



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

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Appraisal Stage | Date Prepared/Updated: 26-Sep-2019 | Report No: PIDISDSA27555



**BASIC INFORMATION**

**A. Basic Project Data**

Country Lao People's Democratic Republic	Project ID P170945	Project Name Lao PDR Southeast Asia Disaster Risk Management Project – Additional Finance	Parent Project ID (if any) P160930
Parent Project Name Lao PDR Southeast Asia Disaster Risk Management Project	Region EAST ASIA AND PACIFIC	Estimated Appraisal Date 23-Sep-2019	Estimated Board Date 19-Dec-2019
Practice Area (Lead) Urban, Resilience and Land	Financing Instrument Investment Project Financing	Borrower(s) Lao People's Democratic Republic (Lao PDR)	Implementing Agency Ministry of Public Works and Transport, Ministry of Natural Resources and Environment, Ministry of Finance, Ministry of Planning and Investment

Proposed Development Objective(s) Parent

To reduce the impacts of flooding in Muang Xay and enhance the Government’s capacity to provide hydro-meteorological services and disaster response.

Proposed Development Objective(s) Additional Financing

To reduce the impacts of flooding in target areas and enhance the Government’s capacity to provide hydro-meteorological services and disaster response.

Components

- Integrated Urban Flood Risk Management
- Hydromet Modernization and Early Warning Systems
- Financial Planning for Disaster Resilience
- Knowledge and Coordination
- Contingent Emergency Response

**PROJECT FINANCING DATA (US\$, Millions)**

**SUMMARY**

<b>Total Project Cost</b>	25.00
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<b>Total Financing</b>	25.00
<b>of which IBRD/IDA</b>	25.00
<b>Financing Gap</b>	0.00

**DETAILS**

**World Bank Group Financing**

International Development Association (IDA)	25.00
IDA Credit	25.00

Environmental Assessment Category

B-Partial Assessment

Decision

The review did authorize the team to appraise and negotiate

Other Decision (as needed)

**B. Introduction and Context**

**In 2018, Lao PDR experienced widespread floods, which significantly impacted its people and economy.** Two tropical cyclones and a breached saddle dam in Attapeu Province resulted in extensive flooding between July and September, impacting all provinces of the country. A Government-led Post Disaster Needs Assessment (PDNA), supported by the World Bank, United Nations, and European Union, estimated total damage and losses of US\$371.5 million and recovery needs of US\$520 million. The overall effects are equivalent to 2.1 percent of Lao PDR’s projected GDP for 2018, and 10.2 percent of Lao PDR’s annual budget in 2018, making the 2018 floods the most expensive in the past 10 years. The floods had a significant impact on physical infrastructure, with waterways and transport as the hardest hit public sectors.

**To help reduce the financing gap and augment the response effort, IDA is providing US\$50 million from the Crisis Response Window (CRW) to complement other sources of funds.** The CRW funds will be allocated equally between the Lao PDR Southeast Asia Disaster Risk Management (SEA DRM) Project (P160930) and the Lao Road Sector Project II (P158504).

**This Additional Financing (AF) of US\$25 million to the Lao PDR SEA DRM Project (P160930) will complement recovery efforts and help “build back smarter” in the waterways sector,** scaling up activities under Component 1 of the Lao PDR SEA DRM Project, focusing on the three areas of (i) Luang Prabang, (ii) Oudomxay, and (iii) Borikhamxay Provinces. It will support the construction of river bank protection and the rehabilitation of embankments led by the Department of Waterways (DOW), Ministry of Public Works and Transport (MPWT), further capacity development, and resilience enhancements. The proposed AF is in response to a request from the Government of Lao PDR (GOL) through a letter



from the Ministry of Finance to the World Bank, dated June 10, 2019. It forms part of the World Bank's efforts to support the GOL after the 2018 disaster.

**The parent project, the Lao PDR SEA DRM Project, with a total financing of US\$30 million IDA credit, and US\$1 million** in recipient-executed grant funding, was approved on July 6, 2017 and became effective on October 11, 2017. Both Progress towards Achievement of the Project Development Objective (PDO) and Implementation Progress have been rated "Satisfactory" or "Moderately Satisfactory" for more than twenty-four consecutive months. With the AF of US\$25 million, the total project amount will increase to US\$56 million. The SEA DRM project consists of five components: (i) Component 1 - Integrated Urban Flood Risk Management; (ii) Component 2 - Hydromet Modernization and Early Warning Systems; (iii) Component 3 - Financing Planning for Disaster Resilience; (iv) Component 4 - Knowledge and Coordination; (v) Component 5 - Contingent Emergency Response Component. The full AF amount will be processed through Component 1, Integrated Urban Flood Risk Management.

### Country Context

**Lao PDR is vulnerable to natural disasters, which pose a challenge to the achievement of Lao PDR's development goals.** Lao PDR is exposed to climate and disaster risks including floods, landslides, droughts, and tropical storms and cyclones, with flooding the major natural hazard. Lao PDR experienced major typhoons in 2009 (Ketsana) and in 2011 (Haima), and in 2013 when floods caused damages of over US\$270 million.

**Disasters exacerbate inequalities as the poor and vulnerable have the few options to mitigate risks.** A quarter of the population remains below the official poverty line. In the last few years, poverty in Lao PDR could have declined more rapidly, had a large number of vulnerable households not have fallen back into poverty aftershocks, like disasters.<sup>1</sup> The poor suffer the brunt of the impacts due to their higher vulnerability and reduced ability to recover. Disasters cause malnutrition, stunting, spread of disease, resulting in affected populations reducing spending for education and health, which has long-term human development and economic impacts. In addition, some 70 percent of the country's population works in the agriculture sector, which is heavily affected by climate-related events. Climate change is projected to have severe impacts on crops, livestock, fisheries, and human health. The country's reliance on the extractive use of natural resources causes environmental degradation while increasing climate risks. Resilience at the community level is low due to the prevalence of monoculture, lack of diversity in livelihoods, and limited infrastructure.

### Sectoral and Institutional Context

**Current national planning and laws reflect the GOL's transition to a proactive approach to DRM.** Disaster and climate risks and measures are highlighted in the 8<sup>th</sup> Five-Year National Socio-economic Development Plan (NSED) for 2016–20. The 2030 National Green Growth strategy, endorsed by the Prime Minister in February 2019, includes developing resilience to natural disasters. The country's first Law on Disaster Management was recently approved by the National Assembly, and a draft DRM Plan is being developed with support from the United Nations Disaster Risk Reduction (DRR). The 2019 Emergency Preparedness and Response Plan was also developed in August 2019. The World Bank has been supporting DRM mainstreaming in Lao PDR with a technical assistance program since 2010, focusing on integrating climate resilience into strategic plans and investment planning of critical ministries. The Lao Road Sector Project II includes efforts to improve resilience in the transport sector. The World Bank's Green Growth Development

<sup>1</sup> World Bank. 2015. *Drivers of Poverty Reduction in Lao PDR. Lao PDR Poverty Policy Notes.*



Policy Operation (GGDPO) supports further policy reforms relevant to DRM, including a Hydromet law approved in May 2017 and a Water Resources Law supported by the GGDPO2 and promulgated in June 2017.

**Increasing the resilience of cities is an important part of strengthening comprehensive DRM in Lao PDR.** DOW of MPWT is responsible for urban flood control, navigation, and river bank protection. DOW faces challenges in protecting growing Lao cities from floods, and flood mitigation activities focus mainly on emergency works. Flooding is exacerbated by the fact that land use planning is not informed by disaster risk assessments and land zoning is not enforced. Due to the highly interdependent nature of systems in cities, disasters result in cascading impacts, in which the availability of basic services is easily disrupted.

**Luang Prabang, Oudomxay, and Borikhamxay provinces rank as the highest priorities in the DOW's five-year investment plan (2016-2021) due to their vulnerability to floods.** Cities Luang Prabang, Maung Xay, and Pakxan were heavily impacted by the 2018 floods. Assessing the technical and economic feasibility of 16 areas, a Master Plan and Pre-Feasibility Study for Integrated River Management for Mekong River within Lao PDR, conducted with support from the Korean Government, identified Luang Prabang as the highest priority intervention, and Borikhamxay as fourth, with second and third ranked sites having received financing from international donors.<sup>2</sup> Luang Prabang is a UNESCO World Heritage Site and the most significant tourist site in the country. An international entry point and main provincial airport, Luang Prabang has seen a steady increase in international and domestic tourists in the recent years<sup>3</sup>. Luang Prabang is vulnerable to floods due to bank erosion resulting in overflow from the Mekong and Nam Khan Rivers. With a projected growth rate of 16 percent, urbanization in Luang Prabang is likely to exacerbate disaster impacts.<sup>4</sup> Muang Xay city in northern Lao PDR is a critical transportation hub, with a provincial airport, and in part due to a new railway, has a large economic potential. It is subject to large-scale flash floods every four to five years. Borikhamxay province is a critical transportation hub. Bank erosion along the Mekong and Nam Xan Rivers result in annual flooding of key transportation infrastructure, including the main artery of Lao PDR, the National Road 13, and a planned bridge to Cambodia.

### C. Proposed Development Objective(s)

#### Original PDO

To reduce the impacts of flooding in Muang Xay and enhance the Government's capacity to provide hydro-meteorological services and disaster response.

#### Current PDO

To reduce the impacts of flooding in target areas and enhance the Government's capacity to provide hydro-meteorological services and disaster response.

#### Key Results

<sup>2</sup> Further information about the study are included in Annex 1 Economic Assessment.

<sup>3</sup> In 2018, Luang Prabang recorded almost 580,000 international and 180,000 domestic visitors, increasing from 380,000 and 150,000 respectively since 2013.

<http://www.tourismlaos.org/files/files/Statistical%20Report%20on%20Tourism%20in%20Laos/2017%20Statistical%20Report%20on%20tourism%20in%20Laos.pdf>

<sup>4</sup> Centre for Development and Environment, 2019, *Urbanization processes in the Lao PDR: Processes, challenges and opportunities*.



Most of the PDO and intermediate indicators will remain the same. The PDO indicator for Component 1 will be revised to take into account expanded works in Muang Xay: % of urban population in Luang Prabang Province, Muang Xay City, and Borikhamxay Province protected from floods.

Intermediate indicators related to Component 1 are also updated to include AF activities in Luang Prabang and Borikhamxay provinces.

#### D. Project Description

**Component 1, “Integrated Urban Flood Risk Management” will absorb the full AF amount** to strengthen flood protection and resilient urban planning, expanding parent project activities in Oudomxay Province and adding the scope of flood protection and river bank protection infrastructure to two additional provinces, Luang Prabang and Borikhamxay. The AF resources will tentatively be allocated as follows: (i) US\$13 million to Luang Prabang city in Luang Prabang Province; (ii) US\$6 million to Muang Xay city in Oudomxay Province; and (iii) US\$6 million to Pakxan City in Borikhamxay Province.

**The AF will entail the following changes to the parent project:** (i) PDO; (ii) project scope and associated costs; (iii) project financing plan and timeline; (iv) the results framework; and (v) the use of the World Bank’s new procurement framework of July 1, 2016 (under AF). Implementation arrangements will remain the same.

##### *Changes to Component 1.1. Structural Investments*

AF investments will support the construction of river bank protection, climate resilient rehabilitation of flood protection infrastructure and embankments including those damaged by the 2018. Three tentative target areas were identified for the AF and will be confirmed during preparation while technical studies will determine the final extent of works: (i) Luang Prabang, (ii) Oudomxay and (iii) Borikhamxay Provinces.

- (i) **Luang Prabang City of Luang Prabang Province:** The AF will finance the construction of river bank protection along the lower part of Nam Khan (right and left bank) for a total of three kilometers and installation of four water gates and associated pumps. Further joint assessments by the Bank and MPWT will be required to determine the likely extent of works that can be financed.
- (ii) **Muang Xay City of Oudomxay Province:** Flood risk management infrastructure will be upgraded in the provincial capital of Muang Xay to 1 in 20 years return period design standards. Building on flood risk management analytics conducted during parent project preparation, which considered a range of high benefits solutions, the AF will supplement planned structural investments with additional riverbank protection, dredging and urban livability improvements, such as river walkways and tree planting.
- (iii) **Pakxan City of Borikhamxay Province:** Limited and urgent non-regret investments will be covered, comprising of river bank protection along the Mekong River of approximately 0.8 km in Pakxan City. In addition, a detailed flood risk assessment will be conducted to lay the foundation for larger flood risk management investments in the future, outside the scope of this project.

##### *Changes to Component 1.2. Non-Structural Investments*

Under this component, the AF will finance an expanded scope of activities to strengthen the protection and preparedness of people and assets in disaster prone areas and increase the capacity of the Government for integrated urban flood risk management.



Technical and analytical support for capacity-building on integrated urban flood risk management will be provided, including: (a) enhancing resilient urban planning; (b) developing eco-friendly urban design solutions; (c) strengthening the operation and maintenance of flood protection systems; (d) carrying out technical studies and surveys related to potential flood risk management and disaster resilience investments; and (d) improving flood preparedness capacity.

## E. Implementation

### Institutional and Implementation Arrangements

**The activities under the AF will be implemented by DOW**, which is the main implementing agency for Component 1. Existing implementation arrangements have been satisfactory and will be used through the AF. The DOW of MPWT will continue to lead implementation. The Environment Research and Disaster Prevention Division (EDPD) of the Public Works Research Institute (PTRI) of MPWT will continue to support the planning and implementation of safeguards. The Department of Finance (DOF) will support Financial Management and procurement while the Department of Planning and Cooperation (DPC) will provide overall guidance. The POM will be adjusted to reflect changes in funds allocation, project sites, and indicators and submitted for the World Bank's review and no objection by the time of AF project effectiveness. The involvement of MONRE and the provincial agencies as well as the Luang Prabang World Heritage Office and mass organizations at project and subproject levels will be helpful.

Using the same parent implementation arrangements, it is expected that AF will start immediately after effectiveness. The additional scope for detailed designs is expected to be included as a contract amendment to the detailed designs firm contract to be signed by MPWT in August 2019.

The AF activities result in no changes to the safeguards category, which remains as B, with no new policies being triggered, and no new risks anticipated. Indigenous Peoples (OP/BP 4.10) and Involuntary Resettlement (OP/BP 4.12) policies continue to be triggered. The existing ESMF, EGEF, and RPF were updated to incorporate additional activities to be carried out under the AF. These safeguards policy frameworks were finalized after consultation with local authorities and communities, which took place in Borikhamxay Province in August 20-21, 2019, and in Luang Prabang Province, August 15-16, 2019 before submission to the World Bank for clearance on 30 August. Revised safeguards documents were disclosed in Lao on the Government website two weeks prior to consultations.

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

Exact site locations of physical works proposed under the Additional Finance (AF) are not known at the time of appraisal but the exact locations of the new investments will be determined by a Feasibility, Detailed Design, and Supervision consultancy firm, which is expected to be hired in January 2020. The AF will cover the rehabilitation and construction of river bank protection infrastructure and embankments, water gates, and river-side parks. In Luang Prabang Province, proposed infrastructure will be constructed and rehabilitated along the lower part of the Nam Khan (both the right and left banks) for a total of 2.5 kilometers. In Oudomxay Province, flood protection investments will take place on the Nam Ko River in Muang Xay city. In Borikhamxay province, river bank protection investments are planned along the Mekong River for approximately 800 meters in Pakxan city. The proposed flood protection infrastructure could have some impacts on natural habitats. Environment issues are expected to be mainly constructed-related,



including temporary impacts such as dust, noise and affecting vehicular traffic. The AF may also require some land acquisition and household relocation and may impact ethnic groups; the three target areas identified (Luang Prabang, Oudomxay and Borikhamxay) are home to multiple ethnic groups particularly in Oudomxay.

**G. Environmental and Social Safeguards Specialists on the Team**

Manida Unkulvasapaul, Environmental Specialist  
Sybounheung Phandanouvong, Social Specialist  
Alkadevi Morarji Patel, Social Specialist

**SAFEGUARD POLICIES THAT MIGHT APPLY**

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	Significant negative environmental impacts are not anticipated and impacts will be limited mainly to dust, noise, household business disturbance, and waste during construction. These issues are temporary, localized, moderate, and can be mitigated. Environment Assessments (IEE or EIAs) will be prepared as required. The Environmental and Social Management Framework (ESMF) provides a generic Environmental and Social Management Plan (ESMP) to guide environment and social impact screening and identify measures and instruments to mitigate potential impacts. ESMF has been updated to reflect the new scope and geographical location of activities to be supported under the Additional Finance. Expected safeguard instruments to be developed under the project include Environmental and Social Management Plan (ESMPs), the Environmental Code of Practices (ECoP), Code of Conduct (CoC) on gender-based violence and violence against children, and for Luang Prabang, a Cultural Heritage Management Plan. References to these instruments will be incorporated into the bidding documents to inform contractors of their obligations to comply with the national/World Bank safeguard requirements.





Performance Standards for Private Sector Activities OP/BP 4.03	No	N/A
Natural Habitats OP/BP 4.04	Yes	Since natural habitats along river banks will potentially be impacted by the proposed civil works, this policy is triggered. Compliance will be ensured through the application of the ESMF.
Forests OP/BP 4.36	No	The project or any sub-projects do not impact forests, wildlife animals, and non-timber forest products degradation.
Pest Management OP 4.09	No	The project will not lead to an increased use of pesticides.
Physical Cultural Resources OP/BP 4.11	Yes	There is a possibility that Physical Cultural Resources (PCR) could be found during construction of infrastructure, especially in the indigenous people’s areas. In addition to having a chance finds procedure, the project will undertake prior due diligence (surveys) to gauge existence of PCR and through soliciting inputs on PCR from local communities, country profiles and online resources at detailed design stage. To address such a case, a chance-finds-procedure was included in the ESMF.
Indigenous Peoples OP/BP 4.10	Yes	The project areas in the Nam Ou Basin and Muang Xay are home to multiple ethnic groups. The AF investments may directly or indirectly impact communities which are home to members of some of these ethnic groups. The sub-projects as well as aspects of the non-structural investments of Components 1 and 2 may directly or indirectly impact communities which are home to members of some of these ethnic groups. Therefore, the World Bank’s policy on indigenous people is triggered. An Ethnic Groups Engagement Framework (EGEF), acceptable to the World Bank was prepared to address potential adverse social impacts on ethnic minorities that may occur due to the implementation of the project, and in order to ensure members of these ethnic groups benefit from the project in a culturally appropriate way. It has been updated to reflect the new scope and geographical location of project activities. The EGEF equally applies to non-structural investments planned under sub-component 1.2, such as land use planning, which may have an adverse impact on land or natural resources occupied or used by ethnic communities. The EGEF requires that special



measures be established to ensure that the interest of ethnic minorities are protected. The identification of potential impacts and mitigation measures will be based on a social assessment and a process of free, prior, and informed consultation, in accordance with the requirements of OP 4.10. EGEF has been updated to reflect the new scope and geographical location of activities to be supported under the Additional Finance.

Involuntary Resettlement OP/BP 4.12

Yes

Potential minor land acquisition and possibly the relocation/resettlement of affected people and their households are anticipated due to the construction of riverbank protection and embankments, flood gates, weirs, river-side parks, and drainage canals, and hydromet stations. It is also possible that non-structural investments planned under sub-component 1.2 (e.g. in land use planning) could ultimately result in land use change or household relocation. Therefore, the World Bank's policy on Involuntary Resettlement is triggered. Because the exact location these investments is unknown at preparation and designs will not be prepared until implementation, it is not possible to identify site specific resettlement impacts. A Resettlement Policy Framework (RPF), acceptable to the World Bank, has been updated to reflect the new scope and geographical location of project activities. RPF will apply to all subprojects, and relevant non-structural investments, in order to address potential adverse social impacts due to involuntary acquisition of assets and changes in land use. The RPF includes provisions for compensation and rehabilitation assistance, and if land donation is involved, procedures for land contributions

Safety of Dams OP/BP 4.37

No

The project will only construct embankments with a height less than 2-3 m. Potential adverse impacts will therefore be addressed through OP/BP 4.01. Generic safety measures will be designed. Dams or weirs will only be constructed if the Environmental Assessment confirms that there would be no risk or negligible risk of significant adverse impacts due to failure of the structures. Measures will be included in the Environmental and Social Management Plan, as applicable in accordance with OP/BP 4.01



		Environmental Assessment. Generic safety measures has been incorporated in the ESMF.
Projects on International Waterways OP/BP 7.50	Yes	As the project may have an impact on tributaries of the Mekong Basin, the project will issue a riparian notification as per OP/BP 7.50 utilizing, as appropriate, the Mekong River Commission mechanisms. Similar to parent project, notifications letters will be send to Myanmar, Cambodia, Thailand, Vietnam, China and the Mekong River Commission.
Projects in Disputed Areas OP/BP 7.60	No	The sub-projects do not take place in disputed areas.

**KEY SAFEGUARD POLICY ISSUES AND THEIR MANAGEMENT**

**A. Summary of Key Safeguard Issues**

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

The AF will finance similar works to those of the parent project. The addition of Luang Prabang and Borikhamxay provinces as project areas and the construction of embankments and other works under the AF is not expected to raise environmental and social risks additional to those identified under the original scope of works nor trigger new policies. The same six safeguards policies will be triggered under the AF as under the parent project, namely Environmental Assessment (OP/BP4.01), Involuntary Resettlement (OP/BP4.12), Indigenous Peoples (OP/BP4.10), Natural Habitats (OP/BP 4.04), Physical Cultural Resources (OP/BP 4.01), and Projects on International Waterways (OP/BP 7.50). All safeguards instruments, the ESMF, Resettlement Policy Framework (RPF) and Ethnic Group Engagement Framework (EGEF), have been updated to reflect the increased scope and locations of investments under the AF. Financing options to cover the costs of resettlement (compensation for land, structures, livelihood restoration, etc.) are being explored, and an exemption to finance resettlement from the loan might be sought.

The AF will support the reconstruction of flood protection infrastructure damaged by the 2018 floods, strengthening the protection and preparedness of people and assets in disaster prone areas. The incorporation of climate-resilient investments will further enhance the resilience of infrastructure to future disaster risks, and help protect development gains and people’s livelihoods in these rapidly growing areas.

It is expected that the proposed investments will have limited negative impacts on the water quality. Potential negative environmental impacts from the proposed investments include temporary impacts associated with the civil engineering and construction activities.

The flood protection infrastructure proposed under AF, specifically climate resilient rehabilitation and construction of embankments, may require minor land acquisition and relocation of some households, and may affect ethnic groups living in the area particularly in Muang Xay.

Finally, given that Luang Prabang is recognized as the World Heritage by UNESCO with its unique cultural and religious resources and norms, a Cultural Heritage Assessment will be conducted to identify potential cultural impacts on local



and national cultural heritage and mitigation measures.

2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area: Based on experiences in similar projects elsewhere and an understanding of the nature and potential impacts of the types of investments envisaged under this project, the project is not likely to have significant adverse environmental and social impacts that are sensitive, diverse or unprecedented. The highest envisaged Environmental Assessment (EA) category is B. The project's safeguards approach is thus designed to ensure compliance and sustainability of category B (and C) subprojects. In the unlikely case that a subproject of EA category A would be proposed, it would be considered ineligible for project's support.

Expected impacts are limited to dust, noise, household business disturbance, and waste during construction. These issues are minor and site specific, though direct, indirect or cumulative impacts may be significant at local and regional levels. There may be minor land acquisition and possibly the relocation and resettlement of project affected people (PAP) and their households (PAH) due to the construction of riverbank protection and embankments, water gates and river-side parks.

Under the AF, work contractors may need to bring in external skilled workers, equipment and construction materials for the civil works. Camp sites for their workers, equipment and materials may pose potential risks for and impacts on community health and safety. These include, but are not limited to, transmitted diseases (such as STDs, HIV/AIDs, tuberculosis), waste and water-borne diseases, Gender-Based Violence (GBV), Violence Against Children (VAC) and other forms of Sexually Exploitation and Abuse (SEA) and human trafficking and a generic Code of Conduct (CoC) on GBV and VAC has been provided in the ESMF. The civil works and transportation of construction materials to subproject sites may also disturb not only local communities and their environment, but also the tourism industry such as visitors and hospitality businesses (guest houses, restaurants and shops).

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

For the parent project, environmental and social considerations are being carefully considered throughout the project design and feasibility assessments. Greening approaches will be integrated into flood protection construction designs in order to enhance environmental benefits and minimize adverse impacts. The use of multi-purpose design is encouraged for enhanced drainage or water retention features. Sourcing of materials will also be considered carefully to minimize negative impacts and maximize positive ones. The same environmental and social considerations will be applied to AF investments, along with cultural considerations for Luang Prabang.

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

Safeguard performance under the parent project has been rated "Satisfactory".

Safeguards Instruments: The ESMF, RPF and EGEF, prepared under the parent project, were updated to take into account additional investments under the AF. Consultations of the first draft of the updated documents were conducted with local authorities and communities located in and nearby the subproject sites in Luang Prabang and Borikhamxay, from 12-16 August 2019. The results of the consultations were incorporated into the updated ESMF, RPF, and EGEF drafts. The updated policy frameworks include scope and description of AF activities, progress in the parent project implementation made so far and legal framework development. The ESMF provides a generic ESMP and guideline for impact screening, identifying measures and preparing instruments to mitigate potential impacts. Expected safeguard instruments to be developed under the project include ESMPs, Abbreviated Resettlement Action Plan (ARAP) or Resettlement Action Plan (RAP), EcoP and CoC.



In similar fashion, Environmental and Social, Health and Safety (ESHS) guidelines including Code of Conducts applied under the parent project will be used under the AF to prevent and address the potential risks and impacts on community health and safety.

The project has a Grievance Redress Mechanism (GRM) in place based on the existing national system with village mediation committees and fiduciary structures in place from district to national levels. GRM will provide opportunities for the target villages and people affected by the project activities to raise their concerns and suggestions on the project development and implementation. Environmental and Social Impact Assessments (ESIAs) will be conducted under the project as required. For Component 5, an emergency operations manual details implementation of emergency activities, including safeguards compliance. The Manual was prepared and adopted under the parent project, and will continue to apply for the AF.

References to these safeguards instruments will be incorporated into the bidding documents to inform the contractors of their obligations to comply with the national and World Bank safeguard policy requirements. Contractor performance will be closely supervised and reported by the project.

In Luang Prabang, additional cultural impact considerations and coordination with the World Heritage Office support by UNESCO is necessary to avoid and minimize potential impacts on the cultural legacy.

**Institutional arrangements:** Safeguard implementation and management arrangements are considered adequate to ensure effective safeguard policy compliance, with capacity of Ministry of Public Works and Transport (MPWT) staff built and consultants mobilized to support Provincial Department of Public Works and Transport (DPWTs). Ongoing training and implementation support has been provided by safeguard consultants recruited and by the Bank Safeguard Specialists to the safeguard focal points assigned by the Department of Waterways (DOW), Provincial and District DPWT staff and Project Resettlement Committee will continue under the AF.

The existing Project Management Unit (PMU) of DOW under MPWT, in close cooperation with the Environment Research and Disaster Prevention Division (EDPD) of the Public Works and Transport Research Institute (PTRI) of MPWT, is responsible for the overall management, coordination, supervision, and monitoring of the ESMF and other safeguard instruments. The Department of Public Works and Transport of the project provinces are the Project Implementing Units (PIUs) and are responsible for implementation of the mitigation measures of the subproject and ensuring compliance with the ESMF and other safeguard requirements including keeping proper documentation in the project file for possible review by the World Bank. The DOW PMU will be responsible for establishment of mutually agreed environmental and social safeguards procedures, supervision and training of safeguards for MPWT. The DOW will work in close coordination with and provide technical support to the DPWT Waterway Sector in the Provinces of Luang Prabang, Oudomxay and Borikhamxay with conducting the works and supervision. The DPWT Waterway Sector in the Provinces will establish an Environmental and Social Unit (ESU) consisting of the safeguard focal staff appointed from DOW and EDPD of PTRI within the PIU responsible for implementation and monitoring of environmental and social safeguards. The DOW will also be responsible for implementation of an urban flood risk management safety program to be implemented under the Lao PDR Project. The DOW will review screening reports prepared by the local DPWT PIU and prepare draft terms of reference for an ESMP and requirements to prepare an ARAP or RAP, if applicable, and Ethnic Groups Development Plan (EGDP), as necessary. The ESMP and planning documents (i.e., ARAP or RAP and EGDP) will be shared with stakeholders and discussed during consultations. Issues and suggestions noted from the consultations will be incorporated and used for improving project and subproject design and implementation. Documentation will be submitted to the World Bank for review and clearance.



Other concerned Ministries, including the Ministry of Environmental Resources and Environment (MONRE), and Ministry of Planning and Investment (MPI) will be informed and engaged throughout the implementation process of the ESMF as part of the general reporting function of project implementation. Under MONRE, the Department of Natural Resources and Environment (DNEP) will review the Environmental Impact Assessment (EIA)/Social Impact Assessment (SIA) reports and develop recommendations to issue an Environmental Compliance Certificate (ECC) while the Natural Resources and Environmental Inspection Office (NEIO) is responsible for monitoring and inspection of ECC compliance.

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

A series of public consultations with stakeholders, including women and ethnic minorities, were held with the local communities by MPWT and its provincial offices (DPWTs) and provincial and district authorities in August 2019 to discuss the prepared safeguard instruments (ESMF, RPF, and EGEF). Documentation on the project and safeguards instrument was distributed in advance of the consultation with documents available on the MPWT website. Results from this free, prior and informed consultation process suggest that stakeholders and potential project-affected people largely support the project development and implementation.

A user-friendly project information leaflet has been prepared with GRM procedures included and disseminated to PAHs well in advance of the consultation for their information and references. The safeguard policy frameworks were updated with outcomes of consultation with local authorities and communities reflected. The approved safeguard frameworks will be publicly disclosed on the MPWT's website in both Lao and English and hard copy will be made available in provincial and district DPWTs in all project provinces and districts.

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

**Environmental Assessment/Audit/Management Plan/Other**

Date of receipt by the Bank  02-Sep-2019	Date of submission for disclosure  18-Sep-2019	For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors
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**"In country" Disclosure**

Lao People's Democratic Republic  
16-Sep-2019

**Comments**

During AF preparation, first draft of revised safeguards documents were disclosed publicly on MPWT website in August 2019. In addition, an information leaflet on the project and safeguard policy requirements and frameworks including GRM was distributed in Lao language to local participants prior to the consultations.



**Resettlement Action Plan/Framework/Policy Process**

Date of receipt by the Bank

02-Sep-2019

Date of submission for disclosure

18-Sep-2019

**"In country" Disclosure**

Lao People's Democratic Republic

16-Sep-2019

Comments

During AF preparation, first draft of revised safeguards documents were disclosed publicly on MPWT website in August 2019. In addition, an information leaflet on the project and safeguard policy requirements and frameworks including GRM was distributed in Lao language to local participants prior to the consultations.

**Indigenous Peoples Development Plan/Framework**

Date of receipt by the Bank

02-Sep-2019

Date of submission for disclosure

18-Sep-2019

**"In country" Disclosure**

Lao People's Democratic Republic

16-Sep-2019

Comments

During AF preparation, first draft of revised safeguards documents were disclosed publicly on MPWT website in August 2019. In addition, an information leaflet on the project and safeguard policy requirements and frameworks including GRM was distributed in Lao language to local participants prior to the consultations.

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

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

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

**OP/BP/GP 4.01 - Environment Assessment**

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

Yes



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

Yes

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

Yes

**OP/BP 4.04 - Natural Habitats**

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

Yes

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

Yes

**OP/BP 4.11 - Physical Cultural Resources**

Does the EA include adequate measures related to cultural property?

Yes

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

Yes

**OP/BP 4.10 - Indigenous Peoples**

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

Yes

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

Yes

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

NA

**OP/BP 4.12 - Involuntary Resettlement**

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

Yes

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

Yes

Is physical displacement/relocation expected?

TBD

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

TBD





**OP 7.50 - Projects on International Waterways**

Have the other riparians been notified of the project?

Yes

If the project falls under one of the exceptions to the notification requirement, has this been cleared with the Legal Department, and the memo to the RVP prepared and sent?

NA

Has the RVP approved such an exception?

NA

**The World Bank Policy on Disclosure of Information**

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

Yes

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

Yes

**All Safeguard Policies**

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

Yes

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

Yes

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

Yes

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

Yes

**CONTACT POINT**

**World Bank**

Henrike Brecht  
Senior Infrastructure Specialist

Zuzana Stanton-Geddes  
Disaster Risk Management Specialist



**Borrower/Client/Recipient**

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

**Implementing Agencies**

Ministry of Public Works and Transport  
Dr. Bounchanh Sinthavong  
Minister  
bounchanh.s@hotmail.com

Ministry of Natural Resources and Environment  
Khanmany Khounphonh  
Director General  
k.khanmany@gmail.com

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

Ministry of Planning and Investment  
Kikeo Chanthaboury  
Vice Minister  
kikeo@mpi.org

**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):	Henrike Brecht Zuzana Stanton-Geddes
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**Approved By**

Safeguards Advisor:	Peter Leonard	25-Sep-2019
Practice Manager/Manager:	Abhas K. Jha	25-Sep-2019
Country Director:	Nicola Pontara	26-Sep-2019

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