, and WHO participated in one or both of the national stakeholder consultative workshops on CRVS held in 2016 and 2019. Although development partners have expressed interest in participating in coordination meetings with MOHA, no financial commitments have been made. Following the July 2018 hydro dam collapse, which led to the displacement of persons in Attapeu Province, UNICEF worked closely with MOHA in undertaking birth registrations.

34. **Project cost and financing.** The World Bank financing instrument used to support this project is Investment Project Financing (IPF). The project is planned for a five-year implementation period, and the total project cost is US$25 million. The project component costs are summarized in Table 2.

Table 2. Project Cost and Financing (IDA Credit)

Project Components	Cost (US$)	Percentage
Component 1: Strengthening the Provision and Use of Civil Registration Services	**21,300,000**	**85.2**
Subcomponent 1.1: Strengthening Provision of Civil Registration Services	***20,300,000***	
Disseminating the 2018 FRL	280,000	
Establishing a CMIS	13,770,000	
Introducing approaches to improve birth, death, marriage, divorce, and migration registration and MCCD	2,450,000	
Capacity building	2,300,000	
Supportive supervision	1,500,000	
Subcomponent 1.2: Generating Demand for Civil Registration Services and Citizen Engagement	***1,000,000***	
Component 2: Monitoring and Impact Evaluation	**1,000,000**	**4.0**
Component 3: Project Management	**2,700,000**	**10.8**
Total cost	**25,000,000**	**100.0**

F. Lessons Learned and Reflected in Project Design

35. The project design took into account the technical contents of the CRVS eLearning course, previous analytical work, and lessons learned from the World Bank Group Independent Evaluation Group reviews and evaluations of lending operations in Lao PDR and other countries.

36. **The technical contents of the state-of-the-art 13-module CRVS eLearning course informed the project design.** The World Bank Group led the development of the course, with inputs from several international agencies and independent consultants.[19] The course is the best global resource on CRVS. For instance, the review of the Lao PDR 2009 FRL; revision of the SOPs for notification, registration, and certification of birth, death, marriage, divorce, and migration; and guidance on the critical elements to be considered in amending the legislation were based on module 4 of the course (Legal Framework of CRVS Systems).

37. **Technical assistance for analytical work that the World Bank Group - Korean experts have been providing to MOHA since May 2015 fed into the project design.** The support included (a) finalizing the CRVS strategic plan; (b) reviewing the 2009 FRL and sharing findings from a comparative analysis of CRVS laws in the Republic of Korea and Vietnam; (c) providing input into the design of a CMIS; and (d) revising SOPs for notification, registration, and certification of vital events. In addition, field visits to the Luangprabang, Champasak, and Vientiane Capital offices of home affairs offered the project preparation team the opportunity to appreciate CRVS issues at the provincial and district levels. MOHA, LSB, the MPS, and the MOH representatives participated in at least one of the three global CRVS forums in Seoul (December 2015, May 2017, and April 2018), which provided an opportunity to share and learn from the experiences of Korea and countries from different regions. Vietnam enacted the CRVS legislation that went into effect in January 2016, and MOHA invited two officials from Vietnam on October 24 and 25, 2016, to share their recent experiences with the Lao PDR FRL drafting committee. Furthermore, as noted earlier, a first-ever national stakeholder consultative workshop on CRVS was held during March and April 2016 for national and provincial officials from eight line ministries to provide inputs into the development of the CRVS strategy. A similar workshop was held in August 2019.

38. **Lessons learned from recent Independent Evaluation Group reviews and evaluations, such as the Implementation Completion and Results Report Review and Project Performance Assessment Reports, were reflected in the project design.** These include the following:

- **Implementation of project activities cannot depend on the promise of approving a law.** By anticipating that risk, the project design should include support for passing the law or other strategies (Bolivia Expanding Access to Reduce Health Inequities Project APL III [P101206])
    - Implementation of the proposed project required amendment of the 2009 FRL. Thus, financial and technical support was provided to MOHA during project identification and preparation, and the amended law was approved during project preparation (June 2018).

[19] https://olc.worldbank.org/content/civil-registration-and-vital-statistics-systems-self-paced.

- **Having regular staff of ministerial units in charge of implementing core project activities helps anchor institutional strengthening** (Armenia E-Society and Innovation for Competitiveness Project [P115647]).

    - Key staff of the MOHA DCM and the Vice Minister's Office have been involved in discussions with the World Bank Group team since May 2015 and will oversee implementation of the project.

- **Careful consideration of whether to choose a locally developed software or commercial off-the-shelf software is critical.** Locally developed software usually takes a longer time to be developed, and one cannot be sure of its quality without testing and benchmarking by a third party, whereas commercial-off-the-shelf software is tested and patented and can often be more easily implemented, with necessary adjustments, to meet the requirements of a country's legal framework (El Salvador Fiscal Management and Public Sector Performance Technical Assistance Loan [P095314]).

    - After careful market analysis, MOHA opted for commercial off-the-shelf software for establishing the CMIS at a reduced cost. In addition, given the limited technical and operational skills for the development and maintenance of a data center of the CMIS, MOHA opted for a cloud-based solution.

- **Demand-side assessments among potential beneficiaries at the project design stage are an important way to better understand the acceptability of proposed activities** (Lao PDR Upland Food Security Improvement Project [P120909]).

    - Under Subcomponent 1.2 (generating demand for civil registration services and citizen engagement), an audience analysis (formative research) will be undertaken to understand the knowledge, attitudes, practices, and social norms regarding birth, death, marriage, divorce, and migration registration to inform the SBCC program.

- **Substantial direct technical support from World Bank staff contributes to successful implementation and outcomes** (Lao PDR Second Education Development Project Performance Assessment, Report No. 113148, March 30, 2017).

    - Substantial technical assistance has been provided and will continue during project implementation.

- **Impact evaluation of pilot project effectiveness helps inform expansion of interventions and promote knowledge sharing and learning.** Understanding true project effectiveness in the impact evaluation requires careful planning and more detailed analysis than simple pre-post comparisons (Independent Evaluation Group Working Paper 2015/No. 2 October 1, 2015, Improving Coverage and Utilization of Maternal and Child Health Services in Lao PDR: Impact Evaluation of the Community Nutrition Project).

- Given that this is the first time an SBCC program is being implemented in Lao PDR to generate demand for vital events registration, a rigorous impact evaluation, using qualitative and quantitative methods, has been incorporated into the project design.

III. IMPLEMENTATION ARRANGEMENTS

A. Institutional and Implementation Arrangements

39. MOHA will be responsible for the implementation of the project. The MOHA DCM has been actively engaged in the technical assistance that the World Bank Group and Korean experts have provided since May 2015 and has ably collaborated with other line ministries in finalizing the CRVS strategy and approving the 2018 FRL. Furthermore, in 2018, the MOHA DCM worked closely with the NUOL-FSS on the design and successful execution of baseline qualitative data collection. Nevertheless, given that it does not have experience working on World Bank Group-financed or other multilateral development partner projects, consultants[20] have been recruited to complement and enhance the technical and fiduciary capacity of MOHA staff[21] in implementing the project. As noted in the following paragraph 44, the project preparation advance has provided the MOHA DCM the opportunity to initiate procurement and financial management (FM) activities before project effectiveness. For instance, the MOHA DCM has started using the Systematic Tracking of Exchanges in Procurement (STEP), opened a Designated Account (DA), and started using the World Bank's Client Connection to manage the preparation advance financial information. The institutional and implementation arrangements for the project are summarized in Table 3.

Table 3. Summary of Institutional and Implementation Arrangements

Level	Role
1. Project Steering Committee	Provides strategic guidance for overall project implementation, including coordination at the provincial and district levels
2. NPCO	Holds weekly meetings to review implementation progress, resolve problems, and plan accordingly and provides monthly progress report to the Vice Minister of Home Affairs
3. Technical teams	Implement specific project subcomponents

MOHA Secretariat Coordinating Eight Line Ministries

40. The Citizen Management and Coordination Committee, which comprised representatives from eight line ministries, provided overall oversight of the development of 2016–2025 CRVS strategy, but the Prime Minister dissolved this and other committees on February 24, 2017. Nevertheless, the MOHA

[20] A project coordinator, a project technical adviser, an FM officer, a procurement officer, and an operations officer have been recruited while a statistician/monitoring and evaluation officer is being recruited. Key annual performance indicators will be included in the contracts to ensure transfer of skills from the consultants to the MOHA DCM staff. Accordingly, at project midterm, the capacity of the MOHA DCM staff will be assessed.

[21] The MOHA DCM has three divisions with a total of 21 staff, most of whom are graduates of the law academy: a director general; a deputy director general; Vital Statistics Division (6 staff including a director, a deputy director, and 1 ICT officer); Family Registration Division (6 staff including 1 deputy director but no director); and Relocation Division (6 staff including 1 director).

Secretariat will continue to serve as the Secretariat to coordinate CRVS activities of the eight line ministries and inform them of the project implementation progress. MOHA will be responsible for all formal communications with all stakeholders and will share semiannual reports with relevant line ministries. Additionally, MOHA will hold regular coordination meetings with development partners to update them on the progress and seek support and guidance for implementation of the strategy.

Project Steering Committee

41. The Project Steering Committee provides strategic guidance for overall project implementation, including coordination at the provincial and district levels. The Vice Minister of Home Affairs will chair the committee and members comprise director general and/or deputy director general of relevant line ministries such as MOHA, MOF, MPI, MPS and MOH. The committee will meet at least once a year.

NPCO

42. The primary function of the MOHA DCM is implementation of CRVS activities. Thus, MOHA has already assigned existing DCM staff to the NPCO (including project director, deputy project director, CRVS technical officer, CMIS director, citizen engagement and SBCC officer, and program assistant), and as noted earlier, consultants have been recruited. The NPCO will rely on technical teams in the relevant departments to carry out the technical work.

43. The NPCO will hold weekly meetings to review implementation progress, resolve problems, and plan accordingly. The Vice Minister of Home Affairs who oversees the DCM will continue that role and will meet monthly with the NPCO to review progress reports and provide guidance to the NPCO team. The Vice Minister of Home Affairs will provide regular updates to the Minister of Home Affairs.

Project Preparation Facility

44. The Ministry of Finance (MOF) submitted a request to the World Bank Group for a project preparation facility (PPF) of US$530,000. The PPF was approved by the World Bank on May 14, 2019, and countersigned by the MOF on May 24, 2019. To expedite the pace of preparation and facilitate smooth implementation, the PPF is being used for (a) dissemination (including national stakeholder consultative workshop) of the amended 2018 FRL and 2016–2030 Lao PDR CRVS strategy, (b) production of an adapted version of the operations manual on citizen engagement and establishment of grievance redress mechanism for ethnic groups, (c) recruitment of consultants, (d) capacity building, and (e) renovation of office space and procurement of office equipment.

B. Results Monitoring and Evaluation Arrangements

45. **Capacity.** The project's Results Framework has all the baseline values (for the PDO-level and intermediate results indicators), annual targets, and a monitoring plan for each indicator (definition of indicator, frequency of data collection, data source, methodology for data collection, and responsibility for data collection). During implementation, the MOHA DCM is expected to produce data for monitoring the Results Framework and prepare reports for dissemination to relevant stakeholders and for informed decision making and course correction, where necessary. The MOHA CMIS statistician will manage the project monitoring and evaluation, ensure quality of civil registration data, and coordinate with LSB to

produce annual vital statistics. A statistician/monitoring and evaluation officer is being recruited to assist and build the capacity of the MOHA CMIS statistician over one to five years. When necessary, the MOHA CMIS statistician will take short courses on monitoring and evaluation. In addition, a short-term international vital statistics consultant will be recruited to enhance the capacity of LSB to produce vital statistics using civil registration data, although given that civil registration coverage is low, vital statistics covering all provinces might not be produced from civil registration data until year four or five of project implementation.

46. **Data sources.** The sources of data will be the CMIS, NPCO administrative records, and the 2015 census (for denominator of two PDO indicators). Regarding the denominator for PDO indicator 2 (percentage of births registered), the 2015 census reported 183,000 births, but because it was indicated that there were errors in that estimate, the total number of births will be held constant during the project period instead of adjusting it each year.[22] A household survey was not considered for measuring birth registration because it does not provide accurate estimates, in the Lao context, of births registered as it may also capture entries in the family book that are not necessarily registration of vital events (respondents are unable to differentiate between vital events registration at DOHA and family book entries by the MPS.) For instance, the 2017 Lao Social Indicator Survey reported birth registration of 73 percent, but only 26 percent of respondents could show birth certificates. The other data sources are administrative records, which have to be kept diligently to ensure accuracy of the data.

47. **Reporting requirements and dissemination.** Various reports will be produced during project implementation and closing, including semiannual reports, annual reports, implementation status and results reports, midterm review report, and implementation completion and results report. The templates for the reports are detailed in the POM, and depending on the type of report, the sections of a report could cover progress updates according to component (achievements, challenges, and recommendations), procurement, FM, grievance redress and citizen engagement, safeguards, dissemination and data use, compliance with legal covenants, and lessons learned (positive and negative). The reports, including lessons learned, will be widely disseminated to stakeholders, including to civil society organizations and the public. As noted earlier, the NPCO will organize annual stakeholder consultative meetings with participation of representatives from relevant line ministries at the national and provincial levels and development partners to review and discuss the annual reports and recognize best-performing and most-improved POHAs and DOHAs.

C. Sustainability

48. The GoL's demonstrated commitment to improving CRVS increases the likely sustainability of the project. Lao PDR adopted the Ministerial Declaration to 'Get Everyone in the Picture' in Asia and the Pacific, endorsed the Regional Action Framework on CRVS, and proclaimed 2015–2024 as the Asia and the Pacific CRVS Decade. The 8th (2016–2020) NSEDP underscores the importance of improving registration of vital events to provide timely and accurate data to improve planning and monitoring of development programs at the provincial level. In May 2017, the Prime Minster endorsed the 2016–2025 CRVS strategic plan that eight line ministries developed. The Vice Minister of Home Affairs demonstrated his

[22] The number of births was estimated at 167,000 per year for 2015–2020 according to the United Nations, Department of Economic and Social Affairs, Population Division (2019). World Population Prospects 2019, Online Edition. Thus, 183,000 births per year during the project period sounds plausible.

commitment to improving CRVS by co-chairing all sessions of the workshops in 2016 and 2019, which representatives of the eight line ministries at the national and provincial levels and development partners attended. The 2018 FRL, which the NA approved, will provide the legal basis for implementation of the CRVS strategy.

49. MOHA participated in the stakeholder consultations that fed into the CPF and included CRVS as a pipeline project. The GoL has allocated some funding to initiate a pilot of the CMIS, and the project will provide additional resources to build on and expand it to the rest of the country. Nevertheless, the recently established DCM has limited experience in implementing a World Bank Group project. To improve institutional sustainability, the project will support recruitment of local and international consultants to enhance the management and technical capacity of MOHA staff to implement the project. Regarding financial sustainability, at midterm review, discussions will be initiated with the GoL on the annual recurrent costs for maintaining the CMIS and plans to cover the cost of project activities following conclusion of the project.

IV. PROJECT APPRAISAL SUMMARY

A. Technical, Economic, and Financial Analysis

50. The project's development impact, rationale for public investment, and World Bank value added are summarized in the following paragraphs.

Development Impact

51. The economic and financial analysis of the project provides evidence, based on estimated project costs and benefits, to inform the GoL's decision to invest in improving the CRVS system. The project's interventions are expected to generate direct, indirect, and, above all, intangible benefits to target beneficiaries (children, women, and men) by establishing a functional electronic CMIS and thereby improving coverage of civil registration of life events, including births, deaths, marriages, divorces, and migration in Lao PDR. Improving the CRVS system has three main advantages:

(a) It provides individuals with the legal status and documentation for accessing social services such as education, health, social welfare, and financial services.

(b) It helps improve governance and administrative functions such as helping identify the poor to provide them with targeted services and serves as a critical source of information for the effective and efficient delivery of public services including civil service, social registry, pensions, social security, passport, transportation or driver's license, taxes, health care, finance, education, voter rolls, and immigration.

(c) It is the best source of data for generating vital statistics for the monitoring of national development plans at the national and subnational levels.

52. A cost-benefit analysis (that is, determining whether dollar benefits of the project are likely to outweigh dollar costs) could not be carried out because it is difficult to monetize the direct, indirect, and intangible benefits of civil registration for the legal and administrative advantages noted earlier. However,

comparing the cost-effectiveness of producing vital statistics using civil registration data to other data sources is possible.

53. To ascertain the economic viability of the project, a cost-effectiveness analysis was conducted on the three main sources of data (civil registration, population-based survey, and population census) for producing vital statistics. Details of the findings was published in October 2019 in the Journal of Health, Population, and Nutrition.[23] It concluded that a cost-effectiveness analysis of different data sources for producing vital statistics over a 20-year projection showed that a complete and accurate CRVS system ranked best, followed by population census, and a population-based survey (Table 4). In addition to enabling vital statistics to be produced cost-effectively, a robust civil registration system would also support improving the efficiency of public service delivery, leading to further cost savings for the country.

Table 4. Costs of Data Sources for Vital Statistics over a 20-year Period

Data Source	Composite Quality Index	Average Cost per Year (US$)	Number of Records/Units	Cost per Quality-adjusted Unit	Ranking
CRVS	0.92	2,223,000	6,700,000	0.33	1
Census	0.42	1,860,000	6,700,000	0.66	2
Survey	0.28	240,000	52,460	16.34	3

Public Sector Involvement

54. CRVS serves important public functions, such as making timely and accurate information available for designing and implementing public policies and promoting transparency, thereby reducing fraud and corruption in the public sector. Building a public electronic information infrastructure will improve the effective and efficient functioning of the GoL, justifying the role of the public sector in financing and implementing the project. Establishing a well-functioning CMIS will need initial investment from the public sector and development partners because of the high cost of system development, introduction, and capacity building. In the long term, recurring costs, such as system upgrades and capacity building, will be lower, increasing the sustainability of the CMIS. As a public good, CRVS is unavailable in the free market in the Lao PDR context; only the GoL can provide it. As noted earlier, the GoL is committed to improving CRVS, which will lead to sustainability over the long term.

Value Added of World Bank

55. As the 2016–2030 World Bank Group multisectoral CRVS Action Plan evidences, the World Bank Group has convening power and comparative advantage in proven access to global knowledge and expertise. The action plan, which aims to achieve universal civil registration of births, deaths, and other vital events in partner countries, identifies Lao PDR as one of the countries prioritized for the World Bank Group's support. Drawing on the GoL's 8th NSEDP, the World Bank Group Lao PDR CPF underscored the significance of improving CRVS in the country. As a multisectoral CRVS global leader, the World Bank

[23] Mills, S., and D. Amponsah. 2019. "Economic Analysis of Producing Vital Statistics Using Civil Registration Data in Lao People's Democratic Republic." *Journal of Health, Nutrition and Population* 38 (Suppl 1): 20. https://jhpn.biomedcentral.com/articles/10.1186/s41043-019-0184-2.
Following the journal publication, the total project cost was increased from US$20 million to US$25 million, and this has been reflected in Table 4, that is, the cost per quality-adjusted unit for CRVS increased from 0.32 to 0.33.

Group is uniquely positioned to provide support through lending operations, advisory services and analytics, and sharing of international experience.

B. Fiduciary

FM and Disbursement Arrangements

56. The FM assessment was carried out in accordance with Bank Policy/Directives: Investment Project Financing to determine if the existing capacity and FM arrangement within the MOHA DCM is adequate for the project. The main FM risks identified overall are weak capacity and lack of experience and adequate FM systems. The implementing agency lacks qualified FM staff, systems to record and report receipts and expenditure timely, detailed and documented controls and procedures to guide staff, and experience in implementing an externally financed project. The overall FM risk for the project is considered as Substantial. Risk mitigation measures include (a) recruiting a national FM consultant, which has been completed, to support FM work of the project; (b) having in place an acceptable FM manual as part of the POM; (c) putting in place acceptable accounting software to record and report on project receipt and expenditure; (d) providing training on disbursement and FM requirements and processes to finance/accounting staff involved in the project implementation,[24] and (e) engaging qualified auditors with terms of reference acceptable to the World Bank to audit project expenditure on an annual basis until the project closes. The auditors shall be in place within six months of the project effectiveness. The World Bank FM team will carry out implementation support mission biannually to review and confirm that the agreed FM arrangement is still in place and that expenditures incurred are eligible for financing under the project. The review of expenditures will, as far as possible, be integrated with procurement post review and include physical sighting or field visits, where applicable.

57. **Organization and staffing.** A qualified consultant, recruited under the PPF, will continue to provide FM support to the project. The consultant is part of the NPCO but will work closely with staff of the Finance Division, Cabinet Office of MOHA. To ensure that capacity is built and sustained within the implementing agency, the NPCO would need to assign government staff to work alongside the consultant. Staff at POHA and DOHA shall be assigned to handle the project's FM requirements applicable for the provincial and district levels. They shall be trained before funds are transferred.

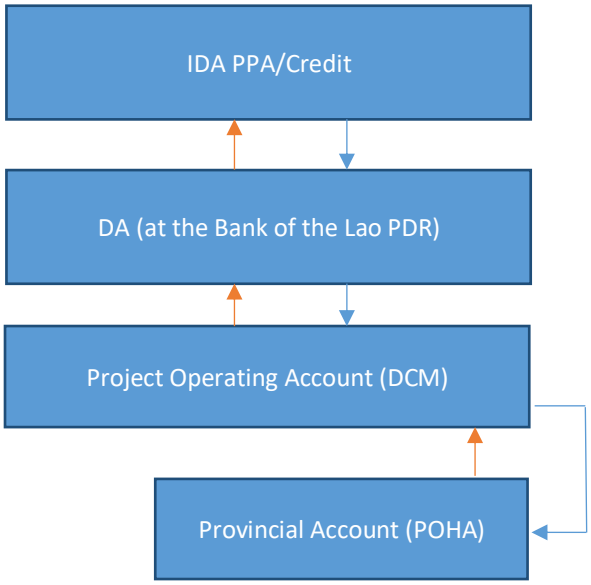
58. **Budgeting and planning.** The project budget will be prepared annually based on the annual approved project work plan. The NPCO at the DCM will consolidate budgets from all levels of implementation. The budget will cover the period of the Government's fiscal year, that is, January to December. The annual work plan and budget shall be reviewed and receive a 'no objection' from the World Bank.

59. **Funds flow.** Funds will flow from the IDA Credit account to the DA that has been opened under the PPF. The DA will have a variable ceiling based on six months expenditure forecast. Withdrawal and payments made from the DA will follow the documentation and approval requirements of the Treasury,

[24] MOHA participated in World Bank Group training on June 6, 2019, on disbursement processes and the Client Connection system, a web-based system through which one can access Lao PDR's project and financial information, process procurement documents, and access the World Bank Group's knowledge resources. There was FM training on June 11, 2019, on basic double entry accounting, preparation of the interim unaudited financial report (IFR), and supporting documents and eligible/ineligible expenditure.

MOF. The project operating account denominated in U.S. dollars, managed by the DCM, opened under the PPF will also continue to be used. Bank accounts shall also be opened at commercial banks denominated in Lao kip at the provincial levels managed by POHAs. POHAs will receive advance from the DCM based on approved quarterly work plan. DOHAs will receive advance based on the activity. The reporting of incurred expenditures for both POHAs and DOHAs will be on a monthly basis.

Figure 3. Funds Flow



60. **Accounting policies and procedures.** Cash basis of accounting will be used by the project. The project will follow the generally accepted accounting principles that apply to official development assistance-financed projects in the Lao PDR as there is no national standard and the cash basis of the International Public Sector Accounting Standards is not fully implemented in the public sector. As the Government does not yet have the integrated FM information system in place, off-the-shelf computerized accounting software will be used to record transactions and produce financial reports for the project.

61. **Financial reporting.** The project will follow the GoL fiscal year (January to December). Interim Unaudited Financial Reports (IFRs) will be prepared by the NPCO, reporting on receipts, expenditures, and fund balances for the project in form and content agreed with the World Bank team. Each IFR will cover a period of six months and will be submitted to the World Bank by the NPCO no later than 45 days after the end of each six months. A variance analysis between the actual and budgeted expenditures will be performed and reported as part of the IFR.

62. **Audit arrangements.** The project will be subject to an annual audit by qualified external auditors with terms of reference acceptable to the World Bank. The NPCO will be responsible for procuring the auditors and having a contract in place within six months of project effectiveness. The annual audit will cover project expenditure incurred in all levels of implementation and as such will require auditors to carry out visits to provinces and districts. The audit report together with management letters will be submitted to the World Bank no later than six months of each fiscal year-end. The audited financial statements and audit opinions will also be subject to public disclosure in accordance with World Bank

Policy on Access to Information. The audit report should be disclosed to the public through an acceptable means within one week of submission of the audit report to the World Bank.

63. **Disbursement arrangements.** A DA has been opened at the Bank of the Lao PDR under the PPF and will continue to be used. The DA will have variable ceilings based on a six-month approved cash forecast. The cash forecast must receive a 'no objection' from the World Bank. The applicable disbursement methods are (a) advance, (b) reimbursement, (c) direct payment, and (d) special commitment. The minimum application value for direct payment, reimbursement, and special commitment will be US$100,000. Reporting of expenditures paid from a DA will be based on submission of Statement of Expenditure. The frequency of reporting of expenditures will be monthly but not greater than three months. Disbursement from the IDA Credit will follow World Bank procedures. Eligible expenditure will be disbursed against the following as shown in Table 5.

Table 5. Eligible Expenditures and Disbursements

Expenditure Category	Amount (US$ equivalent)	Percentage of Expenditures to Be Financed (Inclusive of Taxes)
(1) Goods, works, non-consulting services, consulting services, Training and Workshops and Operating Costs under the Project	24,470,000	100
(2) Refund of Preparation Advance	530,000	Amount payable pursuant to Section 2.07 (a) of the General Conditions
Total	**25,000,000**	

64. **Disbursement deadline date.** The project will have a disbursement deadline date (final date on which IDA will accept applications for withdrawal from the recipient or documentation on the use of credit proceeds already advanced by IDA) of four months after the closing date of the project. Expenditures incurred between the closing date and the disbursement deadline date will not be eligible for disbursement. All documentation for expenditures forwarded to IDA for disbursements will be retained and will be made available to the external auditors, for annual audit, and to IDA and its representatives, if requested. In the event that auditors or the IDA implementation support missions find that disbursements made were not justified by the supporting documentation or are ineligible, IDA may, at its discretion, require the borrower to (a) refund an equivalent amount to IDA or (b) exceptionally, provide substitute documentation evidencing other eligible expenditures.

65. **Operating costs.** These are reasonable costs required for the day-to-day coordination, administration, operation, and supervision of project activities. This includes leasing and/or routine repair and maintenance of vehicles; equipment; facilities and office premises; fuel; office supplies; utilities; consumables; communication expenses (including postage, telephone, and Internet costs); translation; operating costs of information campaigns including media costs, printing and photocopying expenses, bank charges, publications, and advertising expenses; registration cost, plate issuance fee, and insurance cost for project-purchased motor vehicles; project-related meeting expenses; project-related travel, subsistence, and lodging expenses; and other administrative costs and costs of contractual staff directly related to the project. The operating costs exclude consulting fees and salaries, bonuses, fees and honoraria, or equivalent payments of members of the recipient's civil service.

Procurement

66. Procurement under the project will be conducted in accordance with the requirements set forth or referred to in the 'World Bank Procurement Regulations for IPF Borrowers,' dated July 2016, revised November 2017 and August 2018 (Procurement Regulations). Approaches to national markets (request for bids and request for quotations) will be carried out in accordance with the national regulations including the Lao PDR Law on Public Procurement, No. 30/NA November 2, 2017, Instruction on Implementation of Law on Public Procurement, No. 0477/NA February 13, 2019, and harmonized bidding documents and request for quotations for procurement of works, goods, and non-consulting services agreed with the World Bank. Approaches to international markets will entail use of World Bank standard procurement documents. In addition, the World Bank Group's planning and tracking system (STEP), for which MOHA staff have already been trained on would be used to communicate all procurement requests and information to the Bank.

67. **Procurement capacity and risk assessment.** Procurement risk is assessed as Moderate**.** A procurement capacity and risk assessment of MOHA conducted by the World Bank identified the following procurement risks: (a) lack of experience with World Bank procurement procedures that may lead to delays and noncompliance, (b) weak coordination between NPCO at the DCM and other departments within MOHA and with other line ministries could result in delays, (c) limited contract monitoring and technical and management skills and tools to ensure efficient and timely contract implementation, (d) complexity of CMIS procurement that may pose challenges to MOHA, and (e) poor development of technical specification for the CMIS that could possibly lead to a locked-in contract that would eventually end in excessive total ownership cost. To mitigate the risks, the following actions are recommended, some of which are already being implemented by MOHA: (a) procurement training has been provided to NPCO staff, including initial training during project preparation by the World Bank and in-depth on-the-job procurement trainings during project implementation by the national procurement consultant; (b) MOHA has hired an international procurement consultant to support the NPCO on an intermittent basis to expedite the project's international procurement PPF activities; (c) a full-time national procurement consultant has been hired under the PPF and will continue to provide procurement support to the project during implementation; (d) contracts for two national CMIS technical consultants are being finalized, and they will assist with development of technical specifications of the CMIS and provide support for the evaluation of the bids; (e) to ensure that capacity is built and sustained within MOHA, the ministry will assign government staff to work alongside the consultants; (f) the CMIS user devices will be procured using international competitive approach; (g) the major contracts will include key performance indicators to allow monitoring of performance and addressing issues that arise in the course of contract implementation; and (h) project manual has been developed to clearly define roles and responsibilities, as well as to strengthen the control and coordination arrangements between the NPCO and the Finance Division, Cabinet Office of MOHA, to ensure well-coordinated implementation.

68. **Procurement strategy and procurement approach.** MOHA DCM has prepared a Project Procurement Strategy for Development (PPSD) for the project with support from the World Bank team, and the document is available in separate project files. The PPSD presents how procurement activities will support the development objective of the project and deliver the best value for money under a risk-based approach. In addition, the PPSD includes the rationales for procurement decisions, including selection of the approach to market and procurement methods. The PPSD and the Procurement Plan of the project shall be regularly updated as appropriate during project implementation.

69. The PPSD identified the CMIS (US$13.8 million) as the major procurement activity attractive to the international market. In view of the inherent risk of failure in awarding a large contract of US$13.8 million to one vendor, the PPSD recommended awarding multiple packages to different vendors (for instance, one vendor each for user devices, network connectivity, CMIS software, cloud services, and digitization of paper records). Consulting services under the project are relatively small assignments, such as project implementation advisory, financial audit, midterm and final assessments, and surveys, with cost estimates ranging from US$80,000 to US$300,000, and other consulting assignments that are mostly small scale, with cost estimates below US$300,000 for international and national technical expertise.

70. The remaining budget of the project will finance procurement of goods and minor office renovation, printing of manuals and forms, and other activities such as training and workshops. Goods comprise vehicles, motorcycles, office equipment, and furniture, and the market research as part of the PPSD showed that there are sufficient potential suppliers/contractors in the country with the capacity to supply this type of goods. Therefore, it proposes to use request for bids method for contracts costing US$600,000 and above, the national market approach for contracts between US$100,000 and US$600,000, and the request for quotations method with a national market approach for contracts less than US$100,000

71. The PPSD analysis concluded that most of small consulting services could be carried out by national consulting firms, and the national approach will be considered as appropriate using the Selection Based on the Consultants' Qualifications selection method. For contracts with individuals for some positions that do not require international experience and for which there are individuals with the qualifications and experience in the national market, the national approach would be used. The international market approach should be considered for contracts that need international experience, in which case hiring international consultants would be beneficial for project implementation.

72. **Procurement Plan.** Based on the PPSD, an initial Procurement Plan covering the first 18 months of project implementation has been developed. The initial Procurement Plan is available as a separate project document that will be updated at least annually, or as needed, to reflect the current status of implementation of each procurement activity/contract or to modify/delete or add activities/contracts. Updates of the Procurement Plan will be submitted to the World Bank for its review and approval before implementation. Contracts below the prior-review thresholds as captured in the approved Procurement Plan shall be subject to post review by the World Bank team on an annual basis, in accordance with the procedures set forth in the Procurement Regulations. The sampling rate of post review is at least 10 percent of the total World Bank-financed contracts awarded across the World Bank portfolio that have not been subject to prior review by the World Bank.

C. Safeguards

Environmental Safeguards

73. The project will finance (under Component 3) the renovation of an office space and provision of office furniture and equipment for project personnel and consultants at the existing MOHA compound. The renovation of office space will be limited to partitioning and painting. Additional equipment (computers plus multifunction [scan, print, and copy] laser printers) and furniture will be procured for the office and training room. Although the environmental effect is expected to be minor, the project is

categorized as Category B and two World Bank safeguard policies, ***OP/BP 4.01 Environmental Assessment and OP/BP 4.10 Indigenous Peoples***, are triggered. Minor environmental effects expected during office renovation are related to civil work activities conducted for office renovation and include air pollution caused by dust generated from cleaning of old walls, noise, and potentially lack of or inconsistent use of personal protective equipment. These risks are minor, localized, and short term and therefore can be adequately managed through implementation of an Environmental Code of Practice (ECOP) and good construction management practices.

74. Reflecting the nature and small scale of the proposed renovation for civil works under the project and the known location, an ECOP has been developed[25] and will be applied for rehabilitation of an office space and related facilities. This safeguard instrument was chosen because the specific project activities and exact locations are known. Contractor specifications to address environmental and social concerns, including construction dust and noise control, waste management and disposal, site management, and occupational and community health and safety measures, are also covered in the ECOP and will be included in the bidding documents. Compliance with national environmental quality standards and the World Bank Group environmental health and safety guidelines will be referenced in the contractor's contract.

75. MOHA's institutional capacity to manage environmental issues will be carefully assessed within the NPCO. A focal point will be assigned at the NPCO throughout project implementation to supervise implementation of the ECOP. The ECOP has been prepared and discussed to ensure that all project-related parties understand the possible effects and that the required safeguard measures are provided in the ECOP. Ongoing support and monitoring are recommended during implementation of renovation activities to ensure civil works compliance with the World Bank environmental safeguards requirement.

Social Safeguards

76. The social risk is considered to be Moderate because the financing of this project will not result in activities that will acquire land, restrict access, result in involuntary resettlement, or harm ethnic minority communities. The project has the potential to benefit all ethnic groups because civil registration—by helping establish legal identity—provides access to social services such as health, education, social welfare, and financial services. Subcomponent 1.2, on generating demand for civil registration and citizen engagement, will focus on SBCC and operationalization of a grievance redress system.

77. OP/BP 4.12 on Involuntary Resettlement is not triggered, but because activities will be undertaken in ethnic minority communities, ***OP/BP 4.10 on Indigenous Peoples*** has been triggered. The amended FRL will be translated from Lao into other local languages (for example, Hmong, Khmu, and Sino-Tibetan) and English and will be disseminated widely to national, provincial, and district government agencies and the public through various channels, including workshops, national and local TV and radio, brochures, flyers, booklets, posters, and Facebook. Any potential risk that ethnic groups may be excluded from birth and family registration and the ensuing benefits from being registered will also be addressed through project design. These measures include an adapted citizen engagement and grievance redress system and specially adapted to project activities, such as development of a communication strategy based on an audience analysis targeting ethnic groups, an impact evaluation that disaggregates results according to an

[25] The final ECOP was disclosed on MOHA's website on October 28, 2019, respectively.

ethnic group, and translation of relevant documents (for example, 2018 FRL) into all major ethnic minority languages. The project will also ensure that the CMIS design considers data privacy and protection to address any risks that the information provided through civil registration could be used to discriminate against certain groups.

Other Safeguard Policies

78. No other safeguard policies are triggered for the project.

Grievance Redress Mechanisms

79. Communities and individuals who believe that they are adversely affected by a WBG supported project may submit complaints to existing project-level grievance redress mechanisms or the WB's Grievance Redress Service (GRS). The GRS ensures that complaints received are promptly reviewed in order to address project-related concerns. Project affected communities and individuals may submit their complaint to the WBG's independent inspection panel which determines whether harm occurred, or could occur, as a result of WBG non-compliance with its policies and procedures. Complaints may be submitted at any time after concerns have been brought directly to the WBG's attention, and bank management has been given an opportunity to respond. For information on how to submit complaints to the WBG's corporate Grievance Redress Service (GRS), please visit http://www.worldbank.org/en/projects-operations/products-and-services/grievance-redress-service. For information on how to submit complaints to the WBG Inspection Panel, please visit www.inspectionpanel.org.

V. KEY RISKS

80. **The overall risk of the proposed operation to establish a CMIS and improve the coverage of civil registration of vital events is assessed as Substantial.** The project design includes mitigation measures as described in the following paragraphs.

81. **Political and governance risks are assessed as Substantial.** Despite a stable political landscape, governance risks in Lao PDR are associated with the presence of vested interests, rent-seeking patterns, and conflict of interest. These are systemic risks, which nevertheless could affect the PDO achievement. On the mitigation side, the Prime Minister has significantly overhauled the institutional framework affecting CRVS, simplifying and streamlining responsibility and accountability lines. In this respect, the Prime Minister endorsed MOHA as the sole ministry responsible for coordinating the relevant ministries to implement this multisectoral operation. For instance, recognizing that amendment of the legislation requires inputs from several sectors, the Vice Minister of Home Affairs formed a temporary FRL drafting committee (comprising representatives from MOHA, the MOJ, the MPS, MOFA, the MOLSW, the Department of Law of the National Assembly, and the Legal Department of the Government Office), which provides a good level of oversight and coordination and greatly facilitates dialogue among different stakeholders.

82. **Macroeconomic risks are assessed as High.** High fiscal deficits and public debt levels could negatively affect PDO achievement. The GoL is putting together a fiscal consolidation plan to reduce the budget deficit and contain rising public debt, but implementation may be challenging, particularly with

the impacts of the recent floods and the uncertain external environment. The uncertainty in the global economy, especially the ongoing trade tension between United States and China, expected tightening of interest rates in the United States, and related enhanced volatility in commodity prices could negatively affect global trade and the Lao economy by reducing demand for investment and its exports and put further pressure on the fiscal space and already low reserves. The budget of the state is already under pressure, notably with respect to allocation of social services. On the mitigation side, the resources allocated to this project should cover in full the adoption and development of the CMIS. Moreover, at the broader level, continued advocacy of CRVS as a public good and foundation for good governance is likely to sustain political commitment for directing more resources to CRVS.

83. **Institutional capacity for implementation and sustainability risks are assessed as Substantial.** MOHA is a new client for the World Bank. In particular, the MOHA DCM has limited previous experience working on World Bank Group or other multilateral development partners' operations. However, capacity improvements have taken place in recent times, and the level of ownership of the CRVS agenda is remarkable. To ensure adequate support to MOHA, consultants have been recruited to complement existing MOHA staff, including in the preparatory phases of this project. This level of support, which includes capacity-building activities and transfer of knowledge, will continue during the implementation of the project. MOHA has also shown remarkable leadership and ownership of this agenda, which encompasses a complex web of stakeholders, including at the central, provincial, and district levels. This has greatly facilitated the dialogue with and the level of understanding of decentralized entities, where capacity issues are even more acute.

84. **Fiduciary risks are assessed as Substantial.** A new implementing agency with largely limited fiduciary (FM and procurement) capacity could lead to the risk of delay in procurement processing, financial reporting, disbursement, and noncompliance with internal controls. This could also lead to the risk of funds not being effectively used. Project procurement will be conducted according to the Procurement Regulations for IPF Borrowers of World Bank dated July 1, 2016, revised November 2017 and August 2018. Procurement capacity to use STEP is limited and may require substantial support from the World Bank staff during project implementation. All these factors justify the current substantial fiduciary risk rating assigned to this project. Assessment of the fiduciary capacity (FM and procurement) will be reassessed during the project implementation. Proposed risk mitigation measures include the recruitment of support staff on the procurement and FM fronts and the measures outlined in detail in annex 1.

85. **Stakeholder risks are assessed as Substantial.** The substantial risks associated with the dimensions described in the preceding paragraphs may result in delays in the implementation of this project, which could adversely affect the high expectations of the complex web of stakeholders. In addition to the mitigation measures already discussed, the level of ownership of MOHA during the preparation of this project, as well as the organization of outreach activities, has been exemplary. In particular, MOHA has organized three separate stakeholder consultative meetings, which brought together line ministries (at the national, provincial, and district levels), village authorities, development partners, and civil society organizations. These stakeholder consultations were comprehensive and well-received, contributing to the dissemination of the project activities and the importance of the CRVS agenda for the development of Lao PDR. During implementation, MOHA has committed to organizing annual stakeholder consultative meetings to engage and apprise stakeholders on the progress of implementation and lessons learned.

VI. RESULTS FRAMEWORK AND MONITORING

Results Framework

COUNTRY: Lao People's Democratic Republic

Lao People's Democratic Republic Civil Registration and Vital Statistics Project

Project Development Objectives(s)

To improve coverage of civil registration of vital events, particularly births and deaths in Lao PDR, with the establishment of a functional electronic civil management information system.

Project Development Objective Indicators

Indicator Name	DLI	Baseline	Intermediate Targets				End Target
			1	2	3	4	
Improve the coverage of civil registration of vital events							
National birth registration coverage (Percentage)		38.70	39.00	50.00	55.00	65.00	70.00
Birth registration coverage in rural districts (Percentage)		32.40	34.00	46.00	52.00	60.00	65.00
Birth registration coverage in the bottom 20 percent districts (Percentage)		13.10	15.00	18.00	22.00	25.00	30.00
National death registration coverage (Percentage)		36.10	37.00	40.00	42.00	44.00	46.00

Intermediate Results Indicators by Components

Indicator Name	DLI	Baseline	Intermediate Targets				End Target
			1	2	3	4	
Component 1: Strengthening the provision and use of civil registration services							
Births registered (cumulative) (Number)		70,732.00	140,000.00	230,000.00	330,000.00	450,000.00	580,000.00
Births registered, female (cumulative) (Number)		35,234.00	70,000.00	115,000.00	165,000.00	225,000.00	275,000.00
Deaths registered (cumulative) (Number)		19,238.00	39,000.00	60,000.00	82,000.00	106,000.00	130,000.00
WHO medical certificate of cause of death completed by medically qualified doctors (cumulative) (Number)		0.00	0.00	100.00	200.00	400.00	600.00
Marriages registered (cumulative) (Number)		20,708.00	42,000.00	64,000.00	86,000.00	108,000.00	130,000.00
Divorces registered (cumulative) (Number)		4,422.00	8,800.00	12,800.00	16,800.00	20,800.00	24,800.00
Number of provinces providing birth registration data through the CMIS to the central level (Number)		0.00	0.00	3.00	6.00	9.00	10.00
Districts that have completed the digitization of existing paper records (Percentage)		0.00	20.00	50.00	60.00	70.00	80.00
Standard operating procedures based on 2018 Family Registration Law finalized and disseminated (Text)		Standard operating procedures drafted	Standard operating procedures finalized	Standard operating procedures disseminated to all POHAs			Standard operating procedures disseminated to all DOHAs
DOHA and POHA personnel trained on CRVS (cumulative) (Number)		0.00	20.00	50.00	100.00	130.00	160.00

Indicator Name	DLI	Baseline	Intermediate Targets				End Target
			1	2	3	4	
SBCC conducted in provinces (cumulative) (Number)		0.00	3.00	5.00	10.00	14.00	17.00
Grievances responded to within stipulated service standards for response (Number)		0.00	10.00	20.00	30.00	40.00	50.00
Summary report of the grievance redress system published (Text)		None	None	Published	Published	Published	Published
Component 2: Monitoring and Impact evaluation							
Annual progress reports disseminated to stakeholders, including POHA and DOHA, at annual consultative meetings (cumulative) (Number)		0.00	1.00	2.00	3.00	4.00	5.00
Annual vital statistics reports that uses civil registration data (cumulative) (Number)		0.00	0.00	0.00	1.00	2.00	3.00
Component 3: Project management							
National Program Coordination Office Personnel or DCM staff trained on CRVS or project management (cumulative) (Number)		0.00	3.00	10.00	14.00	18.00	20.00

Monitoring & Evaluation Plan: PDO Indicators					
Indicator Name	**Definition/Description**	**Frequency**	**Datasource**	**Methodology for Data Collection**	**Responsibility for Data Collection**
National birth registration coverage	Numerator is total number of births registered by MOHA; denominator is expected number of births from 2015 census	Annual	CMIS/MOHA administrative data for numerator; 2015 census for denominator	MOHA registered 70,732 births in calendar year 2018 (calendar year 2019 data not yet available). There is no breakdown according to age so preferred indicator "percentage of children under 1 year old whose births have been registered" could not be used. Regarding denominator, the 2015 census reported 183,000 births, but because it was indicated that there were errors in this estimate, it will be assumed that total number of expected births per year will remain constant during the project period instead of being adjusted each year (next census will be in	MOHA CMIS Division

				2025). It was estimated at 167,000 per year for 2015–2020 in the 2019 World Population Prospects, so 183,000 births sound plausible for the project period. Given that, during the initial years of the project, raising awareness will increase the backlog of children who have not been registered being registered, percentage of births registered in first or second year may be higher than in final year. Baseline value is computed as follows: Numerator is number of births registered January-December 2018 and denominator is number of births January-December 2018 (i.e. 183,000). The value for target 01 will be computed as follows: Numerator is number of births	

				registered in calendar year 2020 and denominator is number of births in calendar 2020 (i.e. 183,000).	
Birth registration coverage in rural districts	Numerator is total number of births registered by MOHA in rural districts defined as the districts with percentage rural of 90 percent or more in the 2015 census (25 districts in total); denominator is expected number of births from 2015 census	Annual	CMIS/MOHA administrative data for numerator; 2015 census for denominator	Similar to the approach above for national birth registration coverage.	MOHA CMIS Division
Birth registration coverage in the bottom 20 percent districts	Numerator is total number of births registered by MOHA in the bottom 20% districts when districts are ranked by birth registration coverage (the same districts selected at baseline will be used throughout the project period); denominator is expected number of births from 2015 census	Annual	CMIS/MOHA administrative data for numerator; 2015 census for denominator	Similar to the approach above for national birth registration coverage	MOHA CMIS Division
National death registration coverage	Numerator is the total number of deaths registered by MOHA; and denominator is the expected number of deaths from 2015 census	Annual	CMIS for numerator; 2015 census for denominator	Similar approach as for birth registered. Baseline is 2018 MOHA deaths registered 19,238. The 2015	MOHA CMIS Division

				census reported a crude death rate of 8.2% and a population of 6,492,000, yielding 53,234 deaths.	

Monitoring & Evaluation Plan: Intermediate Results Indicators					
Indicator Name	**Definition/Description**	**Frequency**	**Datasource**	**Methodology for Data Collection**	**Responsibility for Data Collection**
Births registered (cumulative)	Numerator is the total number of births registered by MOHA; and denominator is the expected number of births from 2015 census	Annual	CMIS and MOHA administrative data	Cumulative number of births registered as of December 31 is reported. Baseline value: Number of births registered January-December 2019. The value for target 01 (December 31, 2020) will be computed as follows: Number of births registered in calendar year 2019 plus the number in calendar 2020. The value for target 02 (December 1, 2021): Number of births registered in calendar year 2019 plus 2020 plus 2021.	MOHA CMIS Division

Births registered, female (cumulative)	Cumulative number of female births registered by MOHA	Annual	CMIS and MOHA administrative data	Cumulative number of female births registered as of December 31 is reported.	MOHA CMIS Division
Deaths registered (cumulative)	Cumulative number of deaths registered by MOHA	Annual	CMIS and MOHA administrative data	Cumulative number of deaths registered as of December 31 is reported.	MOHA CMIS Division
WHO medical certificate of cause of death completed by medically qualified doctors (cumulative)	Cumulative number of WHO medical certificate of cause of death completed by medically qualified doctors	Annual	CMIS and MOHA administrative data	Records kept by NPCO on MCCDs carried out by MOH	MOHA NPCO
Marriages registered (cumulative)	Cumulative number of marriages registered by MOHA as of December 31	Annual	CMIS and MOHA administrative data	Cumulative number of marriages registered as of December 31 is reported.	MOHA CMIS Division
Divorces registered (cumulative)	Cumulative number of divorces registered by MOHA as of December 31	Annual	CMIS and MOHA administrative data	Cumulative number of divorces registered as of December 31 is reported.	MOHA CMIS Division
Number of provinces providing birth registration data through the CMIS to the central level	Cumulative number of provinces that provide birth registration data through	Annual	CMIS	CMIS reports.	MOHA CMIS Division

	CMIS to the central level rather than using paper records at end of each calendar year				
Districts that have completed the digitization of existing paper records	Numerator is the total number of districts that have completed the digitization of existing paper records; and denominator is all 148 districts in Lao PDR	Annual	MOHA administrative data	Records kept by NPCO on digitization of existing paper records	MOHA NPCO
Standard operating procedures based on 2018 Family Registration Law finalized and disseminated	Standard operating procedures based on 2018 Family Registration Law finalized and disseminated (printed copies distributed to) POHAs and DOHAs	Annual	NPCO adminstrative records	MOHA NPCO has distributed printed copies to POHAs and DOHAs	MOHA NPCO
DOHA and POHA personnel trained on CRVS (cumulative)	Cumulative number of DOHA and POHA personnel trained on the basic CRVS eLearning course curriculum developed by the World Bank and partners or standard operating procedures	Annual	NPCO adminstrative records	Records kept by NPCO on DOHA and POHA personnel trained	MOHA NPCO
SBCC conducted in provinces (cumulative)	Cumulative number of provinces where SBCC has been conducted	Annual	NPCO adminstrative records	Records kept by NPCO on SBCC carried out in the provinces	MOHA NPCO
Grievances responded to within stipulated service standards for response	Numerator is number of grievances addressed within 7 working days; denominator is number of	Every 6 months	NPCO adminstrative records	Records kept by NPCO on grievances	MOHA NPCO

	grievances reported to MOHA				
Summary report of the grievance redress system published	Summary report of the grievance redress system prepared and published on the MOHA website or in annual progress report within 3 months of the end of the calendar year	Annual	NPCO administrative records	Records kept by NPCO	MOHA NPCO
Annual progress reports disseminated to stakeholders, including POHA and DOHA, at annual consultative meetings (cumulative)	Annual progress reports disseminated to stakeholders, including POHA and DOHA, at annual consultative meetings organized by MOHA DCM with representation of at least four of eight line ministries involved with CRVS (MOHA, MOH, MOJ, MPS, MOES, MPI, MOF, MOLSW)	Annual	NPCO adminstrative records	Records kept by NPCO on annual consultative meetings	MOHA NPCO
Annual vital statistics reports that uses civil registration data (cumulative)	Cumulative number of annual vital statistics reports that uses civil registration data	Annual	CMIS and MOHA administrative data	Records kept by NPCO on annual vital statistics reports	MOHA NPCO
National Program Coordination Office Personnel or DCM staff trained on CRVS or project management (cumulative)	Cumulative number of National Program Coordination Office Personnel or DCM staff trained on CRVS or project management	Annual	NPCO adminstrative records	Records kept by NPCO on trainings	MOHA NPCO

ANNEX 1: Implementation Arrangements and Support Plan

COUNTRY: Lao People's Democratic Republic
Civil Registration and Vital Statistics (CRVS) Project

Implementation Arrangements

1. Project institutional arrangements are described in section III. Financial Management (FM), disbursement, procurement, environmental safeguards, and social safeguards are described in section IV. Detailed manuals for FM, the Project Procurement Strategy for Development (PPSD), citizen engagement and grievance redress system, Civil Management Information System (CMIS), Environmental Code of Practices (ECOPs), and results monitoring and evaluation arrangements have been developed and included in the Project Operational Manual (POM). The implementation support plan is described in the following paragraphs and will be reviewed periodically to ensure that it continues to meet the implementation support needs of the project.

Implementation Support Plan

2. **The World Bank Group implementation support team.** The task team leader, who is based in Washington, DC, is with the Health, Nutrition, and Population Global Practice and leads the World Bank Group Global CRVS Program. The task team leader has been leading the policy dialogue with MOHA in close consultation with the country manager and country officer during project preparation and will continue to do so during implementation. If there is a change in the task team leader during project implementation, the World Bank Group will ensure that a CRVS expert becomes an integral part of the task team to continue to provide good-quality technical advice to Ministry of Home Affairs (MOHA). Given that the Ministry of Health (MOH) is a critical stakeholder in birth and death notification and Medical Certification of Cause of Death (MCCD), a health specialist based in Vientiane will facilitate coordination between the MOH and MOHA and support the task team leader as necessary. The specialists in FM, social development, and environment are all based in Vientiane and will be available to provide regular support to the MOHA Department of Citizen Management (DCM). In addition, the procurement specialist, who is familiar with ICT procurement, is based in Bangkok and will be in a position to visit Vientiane on short notice. Other World Bank Group experts, such as for CMIS and impact evaluation, will provide guidance and join implementation support missions, as necessary.

3. **Consultants.** As noted earlier, consultants that MOHA hires will complement and enhance the technical and fiduciary expertise of MOHA staff. The World Bank Group will hire consultants as necessary to provide just-in-time technical advice and build the capacity of MOHA staff.

4. **Missions and site visits.** Implementation support missions will be undertaken twice a year but may be more frequent in the first year to ensure that appropriate support is provided in the initial critical implementation period. These missions typically review and provide support on technical activities, procurement, FM, safeguard arrangements, monitoring and evaluation, and institutional arrangements. During the missions, site visits may be made to provide an opportunity to interact with government officials and personnel implementing the project in the provinces and districts, as well as with project beneficiaries. There could also be specific technical missions, such as for SBCC and impact evaluation. An

Aide Memoire with agreed-upon actions will be prepared at the end of each mission, and the World Bank Group will prepare an implementation status and results report twice a year, which will be publicly disclosed.

5. **Financing of implementation support plan.** The World Bank Group country office will allocate funds annually for project implementation support, which will cover activities such as the following:

(a) Provide staff time and travel-related mission expenses.

(b) Provide inputs into preparation and review of the POM, which includes detailed manuals for FM, procurement, citizen engagement and grievance management system, CMIS, ECOPs, and results monitoring and evaluation arrangements.

(c) Ensure compliance with legal agreements to meet World Bank Group fiduciary obligations.

(d) Provide fiduciary support and oversight in preparation of terms of reference, bidding documents, contracting, and contract management of individual and firm consultants.

(e) Provide environmental and social safeguard support and oversight.

(f) Monitor and assess progress and results and address implementation challenges.

(g) Provide hands-on training on FM, disbursement, procurement, social safeguards, and environment safeguards.

(h) Adapt core modules of CRVS eLearning course for translation into Lao for use in trainings noted in the main text regarding capacity building under Subcomponent 1.1.

(i) Provide technical expert input into and guidance on Social and Behavior Change Communication (SBCC) activities that a consultancy firm will perform, such as conducting audience analysis, developing a communication strategy, holding stakeholder consultative workshops, designing messages and materials, pretesting the messages, implementing and monitoring progress of the communication strategy, and managing grievance management system (actively collecting and responding to complaints).

(j) Provide technical expert inputs and guidance on design, data collection, analysis, and preparation of reports for baseline and end line qualitative (key informants and focus groups) and quantitative (household survey) studies.

(k) Provide technical expert input and guidance on the CMIS implementation.

6. The project will require the following implementation support in the first year. The implementation support plan will be revised after the first year of implementation:

Table 1.1. Required Project Supervision

Skills Needed	Number of Staff Weeks	Number of Trips	Comments
Senior health specialist/CRVS expert (task team leader)	14	4	The global CRVS expert will oversee the entire operation to ensure project performance toward the PDO, provide technical inputs, oversee monitoring and evaluation of the operation, and manage partner relationships.

Skills Needed	Number of Staff Weeks	Number of Trips	Comments
Senior economist	5	1	The senior economist will oversee the impact evaluation baseline data collection and analysis.
Senior information technology (IT) officer	4	1	The senior IT officer will review the terms of reference for the various CMIS packages and provide inputs into the CMIS implementation.
SBCC specialist (consultant)	4	1	The SBCC specialist will provide overall support for the implementation of the SBCC.
Health specialist	8	0	The health specialist will facilitate coordination between the MOH and MOHA on birth and death notification and MCCD.
Senior procurement specialist	6	0	The procurement specialist will support the implementing agencies on related issues.
Senior FM specialist	6	0	The FM specialist will support the implementing agencies on related issues.
Senior social safeguards specialist	3	0	The social safeguards specialist will ensure that grievance redress will be tailored specifically for ethnic groups in Lao PDR and comply with policies of the Lao PDR concerning ethnic groups.
Environmental safeguards specialist	3	2	The environmental safeguards specialist will ensure ECOP compliance.

Project Institutional And Implementation Arrangements

7. The MOHA DCM will be responsible for the implementation of the project and has already assigned existing DCM staff to the National Program Coordination Office (NPCO) (including project director, deputy project director, CRVS technical officer, CMIS director, citizen engagement and SBCC officer, and program assistant) and has recruited consultants. MOHA will be responsible for all formal communications with all stakeholders and will share semiannual reports with relevant line ministries.

Financial Management

8. **Summary of FM assessment.** The FM assessment was carried out in accordance with Bank Policy/Directives: Investment Project Financing to determine if the existing capacity and FM arrangement within the MOHA DCM is adequate for the project. The main FM risks identified overall are weak capacity and lack of experience and adequate FM systems. The implementing agency lacks qualified FM staff, systems to record and report receipts and expenditure timely, detailed and documented controls and procedures to guide staff, and experience in implementing an externally financed project. The overall FM risk for the project is considered as Substantial. Risk mitigation measures include (a) recruiting a national FM consultant, which has been completed, to support FM work of the project, (b) having in place an acceptable FM manual as part of the POM, (c) putting in place acceptable accounting software to record and report on project receipt and expenditure, (d) providing training on disbursement and FM requirements and processes to finance/accounting staff involved in the project implementation,[26] and (e)

[26] MOHA participated in World Bank Group training on June 6, 2019, on disbursement processes and the Client Connection system, a web-based system through which one can access Lao PDR's project and financial information, process procurement

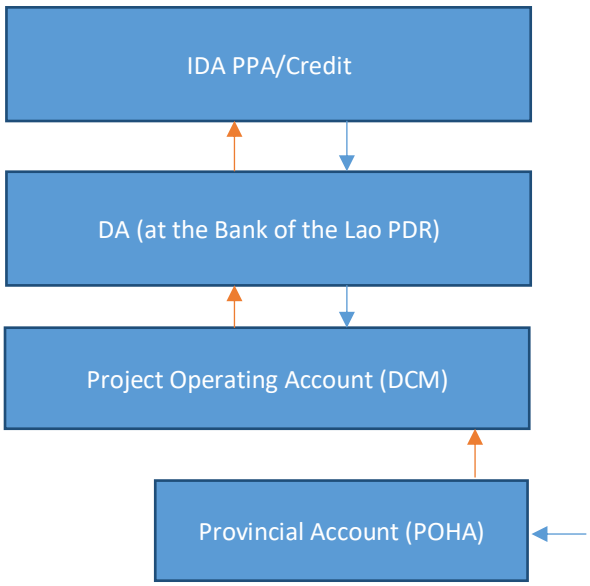
engaging qualified auditors with terms of reference acceptable to the World Bank to audit project expenditure on an annual basis until the project closes.

9. **Organization and staffing.** A qualified consultant, recruited under the Project Preparation Facility (PPF), will continue to provide FM support to the project. The consultant is part of the NPCO but will work closely with staff of the Finance Division, Cabinet Office of MOHA.

10. **Budgeting and planning.** The project budget will be prepared annually based on the annual approved project work plan. The NPCO at the DCM will consolidate budgets from all levels of implementation. The budget will cover the period of the Government's fiscal year, that is, January to December.

11. **Funds flow.** Funds will flow from the IDA Credit account to the DA and subsequently to other accounts as depicted in Figure 1.1.

Figure 1.1. Funds Flow



Disbursement

12. **Disbursement arrangements.** A DA has been opened at the Bank of the Lao PDR under the PPF and will continue to be used. The DA will have variable ceilings based on a six-month approved cash forecast. The cash forecast must receive a 'no objection' from the World Bank. The applicable disbursement methods are (a) advance, (b) reimbursement, (c) direct payment, and (d) special commitment. The minimum application value for direct payment, reimbursement, and special

documents, and access the World Bank Group's knowledge resources. There was FM training on June 11, 2019, on basic double entry accounting, preparation of the unaudited IFR, and supporting documents and eligible/ineligible expenditure.

commitment will be US$100,000. Reporting of expenditures paid from a DA will be based on submission of Statement of Expenditure.

Procurement

13. Procurement under the project will be conducted in accordance with the requirements set forth or referred to in the Procurement Regulations. Approaches to national markets (request for bids and request for quotations) will be carried out in accordance with the national regulations including the Lao PDR Law on Public Procurement, No. 30/NA November 2, 2017, including the Instruction on Implementation of Law on Public Procurement, No. 0477/NA February 13, 2019. Harmonized bidding documents and request for quotations will be used for procurement of works, goods, and non-consulting services under the project. Under the proposed project, the World Bank Group's planning and tracking system (STEP), which the World Bank Group has trained MOHA staff on the use of, will be used.

14. The MOHA DCM has prepared the PPSD that presents how procurement activities will support the development objective of the project and deliver the best value for money under a risk-based approach. In addition, the PPSD includes the rationales for procurement decisions including the selection of the approach to market and procurement methods. The PPSD and the Procurement Plan of the project shall be regularly updated as appropriate during project implementation.