



Project Information Document (PID)

Appraisal Stage | Date Prepared/Updated: 03-Apr-2020 | Report No: PIDC29018



BASIC INFORMATION

A. Basic Project Data

Country Lao People's Democratic Republic	Project ID P173817	Project Name Lao PDR COVID-19 Response Project	Parent Project ID (if any)
Region EAST ASIA AND PACIFIC	Estimated Appraisal Date 30-Mar-2020	Estimated Board Date 06-Apr-2020	Practice Area (Lead) Health, Nutrition & Population
Financing Instrument Investment Project Financing	Borrower(s) Ministry of Finance	Implementing Agency Ministry of Health	

Proposed Development Objective(s)

To respond to the COVID-19 outbreak and strengthen national systems for public health emergency preparedness in Lao PDR.

Components

- Component 1: Emergency COVID-19 Response
- Component 2: Strengthening System for Emergency Response
- Component 3: Project Management and Monitoring and Evaluation

PROJECT FINANCING DATA (US\$, Millions)

SUMMARY

Total Project Cost	18.00
Total Financing	18.00
of which IBRD/IDA	18.00
Financing Gap	0.00

DETAILS

World Bank Group Financing

International Development Association (IDA)	18.00
IDA Credit	18.00



Environmental and Social Risk Classification

Substantial

Decision

Other Decision (as needed)

B. Introduction and Context

Country Context

1. Lao PDR is a land-locked lower-middle-income country that shares borders with countries affected with outbreaks of COVID-19, such as Thailand, Vietnam, Cambodia, Myanmar and especially China. The majority of its population of 7.1 million live in rural and remote areas with challenges in communications, transport, and service provision. Lao PDR's gross domestic product (GDP) grew over 7 percent per year over the past decade but experienced a historical low of 5.2 percent in 2019, owing mainly to natural disasters (floods, droughts, a caterpillar infestation) which mainly affected the agricultural sector. Economic growth has been heavily concentrated in urban areas while in rural areas and among ethnic minorities, high levels of poverty and inequality prevail. According to the latest survey results, 18.3 percent of the total population are living below poverty.¹

2. The global COVID-19 outbreak will have a significant negative impact on Lao PDR's economy, which already suffers from structural vulnerabilities. Most Lao businesses are small and medium-sized enterprises, which are especially vulnerable to economic disruptions. In addition to the direct impact of COVID-19, the anticipated slowdown in the global economy will likely reduce trade and disrupt global manufacturing supply chains that involve Lao PDR. The effects of a pandemic-driven global economic downturn are impossible to predict at the moment. However, highly affected countries like China, one of Lao PDR's most important trading partner, are experiencing dramatic reductions in economic activity, with a high risk of damage to financial markets.

3. **The extent of macroeconomic effects of COVID-19 will depend on the duration, pervasiveness and severity of the outbreak.** As of March 26, 2020, six new cases have been confirmed in Lao PDR. Immediate impacts are being felt in the movement of foreign exchange rate, commodity prices and inflation rate. Sectors that are already been affected include tourism, transport, and construction, due to measures related to prevent the movement of people to prevent the spread of the virus. A prolonged, severe and pervasive outbreak will also have a significant adverse impact on the agriculture, manufacturing and the service sector through trade and investment channels. COVID-19 will also jeopardize revenue collection and exacerbate GOL's fiscal constraints. Such a longer-term outbreak will

¹ The poverty rate from the latest Lao Consumption and Expenditure Survey has yet to be made publicly available.



increase risks to the growth outlook and deepen the ongoing economic slowdown, worsening existing structural macroeconomic vulnerabilities.

4. **The ability of GOL to mitigate the impact of COVID-19 is limited.** The level of international reserves is at a multi-year low and is expected to decline further. Gross international reserves at the end of December 2019 were at US\$997 million, or 1.4 months of import cover. In 2020, interest and amortization payments for public sector external debt would amount to at least US\$ 1.2 billion, with the debt servicing profile from 2020-2023 approximately US\$1 billion per year. The parallel market premium is higher than historical norms. GOL issued an international sovereign bond in December 2019, an indication traditional sources of financing may no longer be available. The health of the banking sector remains fragile, with the non-performing loans significantly higher than the East Asia average.

Sectoral and Institutional Context

5. **Lao PDR has made significant progress on key public health outcomes over the past decades, but substantial challenges remain.** Maternal and child mortality rates and chronic malnutrition levels remain high and quality of health services is a persistent problem, disproportionately affecting women, children and the poor. While 97.3 percent of pregnant women in the richest quintile has access to antenatal care, only 52 percent of pregnant women from the poorest wealth quintile do receive it. Living in remote areas without access to road and health facilities in close proximity is a key barrier to accessing maternal health care.

6. The health sector in Lao PDR remains largely underfunded and is characterized by substantial gaps in skills, numbers and distribution of human resources and shortages of essential drugs and equipment. Most health facilities have insufficient isolation rooms and equipment for the treatment of patients with severe respiratory diseases. Laboratory capacities for diagnostic tests are limited and require sending specimens over long distances. One important lesson learned from the WBG's Avian and Human Influenza Control and Preparedness Project (2006) is that the transition from emergency response to longer-term systemic improvements should be a consideration in project design.

7. Severe gaps exist in service availability and readiness across health facilities in Lao PDR including the lack of basic amenities, limited diagnostic capacity, and non-availability of essential medicines. Health services are mostly provided through public sector in Lao PDR, while private service provision exists but in a limited scope. Private sector services are mainly provided by pharmacies and increasingly by private clinics and hospitals which operate mainly in urban areas. About one-quarter of health centers and more than one half of district hospitals have no access to a safe water supply. In addition, 60 percent of health centers and 70 percent of hospitals suffer from interruptions of power supply. Service readiness of basic equipment items (scales, thermometers, stethoscopes, blood pressure apparatus, light source) and standard items for infection prevention are available but the availability of essential medicines, as well as diagnostics, is low, particularly at health center level.²

² MOH. 2014. Service Availability and Readiness Assessment Survey Report, Lao PDR. Vientiane: MoH.



8. **The situation on COVID-19 is evolving quickly and the GOL has been active on the preparedness and response fronts.** As of April 2, 2020, Lao PDR has reported 10 confirmed cases of COVID-19.³ The Ministry of Health (MOH) maintains that Lao PDR is at high risk, given the proximity and links with countries affected by COVID-19, and the low capacity of the public administration. MOH activated the Emergency Operations Center (EOC) in January 2020 to prepare and respond to COVID-19, focusing on interagency coordination, point of entry (PoE), surveillance, health services, and risk communication. However, the coordination between central and provincial levels is still a major challenge for the management of emergency due to lack of trained personnel and limited capacity of public health emergency operations at subnational level.

9. GOL has been implementing its national plan for public health emergency and health security (2016-2020) to develop core capacity to prevent, detect and respond to public health events of international concern. The country has established a surveillance system to detect acute public health events and has trained multisectoral rapid response teams that can be quickly deployed to respond to outbreaks. In 2017, there were 55 graduates of the national Field Epidemiology Training Program to support infectious disease surveillance and response in all 18 provinces. However, GOL's budget for outbreak investigation and response is limited and financing relies heavily on support from development partners. The Department of Communicable Disease Control has developed a 5-year emerging infectious diseases work plan and conducts annual reviews; however, the plan has not been fully implemented due to funding and capacity gaps.

10. In light of the rapidly evolving situation of COVID-19, GOL has developed four scenarios to prepare for a COVID-19 potential outbreak: (1) Imported case(s): a confirmed case with a travel history to a country with a COVID-19 outbreak; (2) Locally acquired case(s): a confirmed case without travel history; (3) Localized cluster: a cluster of confirmed cases including at least one locally acquired in one province; (4) Widespread community transmission: clusters of confirmed cases including locally acquired cases in two or more provinces. For scenarios (1), (2), and (3), the aim is to halt the transmission and avoid the spread, while for scenario (4), the aim is to slow down transmission and reduce impact.

11. **Estimated impact of the COVID-19 outbreak is significant under the widespread community transmission scenario.** According to the initial modelling of WHO, two months after the start of the transmission there would be 180 hospitalized cases, 840 after three months, 876 after four months, and still 699 hospitalized cases after five months. At the peak (around three and half months after the start of transmission) it is estimated that there would be 900 hospitalized cases, a quarter of which may require an ICU bed and a mechanical ventilator. The average length of a hospital stay is estimated at 28 days. While there would be enough hospital beds in ICUs in Lao PDR to cope with such a scenario, there are severe gaps in the number of beds in isolation rooms (232 of the 900 estimated necessary available) and quality of isolation rooms fully equipped with ventilators, regulators, oxygen concentrators and oxygen tanks. Currently, four central hospitals in Vientiane Capital City have isolation capacities and serve as referral hospitals to manage severe cases, all provincial hospitals require to convert their existing hospital facilities with isolation capacity to accommodate all the COVID-19 cases found within their respective provinces.

³ WHO 2020. Rolling updates on coronavirus disease (COVID-19). Available from: <https://www.who.int/emergencies/diseases/novel-coronavirus-2019/events-as-they-happen>



12. **Laboratory capacities at national and subnational levels need to be strengthened to expand diagnostic testing of COVID-19.** The laboratories need support regarding supply and procurement of materials specifically for COVID-19 as well as maintenance of equipment generally. Medical laboratory technicians require training. The laboratory support for disease surveillance and response as well as biosafety capacity and regulations need to be strengthened. At national level, 4 laboratories including the National Center Laboratory and Epidemiology (NCLE) have capacities to perform diagnostic and confirmatory testing of COVID-19. However, no laboratory capacity for testing exists at sub-national level.

13. GOL is working closely with development partners to strengthen the response capacity at national and sub-national level through improved coordination for COVID-19 response. A multisectoral tabletop exercise was held on 13 March 2020 to test the COVID-19 scenarios for Lao PDR. A “National Preparedness and Response Plan for COVID-19” is being developed. An ad-hoc committee for COVID-19 has been established, the National Committee for Communicable Disease Control has been activated, and EOC holds daily meetings at MOH involving all departments and centers as well as relevant ministries to report the COVID-19 situation updates and coordinate the national response actions. The capacity of health care facilities is being assessed and will be further strengthened to prepare for a potential community transmission scenario. Activities that will be financed under the COVID-19 Fast Track-Facility will be coordinated to ensure that identified gaps are covered and duplication is minimized.

C. Proposed Development Objective(s)

Development Objective(s) (From PAD)

To respond to the COVID-19 outbreak and strengthen national systems for public health emergency preparedness in Lao PDR.

Key Results

Timely detection response, and containment of COVID-19 cases:

- Percentage of suspected cases of COVID-19 tested for COVID-19 based on the national guidelines;

Increased capacity of healthcare institutions for COVID-19 and other emergency responses:

- Percentage of acute healthcare facilities with isolation capacity;

D. Project Description

14. The Project will be under the Global MPA for Lao PDR to support the country’s COVID-19 response and to strengthen the health system for public health emergency in Lao PDR. The project components and activities under each component are designed to support critical gaps identified through the draft National Preparedness and Response Plan for COVID-19. The project will complement other efforts that have already been committed by USAID, USCDC, WHO, ADB, UN agencies and the Chinese Government.



15. The project will comprise the following three components:

16. **Component 1. Emergency COVID-19 Response [US\$12.83 million]:** This component supports preparedness and emergency response activities to address immediate gaps for COVID-19 response in Lao PDR, focusing on the following areas: (i) response coordination; (ii) infection prevention and control; (iii) case detection, confirmation, and contact tracing; (iv) case management; and (v) risk communication and community engagement. Goods, works and services to be financed by this component include: (i) Personal Protective Equipment (PPE), (ii) medical equipment, (iii) laboratory equipment and consumables, (iv) minor civil works, supplies and other commodities for infection prevention and control including improvements in safe water and sanitation and in medical waste management and disposal systems, and (v) establishment of hotlines to reach communities on COVID-19 information and respond to enquiries from the public and health care providers. In addition, this component also finances operating cost including per diem, transportation and accommodation for medical and non-medical personnel for intensified case detection, confirmation and contact tracing, food and basic supplies for quarantined populations as well as cost of contractual staff and overtime payment for existing health workers to respond to a surge in demand for services. Enhanced capacity for case detection, confirmation and contact tracing as well as home-care support is supported through training of health workers and surveillance workers and better reporting by frontline health workers through existing information system. The component also allows for flexibility to allocate resources to purchase essential pharmaceutical (medicines and vaccines) to fill in gaps in supplies of essential medicines and goods to ensure continuity of essential health service delivery.

17. **Component 2. Strengthening System for Emergency Response [US\$3.67 million]:** This component strengthens the capacity of the health system to respond to public health emergencies by supporting clinical response, laboratory, isolation and case management capacity of health facilities at central and provincial levels, including supporting medical supplies, furniture, virtual conference facilities and network installation to manage COVID-19 cases. The activities include minor civil works and retrofitting of isolation rooms and treatment centers in the existing health facilities. Also, this component strengthens clinical care capacity through the development and training of medical lab technicians on molecular diagnostics and health personnel on treatment guidelines and hospital infection control interventions. The component also strengthens the national health information system for enhanced surveillance capacity by rolling out a District Health Information Software 2 (DHIS2) module for COVID-19 surveillance at central and provincial levels and finances the hardware and capacity building of health personnel for the use of DHIS2 module for COVID-19 surveillance as well as the operating cost related to these activities.

18. **Component 3. Project Management and Monitoring and Evaluation [US\$1.5 million]:** This component finances activities related to project management and monitoring, including the project management unit, and project monitoring and evaluation. Key activities include: (i) recruitment of project management unit and technical consultants; (ii) support for procurement, financial management, environmental and social sustainability, monitoring and evaluation, and reporting; and (iii) operating expenses. The monitoring and evaluation will be implemented in coordination with technical departments responsible for implementing activities using the agreed monitoring and evaluation tools. Collection, use



and processing (including transfers to third parties) of any personal data collected under this project will be done in accordance with best practice ensuring legitimate, appropriate and proportionate treatment of such data.

19.

Legal Operational Policies

	Triggered?
Projects on International Waterways OP 7.50	No
Projects in Disputed Areas OP 7.60	No

Summary of Assessment of Environmental and Social Risks and Impacts

20. The environmental and social risk is classified as “Substantial” for the project. The Lao PDR COVID-19 Response Project will have positive social and environmental impacts as it should improve COVID-19 surveillance, monitoring, and containment. However, the project could also cause substantial environmental, social, health, and safety risks due to the dangerous nature of the pathogen (COVID-19) and reagents and other materials to be used in the project-supported laboratories, quarantine and isolation facilities. Infections due to inadequate adherence to occupational health and safety standards can lead to illness and death among health workers. The health facilities involving COVID-19 diagnostic testing and treatment can generate medical waste and other hazardous biproducts.

21. Key social risks and impacts relate to: worker and community health and safety through the upgrading activities and spread of the virus among and from health care workers; potential for spread of COVID-19 among the population at large and especially for the most disadvantaged and vulnerable populations (elderly people; children, particularly those that are malnourished; those with underlying health conditions; persons with disabilities including physical and mental health disabilities; single parent headed households, male and female; poor, economically marginalized, and disadvantaged groups; and ethnic groups); vulnerable and high-risk social groups being unable to access facilities and services, due to their income, distance from health centers; and potential for anxiety, conflicts, and social stigma associated with COVID-19 testing and services and pressures on services including public health services?. The project will ensure that the medical isolation of individuals does not increase their vulnerability. The handling of quarantining interventions (including dignified treatment of patients, and attention to specific, culturally determined concerns of vulnerable groups; and prevention of Sexual Exploitation and Abuse (SEA) and Sexual Harassment (SH) as well as minimum accommodation and servicing requirements), are issues also that will need to be assessed and mitigated. Civil works envisaged in the project refer to repair and rehabilitation of existing buildings only and no land acquisition or involuntary resettlement impacts are expected.

22. The Environmental and Social Review Summary (ESRS) provides further information on the social, health, safety, and environmental risks.



23. Six of the ten Environmental and Social Standards (ESSs) of the Environmental and Social Framework (ESF) have been screened as relevant. ESS5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement, ESS6 Biodiversity Conservation and Sustainable Management of Living Natural Resources, ESS8 on Cultural Heritage, and ESS9 on Financial Intermediaries are considered not relevant. The screening of environmental and social risks and impacts is based on discussion with the task team and consultations with MOH.

24. An Environmental and Social Commitment Plan (ESCP) has been prepared which takes into account the need to ensure adequate budget, staffing and operational arrangements for project environmental and social risk management. Also prepared is a Stakeholder Engagement Plan (SEP) which defines a program for stakeholder engagement, including public information disclosure and consultation, throughout the entire project cycle. It also outlines the ways in which the project team will communicate with stakeholders and includes a mechanism by which people can raise concerns, provide feedback, or make complaints about project and any activities related to the project. The SEP will need to be revised to incorporate the WHO guidance on Risk Communication and Community Engagement and on preventing and addressing social stigma associated with COVID-19. The Grievance Redress Mechanism (GRM) will need to be detailed in the revised SEP and widely communicated to affected and interested stakeholders. The SEP and ESCP were disclosed through the website of Department of Food and Drugs of MOH: www.fdd.gov.la. Updated versions of the SEP will be disclosed on the same website and on the World Bank Group website during project implementation.

25. An Environmental and Social Management Framework (ESMF) is still to be prepared. The ESMF will include guidelines for development and implementation of a Health Care Waste Management Plan (HCWMP), the plan will help to strengthen the function of the existing health-care waste management system including facilities and human capacity, and establish the system for new province; Community Health and Safety measures; Environmental Code of Practice (ECOP) for physical renovation civil works; and an environmental and social (E&S) risk management Capacity Building Plan. A social assessment will be carried out that will inform the development of specific management measures to be included in the ESMF. This social assessment will address the relevant project risks and impacts, including the (i) risk that project-related impacts fall disproportionately on individuals or groups who, because of their particular circumstances, may be disadvantaged or vulnerable; and (ii) risk of prejudice or discrimination toward individuals or groups in providing access to development resources and project benefits, particularly in the case of those who may be disadvantaged or vulnerable.

26. The ESMF will be prepared to a standard acceptable to the Association and disclosed both in-country on the MOH website and on the World Bank website within 30 days after the project's effectiveness. The ESMF will need to be disclosed and consulted upon. Printed copies of the ESCP, SEP, and ESMF are to be placed in health centers in all provinces and hospitals where services will be provided.

27. WBG EHS Guidelines, such as those related to Community Health and Safety will apply to the extent relevant. The project can thereby rely on standards set out by WHO and the WBG. Beyond this immediate concern, project implementation needs also to be responsive to the needs of marginalized and vulnerable social groups who may be unable to access facilities and services designed to combat the disease. To mitigate this risk MOH, in the ESCP, will commit to the provision of services and supplies based on the urgency of the need, in line with the latest data related to the prevalence of the cases.



E. Implementation

Institutional and Implementation Arrangements

28. In response to COVID-19, the government of Lao PDR has established a national task force led by a deputy Prime Minister and composed of representatives from government agencies concerned including MOH to responsible for providing policy and strategic advice to all government agencies in response to COVID-19. Within MOH, Public Health Emergency Operation Center (EOC), led by Minister of Health and composed of representatives from concerned departments, has been activated since January 2020 with a mandate to providing strategic advice and overseeing the implementation of measures in combating COVID-19. The EOC directly reports to the task force.

29. The project will receive policy and strategic guidance from EOC, which is responsible for overseeing overall project implementation, including coordination among development partners and government agencies.

30. MoH will establish a Project Coordination Office (PCO), led by the Director General of Department of Planning and Cooperation (DPC) with two deputies: (i) Director General of Department of Finance (DOF) and (ii) Deputy Director General of DPC. PCO, who will directly report to the EOC, is responsible for day to day management of the project, including financial management, procurement, safeguard preparation, consolidation of workplan and budget, financial audit, ensuring compliance with environmental and social sustainability framework of the Bank, and monitoring and evaluation. Individual consultants with specific skill sets will be recruited to provide support to the PCO as needed.

31. Project implementation: MOH technical departments concerned will be involved in project implementation based on their functional capacities and institutional mandates and assignments from the EOC. PCO will provide support to the departments in implementing project activities in line with the national preparedness and response plan for COVID-19, including procurement of medical supplies, commodities and equipment, and other activities in the procurement plan. Each Department will assign a full-time focal point to work with PCO in implementation of the project activities and M&E.

32. The Department of Communicable Disease and Control (DCDC) will lead the implementation of Component 1: Emergency COVID-19 response, in collaboration with DHR, DHHP, and the Cabinet. The Department of Health Care and Rehabilitation (DHR) will lead Component 2: Health System Strengthening, with the DPC, MPSC, and FDD supporting the implementation. PCO will be responsible for the implementation of Component 3: Project Management and Monitoring and Evaluation. Individual consultants with specific skill sets will be recruited to support each department concerned as needed. Some activities may be outsourced to third parties through contract agreements acceptable to the WBG. The Provincial Health Departments, District Health Offices, Central and Provincial Hospitals, media, border crossing management authorities, and local authorities will also be involved in the implementation of the project activities.

33. Coordination among development partners: EOC serves as a mechanism to facilitate overall



coordination among development partners and other government agencies. The EOC has been providing regular updates through meetings, with participation from all development partners and government agencies actively engaged in the COVID-19 response. The project will continue to actively strengthen this mechanism. WHO is taking the lead in providing technical assistance to the EOC in preparing a common COVID-19 response framework, which will be the basis for collaboration among development partners in providing support to the government for COVID-19 response. Already, a number of development partners have been providing support to Lao PDR including USAID, USCDC, WHO, ADB, UN agencies and the Chinese Government.

CONTACT POINT

World Bank

Emiko Masaki
Sr Economist (Health)

Keiko Saito
Senior Disaster Risk Management Specialist

Borrower/Client/Recipient

Ministry of Finance
Angkhansada Mouangkham
Deputy Director General
angkhansada@yahoo.com

Implementing Agencies

Ministry of Health
Dr. Chansaly Phommavong
Deputy Director General
hsipchansaly@etllao.com

FOR MORE INFORMATION CONTACT

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



APPROVAL

Task Team Leader(s):	Emiko Masaki Keiko Saito
----------------------	-----------------------------

Approved By

Environmental and Social Standards Advisor:		
Practice Manager/Manager:		
Country Director:	Mariam J. Sherman	03-Apr-2020