



Appraisal Environmental and Social Review Summary

Appraisal Stage

(ESRS Appraisal Stage)

Date Prepared/Updated: 05/11/2023 | Report No: ESRSA02616



I. BASIC INFORMATION

A. Basic Operation Data

Operation ID	Product	Operation Acronym	Approval Fiscal Year
P178883	Investment Project Financing (IPF)	RRPM II	2024
Operation Name	Reducing Rural Poverty and Malnutrition Project II (RRPM II)		
Country/Region Code	Beneficiary country/countries (borrower, recipient)	Region	Practice Area (Lead)
Lao People's Democratic Republic	Lao People's Democratic Republic	EAST ASIA AND PACIFIC	Social Protection & Jobs
Borrower(s)	Implementing Agency(ies)	Estimated Appraisal Date	Estimated Board Date
Lao's Peoples Democratic Republic	Ministry of Agriculture and Forestry	12-Jun-2023	13-Oct-2023
Estimated Decision Review Date	Total Project Cost		
06-Jun-2023	37,000,000.00		

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Proposed Development Objective

The Project Development Objective is to strengthen social protection system and enhance the convergence of multisectoral interventions to improve nutrition behaviors in targeted areas; and in case of an eligible crisis or emergency, respond promptly and effectively to it.

B. Is the operation being prepared in a Situation of Urgent Need of Assistance or Capacity Constraints, as per Bank IPF Policy, para. 12?

No

C. Summary Description of Proposed Project Activities

The project will continue to implement nutrition-sensitive CCT to contribute to reducing poverty and malnutrition, improve and enhance social protection systems, and promote planning, coordination, and monitoring of the Nutrition Convergence program. Component 1 will focus on strengthening the building blocks of a social protection system developed in the RRPM. Component 2 will finance cash transfers to eligible families as well as accompanying measures as SBCC. Component 3 will finance project management and institutional strengthening for the Ministry of Agriculture and Forestry. Component 4 will enhance the management capacity of the Ministry of Planning and Investment in



planning, coordination, and monitoring the multi-sectoral Nutrition Convergence program. Component 5 is the Contingent Emergency Response Component (CERC) with zero budget allocation.

D. Environmental and Social Overview

D.1 Overview of Environmental and Social Project Settings

The Lao PDR is a mountainous and land-linked country (236,800 km²). In the north and central region, especially along the eastern border between Lao and Vietnam, the environmental features can be characterized as mountainous with large areas of forest cover mixed with degraded forests, and sandy soil in general. There are few state forest land areas in these regions, particularly, the Nam Et Phou Louey National Park in Houaphanh province, one of the project target provinces bordered by Vietnam home to unique and globally significant biodiversity. There is limited flat land along the Mekong River part of which is bordered by Thailand. Encroachment into state forest land areas for agricultural and livestock activity remains the main reason for forest degradation. Slash and burn activity also caused for seasonal forest fires in many rural areas across the country. The application of large amounts of chemicals and pesticides for plantations (banana and rubber plants) in the past also caused fish kills and water pollution and expansion of concession licenses for plantations have been prohibited during the past 5 years. Climate change and natural disaster risk has been increasing while flash floods can cause damage to the affected population. UXO risk in the regions, especially in the mountainous area along the Lao-Vietnam border remains high.

Lao PDR is mainly a rural society with a culturally diverse 50 ethnic groups. Cities in Lao PDR are small in population, with only the capital city Vientiane having a population of more than 100,000 people and few high-rise buildings. Poverty remains high among ethnolinguistic minority households and households headed by people with lower levels of education. Nearly 35 percent of those living in households headed by someone with no formal education are poor, compared to just 3 percent in households headed by those with at least a completed upper secondary education. While poverty tends to be higher among minority ethnolinguistic groups, in recent years, the Hmong-lumien group fell further behind due to lagging farm productivity. The incidence of poverty has become highest among Hmong-lumien ethnic groups at 38.4 percent, followed by the Mon-Khmer (32.7 percent) and the Sino-Tibetan (18.1 percent). Hmong-lumien ethnic groups constitute 19 percent of the poor, despite making up less than 10 percent of the population. A social assessment carried out in 2018 shows some significant issues related to poverty and malnutrition in the country. Childhood stunting is the most prominent nutritional problem in Laos with 43% of children under 5 years old and 30% of children under 2 years old reporting stunting. From the study sample and on average, ethnic minority groups had higher rates of stunting among children under five years old compared with ethnic-Lao children. The rate of childhood stunting amongst Khamou children was 36.62%, amongst Hmong, 47.21%, Akha, 47.30, Phong, 59.27, other ethnic minority groups, 31.48% whereas, amongst ethnic Lao children, the prevalence of stunting was 28.65%. Overall, there is a high prevalence of underweight and stunting among children under 5 years. The poorest households, populations from the rural areas, and ethnic minorities consistently have worse economic and human development indicators compared to wealthier, urban and ethnic-Lao populations. It was also found that current knowledge on nutrition and health is relatively low, suggesting that mothers and their children could benefit from greater information and education about health and nutrition issues.

The RRMP II aims to develop targeting, information, and monitoring systems for social protection programs; (ii) improve key nutrition behaviors that are known to reduce childhood stunting through a nutrition-sensitive cash transfer program in selected provinces, and; (iii) enhance coordination of a multisectoral nutrition convergence approach in few selected/targeted provinces in the country.



The project will continue to support through its five components the implementation of the nutrition-sensitive conditional cash transfer to contribute to reducing poverty and malnutrition, improve and enhance social protection systems, and promote the planning, coordination, and monitoring of the multisector nutritional convergence approach in 12 priority districts in the four Northern provinces of the first phase project’s provinces (Xieng Khouang, Houaphan, Phongsaly, and Oudomxay) and two new provinces to be defined in coordination with other convergence projects, considering the following criteria: poverty incidence; density of potential beneficiaries (based on the 2022 social registry data), districts designated as Development Focal Points, health and nutrition indicators such as stunting and under-coverage of immunization and skilled birth attendance, other vulnerabilities (such as risks of climate change), and operational efficiency considerations for implementation. few selected/targeted provinces in the country.

D.2 Overview of Borrower’s Institutional Capacity for Managing Environmental and Social Risks and Impacts

The proposed implementation arrangement for the RRPMII will be the same as for the parent (RRPM) project. The Department of Rural Development (DRD) within MAF will be responsible for the implementation of components 1,2 and 3 including the implementation of the conditional cash transfer program. MPI (DRI and DIC) will be responsible for the implementation of the component 4 which is the coordination and M&E activities for nutrition convergence. The existing project management unit (PMU) of the RRPM at MAF will be responsible for the preparation and implementation of the RRPMII activities under components 1, 2, and 3 while a new PMU will be established at the MPI for implementation of project component 4. The project activities implementation in the targeted provinces will be guided and supported by MAF and MPI national PMU.

Even though the MAF has experience and knowledge on safeguards policies and implementation of instruments with the first RRPM, they do not have knowledge and skills in preparation and implementation of ESF instruments as required under this project. At the same time, the WB operation, particularly, with the ESF is new for MPI. The assessment confirmed that the implementing agencies lack understanding and capacity for effective ES risk management both at the national and local levels. It was observed during the last implementation support mission to the first RRPM that the safeguard performance was positively improved, however, some challenges are expected in the RRPMII project implementation and will require further capacity building. It was suggested that a qualified ESF consultant be mobilized for PMU at MAF to provide cross-support and training to the ES focal point to be appointed at MPI and at the local levels to ensure ESF-related related activities are properly implemented. It was also agreed that the ESF focal points will be appointed at central (MAF and MPI), provincial, and district levels to ensure the timely and effectively implement the ESF instruments developed for the RRPMII.

II. SUMMARY OF ENVIRONMENTAL AND SOCIAL (ES) RISKS AND IMPACTS

A. Environmental and Social Risk Classification (ESRC)

Moderate

A.1 Environmental Risk Rating

Low

The environmental risk is classified as Low. The project will finance minor physical civil works to renovate and expand an office space for project staff at the provincial and district levels. These minor physical civil works will be confined to the existing public buildings which will not envisage any significant impact on surrounded environment. However, the exact locations and types of renovation civil works will only be defined and confirmed during project implementation. Risks from these types of small civil works may include injuries from falling objects or from other construction activities, impacts from noise, vibration and dust generated from office renovation activities, community health and



safety risks due to improper collection, transportation, and disposal of the construction waste, and accident caused by transportation of construction materials etc. These risks and impacts are mostly small, temporary, site specific, and can be mitigated through proper integration of ES management measures into the activity design and ensure that the ES measures are properly implemented by those involved in the office renovation works. Like the activities supported under the ongoing RRPM, the project will mobilize few local staff including young graduate students (called village facilitators or VFs) and other relevant professional staff to support activities implementation at the village level. It is expected that most of staff will be based at the district level with occasional travel to the target villages. Health and safety and/or road accident of staff while traveling and working in the remote village areas must be well taking care. Similarly, health and safety of local communities who may be involved in project activity or affected by project activities include accident caused by project vehicles need carefully considered. As part of the ESF requirement, there are also opportunities for the project to enhance the understanding of local authorities and communities on the conservation of natural resources and environment, solid waste management, especially those related to plastic wastes, and other environmental management aspects.

A.2 Social Risk Rating

Moderate

The social risk is classified as Moderate because the project does not involve large-scale infrastructure development activities or interventions that trigger economic or physical displacement of people, or damage to properties. The project will finance only small physical civil works such as renovation and refurbishments of project offices in the lands belonging to the government. The main social risks identified are (a) exclusion of certain prospective beneficiaries from the poorest and vulnerable households including indigenous people/ethnic minorities, women-headed households living in remote locations and natural disaster-prone areas, disadvantaged or vulnerable youth job seekers, ; (b) risks related to labor and working conditions of community workers known as "Village Facilitators", fair compensations and work hours, travel insurance and potential Occupational Health and Safety (OHS) risks for other project workers such as those based at district and commune levels; (c) construction induced impacts such as access restrictions to buildings during civil works, and (d) potential Sexual Exploitation and Abuse (SEA) /Sexual Harassment (SH) during the distribution of services and goods to the targeted population. During the project preparation client agencies carried out a rapid social assessment to identify and develop suitable mitigation actions for social risks. The assessment confirmed the possibility of excluding certain groups and households from project benefits unless they have appropriate mechanisms and tailored measures. The project aims to conduct a public outreach and awareness campaign and strengthen the grievance management systems of the project to address some of these social risks and ensure that the project benefits will be delivered in a culturally appropriate manner.

B. Environment and Social Standards (ESS) that Apply to the Activities Being Considered

B.1 Relevance of Environmental and Social Standards

ESS1 - Assessment and Management of Environmental and Social Risks and Impacts

Relevant

The proposed project will mainly consolidate and strengthen interventions financed under the original RRPM project (P162565) to expand access to the Conditional Cash Transfer Program, improve selected nutrition behaviors, and enhance the Government of Lao PDR's capacity to deliver integrated multi-sectoral nutrition interventions in priority target areas. The project will expand its coverage to a few new districts and provinces where small renovation civil works (such as the renovation of provincial and district offices) will be financed to provide office spaces for project staff. The expected environmental risk and impacts are safety and/or accidents of local project staff while traveling

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and working in villages; safety of local communities from the operation of project vehicles and direct involvement in civil work; risk from civil works including injuries from falling objects, affected from noise, vibration, and dust generated from construction activities and improper management of construction wastes. Potential social risks of proposed interventions include risks of social exclusion or risk that project impacts may fall disproportionately on individuals, particularly those disadvantaged or vulnerable groups including ethnic minorities, issues related to Occupational Health and Safety (OHS) risks, and working conditions for the project’s staff and community involved with project activity, this includes risk related to communicable (air, water, and waste borne) diseases, especially COVID-19; and risks of sexual exploitation and abuse (SEA) Sexual Harassment (SH), or other forms of Gender-Based Violence (GBV) during benefit distribution. The PMU at the Ministry of Agriculture and Forestry (MAF has experience with environmental risk management under the safeguard policies with the ongoing project (P162565), however, their capacity will need further improvement, especially, the PMU which will be established at MPI for implementing the project component 4 in gaining familiarity and experience with implementation of ESF instruments. The ESS1, ESS2, ESS3, ESS4, ESS7, and ESS10 are assessed to be relevant to this project. To mitigate the expected risks, an overarching Environmental and Social Management Framework (ESMF) has been prepared by the Borrower. The ESMF includes an ES screening procedure to guide and inform eligibility of the proposed activities, capacity needs assessment and capacity-building measures, Environmental and Social Code of Practice (ES COP) for the renovation of small civil works, a list of Do and Don’t to manage staff from exposing to OHS impact and/or generating of negative impact to the local environment and communities, Operational arrangements for project E&S risk management (budget, staffing, training), and a CERC manual. The Borrower has also prepared Labor Management Procedures (LMP) for the project (as part of the ESMF), an Environmental and Social Commitment Plan (ESCP). and a Stakeholder Engagement Plan (SEP). The ESMF and SEP outline relevant aspects of ESS7 by including measures to culturally appropriate strategies and consultations addressing the needs and concerns of ethnic minority and IP groups.

ESS10 - Stakeholder Engagement and Information Disclosure

Relevant

Stakeholder engagement is key to ensuring that the project is designed and implemented catering to the needs and requirements of the targeted population, especially ethnic minority communities who will be a key target group owing to their much higher rates of stunting and malnutrition. The social assessments carried out indicate that activities aimed at social behavioral change, and communication activities, I need to be adapted in order to be accessible and appropriate to all ethnic groups. The project information, including criteria for eligible households, will be explained in the languages of different ethnic groups during the consultation process specified in the SEP. The SEP emphasizes specific cultural prohibitions and sensitivities around specific practices and using appropriate language and medium of communication in order to maximize the project outcomes. The SEP is prepared to guide the Borrower in identifying key stakeholders, building and maintaining a constructive relationship with them, and meeting communication and disclosure requirements with a particular focus on project-affected parties. The SEP also describes the project’s Grievance Mechanism (GM). The beneficiary feedback survey conducted for the parent project (RRPM I) found that the grievance resolutions hampered by delays had some limitations, especially reaching out to the most vulnerable and marginalized households. Hence, the Grievance Mechanism of the proposed project has been improved for this project and includes a local-level mechanism to ensure the poorest and most vulnerable households will have the opportunity to engage with project staff and voice any concerns or seek resolutions for specific complaints. The SEP also describes measures to ensure inclusion and engagement strategies materials that can effectively reach out to all potentially affected and interested parties, and ensure accessibility, and cultural appropriateness. for ethnic minorities/ indigenous peoples. The SEP that was prepared was disclosed on 11th May 2023 and will be re-disclosed as needed throughout the different phases and will be implemented during the project life cycle. Consultation

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meetings were conducted both physically and virtually in a manner consistent with applicable government guidance on COVID-19 measures for public meetings. Additional consultations with relevant stakeholders are planned and to be conducted before Appraisal, and their results will be adequately recorded and disclosed.

ESS2 - Labor and Working Conditions

Relevant

ESS2 is relevant. The project involves civil servants (government staff appointed from the implementing and concerned agencies at all levels), direct workers (consultants hired directly by the PMU), and contracted workers. The parent project has employed Para- professionals (community mobilizers) at the district level and village facilitators at the local level to support the RRPm II project and will follow the same approach. The paraprofessional/Community mobilizers (graduates hired locally) are part of the salaried project staff who are appointed at the District level and work in over 900 villages. There is a group of Village Facilitators who are the local contact persons for project beneficiaries who receive stipends for actual work performed and monitoring activities performed at their villages. The project is not intended to involve primary suppliers. The key occupational health and safety (OHS) risk for project workers includes field-level staff and workers hired by contractors for minor civil works and operational-related activities. There are also risks related to COVID-19 transmission to all project workers, as well as beneficiaries. The project will not engage in forced or child labor, per the requirements of ESS2 and national laws, and will put in place mechanisms to screen for and prevent the occurrence of child or forced labor. Labor-related risks include the risks of (i) workers' health and safety resulting from unsafe working conditions and road travel to remote locations, (ii) employment discrimination, (iii) labor-related disputes, and (iv) Sexual Exploitation and Abuse and Sexual Harassment (SEA/SH). In order to manage risks related to labor and working conditions, the Client has prepared Labor Management Procedures (LMP) for the project. The LMP sets out how all categories of project workers will be managed and treated in line with the national Labor Law and ESS2. A labor grievance mechanism is included as part of LMP, for all groups of workers, which aims to collect and address potential grievances from all types of project workers. Since the project does not expect to deploy a large number of contract workers, no major risks related to workers' safety, and working conditions are considered low.

ESS3 - Resource Efficiency and Pollution Prevention and Management

Relevant

The project will support small civil works for renovation of office space for provincial and district staff, the renovation works will be limiting within an existing building where efficiency of resources use is not a concern. Although it is not expected to be substantial, some issue related to pollution prevention include construction waste and solid waste management during the office operation should be considered. A measure is prepared and provided as part of ESMF to manage all type of wastes potentially be generated from the civil works to ensure that construction wastes are properly managed. Procedure for pollution prevention during operations of the project supported infrastructure including waste and wastewater management will be prepared to educate the users before the completion of renovation civil work. Management efforts is designed and will be addressed as part of ESS1 where an ESCOP is developed and will be applied addressing ESS3 requirement.

ESS4 - Community Health and Safety

Relevant

Contracted labor and community workers are likely to be recruited locally to support the implementation of project activities including minor civil works in project target districts and villages. Community, Health, and Safety must be well considered where subprojects are involved. There may be some risks related to infectious diseases, vector-borne diseases, soil, water, and waste-related diseases, impacts on privacy, road safety, etc. Health and safety measures

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proportionate to the project activities will be developed as part of ESMF and implemented throughout the project period to ensure Community Health and Safety issues are well managed in accordance with ESS4 requirements. Risks associated with Sexual Exploitation and Abuse (SEA) and Sexual harassment (SH) exist but are considered to be low. The project’s ESMF will pay specific attention to SEA/SH and recommend measures to be incorporated into the project design. Guidance and Codes of Conduct (CoC) on community interaction have been incorporated into labor management procedures and grievance redress mechanisms.

ESS5 - Land Acquisition, Restrictions on Land Use and Involuntary Resettlement Not Currently Relevant

ESS 5 is not relevant. The Project will finance the renovation of some existing small offices located within the existing government building or premises. These office renovations would happen only at two new project provinces (Sekong and Savanakhet) to facilitate project implementation support purposes. Office renovation does not support large-scale civil works or any activities that lead to any impacts covered under this ESS such as land acquisition, resettlement, or restriction of access to natural/livelihood resources. Minor rehabilitations and renovations proposed for some of the existing health infrastructures will not lead to any land acquisition from local people and will not pose significant risks.

ESS6 - Biodiversity Conservation and Sustainable Management of Living Natural Resources Not Currently Relevant

ESS6 is not currently relevant. The project will not involve any activities related to biodiversity and/or sustainable use of natural resources. As the project will be implemented in the village’s areas, any risks related to this aspect will be assessed during the ES screening, mitigation measures will be developed as part of ESMF and implemented where appropriated.

ESS7 - Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities Relevant

Most of the Project interventions are expected to be in areas in which indigenous people (termed ethnic groups or ethnic minority groups in the Lao PDR context) represent the majority of the population. Hence, the main social risk relates to the need to ensure that the project benefits will be delivered in a culturally appropriate manner. Because project activities are mostly in the poor and rural areas where a large number of ethnic minority groups live the main risk relates to language barriers, exclusion of ethnic minorities from the project benefits, as well as poor consultation on community health and safety or other issues of concern to the local communities. The SEP and ESMF were prepared in a manner having inclusive consultations and requirements of ESS7 on meaningfully involving ethnic minority groups in project activities. The local level GRM and consultative process have provisions to represent ethnic groups and IP households to share their views and involvement in project activities and get benefits from the project without any hindrance. The Community outreach and communication campaign, and behavior change programs are designed in a manner consistent with ESS 7 requirements. All relevant aspects including meaningful consultations in a culturally appropriate manner have been integrated into the SEP and the ESMF.

ESS8 - Cultural Heritage Not Currently Relevant

ESS8 is not currently relevant. The Project will not finance any activities that will affect known cultural heritage sites as well as intangible cultural heritage. However, risks to cultural heritage will be assessed in the ES screening form to ensure subproject activities do not adversely impact either tangible or intangible cultural heritage. Chance Finds

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Procedure has been incorporated into ESCOP which is developed as part of ESMF and will be implemented throughout project period.

ESS9 - Financial Intermediaries

Not Currently Relevant

ESS9 is not currently relevant. The project will not provide funding to FIs.

B.2 Legal Operational Policies that Apply

OP 7.50 Operations on International Waterways

No

OP 7.60 Operations in Disputed Areas

No

B.3 Other Salient Features

Use of Borrower Framework

No

The client's E&S Framework is not proposed to be relied on for this project, in whole or in part. The Framework will not likely address the risks and impacts of the project in a manner to achieve objectives materially consistent with the ESF/ESSs.

Use of Common Approach

No

No other financing partners at this stage.

C. Overview of Required Environmental and Social Risk Management Activities

C.1 What Borrower environmental and social analyses, instruments, plans and/or frameworks are planned or required by implementation?

III. CONTACT POINT

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IV. FOR MORE INFORMATION CONTACT

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V. APPROVAL

Task Team Leader(s):	Kenichi Victor Nishikawa Chavez
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