Appraisal Environmental and Social Review Summary

Appraisal Stage

(ESRS Appraisal Stage)

Date Prepared/Updated: 05/23/2024 | Report No: ESRSA03469

I. BASIC INFORMATION

A. Basic Operation Data

Operation ID	Product	Operation Acronym	Approval Fiscal Year
P179284	Investment Project Financing (IPF)	CRRCIP	2025
Operation Name	Lao PDR Climate Resilient Road Connectivity Improvement Project		
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	Transport
Borrower(s)	Implementing Agency(ies)	Estimated Appraisal Date	Estimated Board Date
Lao People's Democratic Republic	Ministry of Public Works and Transport	17-Jun-2024	29-Aug-2024
Estimated Decision Review Date	Total Project Cost		
10-Jun-2024	57,000,000.00		

Proposed Development Objective

To improve climate resilient road access in targeted provinces, enhance capacity to manage the road network, 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

[Description imported from the PAD Data Sheet in the Portal providing information about the key aspects and components/sub-components of the project]

The proposed project aims to improve climate resilient road access in targeted provinces, enhance capacity to manage road network, and in case of an Eligible Crisis or Emergency, respond promptly and effectively to it. The project will improve about 300 km of district roads and rural roads in poor districts of Khammouan, Savannakhet, and Saravan provinces. The Ministry of Public Works and Transport (MPWT) in consultation with the Department of Public Works and Transport (DPWT) of these three provinces had identified a long list of proposed roads. About 100 km of roads in

each of the provinces are selected from the roads in this longlist through a prioritization exercise based on aspects which include: (i) passing through a poor district – based on poverty head count, (ii) criticality of the link for climate resiliency of the network, (iii) connectivity to agricultural areas, (iv) population served by the road, (v) traffic level, and (vi) not passing through environmentally sensitive areas. The proposed project provides connectivity to National Roads and access to the east west economic corridor between Vietnam and Thailand thus increasing market linkages and contribute towards greater economic gains to the local communities. Due to government's funding constraints, most of available funds are channeled to the National Roads network that limits maintenance of the secondary and tertiary networks which primarily serve the rural population and agricultural areas. The tertiary network of District Roads and Rural roads are extremely vulnerable to climate risks and has (i) most of its cross-drainage structures in dilapidated condition, (ii) very few culverts, (iii) no longitudinal drainage facilities, and (iv) no adequate embankments. Only about 5.6 percent of them is paved, and rest is either gravel surfaced or earthen. 40 percent of these roads are inaccessible for over six months in a year, and during extreme climate events. More than 40 percent of villages are 6 km or more from the main road and nearly half are not accessible during the rainy seasons. High transport and logistic costs constrain agricultural growth and integration into growing urban markets within the country and into the regional export markets. The proposed project will have the following components as detailed below. Component 1: Climate Resilient Road Access: The project will support (i) improvement of about 300 km of District Roads and Rural Roads in the provinces of Khammouan, Savannakhet, and Saravan to the standards of Class V/VI roads as per MPWT's Road Design Manual and addressing climate and disaster resilience aspects, (ii) construction supervision of the project road improvement works, and (iii) maintenance of the project roads post improvement during the project period. Component 2: Project Management: This component will support (i) financial audit, (ii) technical audit of the project road improvement works during construction, (iii) environmental and social monitoring, (iv) road safety audit of the project road designs, (v) road user satisfaction surveys carried out at the start of implementation, at mid-term, and at the close of the project, (vi) incremental operating costs, (vii) technical and operational assistance for the day-to-day management, monitoring and evaluation of the Project, and (viii) land acquisition, resettlement, and rehabilitation. Component 3: Institutional Development: This component will support MPWT in (i) capacity building of local contractors in the areas of Output and Performance-based Road Contracts, climate resilience, road safety, and environmental and social risk management, (ii) a study on climate resilient road network planning and prioritization and capacity building of MPWT and DPWTs, (iii) preparation of a road sector financing strategy, (iv) training of MPWT and DPWT staff on cross-cutting issues including road safety, gender, citizen engagement, and climate disaster risk, and (v) a female internship program. Component 4: Contingent Emergency Response Component: This component will support MPWT in case of an Eligible Crisis or Emergency in responding promptly and effectively to it as per the Contingent Emergency Response Manual The proposed project will adopt the design standards specified in MPWT's Road Design Manual and address climate risks. The Road Design Class is V/VI depending upon the traffic volume in the design year i.e., 100 – 300 passenger car units per day roads as Class V and 50 – 100 passenger car units per day roads as Class VI. The project roads are expected to be in flat or rolling terrain and therefore their geometric design will be for a design speed of 60 kmph (flat terrain) or 40 kmph (rolling terrain). The cross-sectional parameters will be 2 lanes of 2.75 m width and 0.75 m wide shoulders on both sides for roads designed for Road Design Class V. For Road Design Class VI, the cross-sectional parameters will be one lane of 3.5 m width and 1.5 m wide unpaved shoulders on both sides. The pavements will mostly have Double Bituminous Surface Treatment surfacing except for few stretches which will be laid with a concrete pavement. Many of the cross-drainage structures may need to be replaced with newly constructed concrete bridges or box culverts as the existing structures are in dilapidated condition. The project roads will not have major realignments and generally follow the existing alignments. The risks and impacts of climate change will be identified, and mitigation measures will be incorporated during the project design through infrastructure design and material choices, and through management.

These will include use of improved asphalt mixtures, determination of the flood line to account for climate change and to inform the Finished Road Level of the pavement as well as the soffits of the bridge decks to reduce inundation and severe flooding of low-lying infrastructure. The subgrade of the pavement will be at least 0.5 m above the High Flood Level at the location. Pipe culverts and box culverts less than 10 m span will be designed for a 25-year flood frequency and box culverts more than 10 m span and short bridges will be designed for a 50-year flood frequency. The surface drainage system will also include side ditches, cut-off ditches to prevent erosion of embankments, and toe ditches. Bio-engineering measures such as top soiling and grassing will be used to arrest erosion of slopes of high embankments and steep cuts. Specific measures linked to operational changes may include shortening maintenance periods to accommodate changes in precipitation and temperature, increasing monitoring frequencies to ensure structures are enduring climate change pressures, monitoring the deformations of the pavement layers, monitoring the bridge structures, increasing financial and technical resources for more frequent maintenance and repairs. The project will undertake consultations with the key stakeholders including local communities, women, and road users during road design and implementation, and in the planning of other ancillary community infrastructure improvements. The project will explore opportunities to increase women's employment primarily through engagement of women in road construction and maintenance activities. The proposed road improvement activities will have low impact on Green House Gas emissions due to reasons that the proposed project roads have very low traffic volumes, and the proposed roads are also used for non-motorized transport by the rural population.

D. Environmental and Social Overview

D.1 Overview of Environmental and Social Project Settings

[Description of key features relevant to the operation's environmental and social risks and opportunities (e.g., whether the project is nationwide or regional in scope, urban/rural, in an FCV context, presence of Indigenous Peoples or other minorities, involves associated facilities, high-biodiversity settings, etc.) – Max. character limit 10,000]

The central and southern part of Lao PDR where the three project target provinces (Khammouan, Savannakhet and Saravan) are situated is characterized by tropical monsoon climate in the east and tropical savanna climate in west. There are two distinct seasons: the rainy season or monsoon, from May to mid-October and the dry season from mid-October to April. Lao PDR is highly vulnerable to climate change risks. From 1970 to 2010, 33 natural hazard events (mostly floods and droughts) affected almost the entire population in the country causing economic damages of over US$400 million. The annual expected losses from climate events range between 3 to 4 percent of GDP. Much of Khammouan and parts of other two provinces are characterized by mountains. The western part of these provinces form catchment of the Mekong River and its tributaries and the road network are highly prone to flooding.

Only about 5.6 percent of the tertiary network of District roads and Rural roads in Lao PDR are paved roads. Forty percent of the unpaved roads are extremely vulnerable to climate risks, and inaccessible for over six months in a year and during extreme climate events. Many villages are far from the main roads and are not accessible during the rainy seasons. The three project target provinces are among the provinces with highest percentage of farm households affected by floods and lack of road access during these climatic events – for instance, in 2022, floods impacted 26 percent of farm households in Savannakhet, 25 percent in Khammouan, and 23 percent in Saravan.

Laos has 24 national protected areas (PAs) but no complete inventory exists for provincial or district Pas. IUCN-registered PAs cover 3.86 million ha (16.7% of total land area). Khammouan, Savannakhet and Saravan provinces are characterized by Greater Annamite ecosystem and consist of wet evergreen forests, dry Dipterocarp forests, and more

open dry forest. Most land areas in these three provinces are categorized either Protection Forest, Production Forest or Conservation Forest. There are 10 National PAs in these provinces that are prioritized for conservation and host most unique and diverse biodiversity within the lower Mekong Ecoregion Complex. There are also Protection Forests and Production Forests along roadsides are generally degraded in many cases with encroachment by agriculture and human settlements. Illegal harvesting of timbers are reported nationwide, and Timber exports (logs and sawn wood) to China and Vietnam in 2013 were reported more than 10 times the officially registered harvest in Lao PDR (WWF, 2015: Assessment of scope of illegal logging in Laos and associated trans-boundary timber trade.).

The three target provinces, particularly the rural areas, are home to multi-ethnic groups belonging to the ethno-linguistic family of Mone-Khmer. Possessing the four characteristics under the ESS7, these ethnic groups and people are defined as Indigenous Peoples. Some of these ethnic groups and ethnic villages are found along both sides of the rural roads and could potentially be affected by the road improvement works to be financed by the proposed project. The main ethnic groups that are likely to benefit or be impacted by the project include two main groups: Lao (Lao Tai), and Mon-Khmer (Makong, Khmu, Phoutai, Yrou, Bru, Ta-Oy, Katang). E&S Screening and related documents prepared during project preparation suggest that the nature and scale of risks and impacts on the ethnic groups and ethnic villages are expected to be manageable because only some ethnic households and individuals (not entire village) will likely be affected with some parts of their land and extended temporary structures expected to be either temporarily or permanently affected and acquired for the road works.

The proposed District Roads and Rural Roads on the MPWT's long list in Saravan and Savannakhet are mostly in flat terrain and rolling terrain while those in Khammouan are in rolling terrain. In most cases, the proposed roads pass through agricultural areas and villages/residential areas. There are houses and other infrastructure located along of existing road corridors.

Lao PDR is heavily affected by Unexploded Ordnance (UXO). There were recent UXO accidents in Lao PDR that caused fatalities and injuries to people who turned over soil mainly for farming purpose. UXO clearance is still underway in Provinces including Khammouan, Savannakhet and Saravan.

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

[Description of Borrower's capacity (i.e., prior performance under the Safeguard Policies or ESF, experience applying E&S policies of IFIs, Environmental and social unit/staff already in place) and willingness to manage risks and impacts and of provisions planned or required to have capabilities in place, along with the needs for enhanced support to the Borrower – Max. character limit 10,000]

The project will be executed by the MPWT through its Department of Roads (DOR). The MPWT has extensive experience in applying and implementing both safeguard policies and Environmental and Social Framework (ESF) including under Lao Road Sector Project II (P158504) from 2017 until now, Lao National Road 13 North (NR13N) Improvement and Maintenance (P163730) from 2019-2024, and the ongoing Southeast Asia Regional Economic Corridor and Connectivity Project (SEARECC, P176088) from 2022 to 2027. Under these projects, environmental and social risk management requirements have been and are being largely complied with by the implementing agency. The overall safeguards and E&S ratings for these projects has been satisfactory. Social performance including social risk management and grievance redress have been also satisfactory with a system of focal points in place to manage risks and complaints.

MPWT's Department of Roads (DoR) will be responsible for overseeing the implementation of Component 1 on climate resilient road access including procurement of road contracts and implementation support and work supervision (ISWS) contract, monitoring road work progress, reviewing work plans, and allocating funds to routine and periodic maintenance activities. DoR will also supervise data collection and will conduct data analysis. In line with the national decentralization policy, the role of the Department of Public Works and Transport (DPWT) in each participating Province will carry out local road maintenance prioritization, preparation of the provincial three-year rolling maintenance plan and provincial road sector budget, quality control, and reporting. The design and supervision consultants managed by DoR will provide implementation support to DPWT and the district Offices of Public Works and Transport (OPWT) on a continuous basis. Various MPWT Departments will implement Component 2 and 3 activities as per their official mandates. The Environment and Disaster Prevention Division of the Public Works and Transport Institute (ESP/PTI) will lead safeguard supervision, monitoring, and safeguard training, including implementation of safeguards related activities for all project activities. DPWT and PTI have experience with the World Bank's financing projects under safeguards policies and are currently implementing a road improvement project with KfW financing. PTI is also implementing SEARECC project under the ESF. At the subproject level, the PIUs/DPWTs and Supervision Firm will be responsible for the day-to-day compliance monitoring on sites, including ensuring timely and effective implementation of the SS-ESMPs, SS-BMPs during preconstruction, construction, and operations including those related to ARAP planning and implementation and monitoring of the Project. Even though the capacity of MPWT, DPWT and OPWT is considered generally solid, knowledge and capacity gaps particularly with regard to the ESF and ES Standards relevant to the project will be identified, and necessary training will be conducted, especially for provincial and district staff.

To cope with a growing number of road and infrastructure projects in the country and ensure adequate in-house capacity to comply the ESF requirements under the proposed project, the MPWT is proposed to hire a team of E&S consultants including young graduates as junior consultants with the right technical background to support PMU in ESF documents preparation, implementation and monitoring on the ground. Due to the current shortage of qualified national E&S consultants in Laos, the junior consultants with required technical background will be recruited and guided by a small number of senior or more experienced consultants during the course of project implementation. MPWT has also established a partnership with the National University of Laos (NUOL), Faculty of Social Sciences (FSS) to carry out social impact assessment, consultation and monitor resettlement plans and stakeholder engagement plans applied under the above listed road projects.

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

A. Environmental and Social Risk Classification (ESRC) — Moderate

A.1 Environmental Risk Rating — Moderate

[Summary of key factors contributing to risk rating, in accordance with the ES Directive and the Technical Note on Screening and Risk Classification under the ESF – Max. character limit 4,000]

The environmental risk is rated as Moderate. The project will mainly finance improvement works for existing District Roads and Rural Roads of about 300 km in the provinces of Khammouan, Savannakhet, and Saravan. The project roads will follow the existing alignments except those segments where some small adjustments may be needed to

improve road safety and climate resilience. Cross-drainage structures may need to be repaired or replaced with newly constructed concrete bridges or box culverts where the existing structures are in dilapidated condition. Potential direct impacts associated with the road improvement may include sourcing of material for earthworks, noise, dust, sedimentation, erosion, wastes generated from civil works, management of storm water, community safety related to traffic during construction and operation, occupational health and safety of the workers, worker camps, forests/land clearing beyond road corridors, encounter of unexploded ordnance (UXO), and intentional or accidental introduction of non-native flora species for stabilization of embarkment. Based the scale and nature of proposed project activities, potential environmental risks and negative impacts during road rehabilitation activities and operation and maintenace are short-term, localized and can be mitigated through application of specific requirements identified in the Environmental and Social Management Framework (ESMF) of the project and through the development and implementation of site specific E&S instruments. Potential indirect impacts may be associated with improved road condition that may encourage additional encroachment of agricultural farms and infrastructure to the road-side forests which are already in degraded condition and cause further degradation of such forests or changes to other land use types. Road upgrade and the increased connectivity of road network may amplify illegal trades of timber and wildlife products from nearby Conservation Forests/Protected Areas and Protection Forests. It was agreed that the project will not finance road sections within Protected Areas with international or nationally significant biodiversity value that may cover Conservation Forests and Protection Forests so to ensure avoidance of adverse impacts on key biodiversity, critical and natural habitats, and ecological functions as well as local population.

A.2 Social Risk Rating Moderate

[Summary of key factors contributing to risk rating, in accordance with the ES Directive and the Technical Note on Screening and Risk Classification under the ESF – Max. character limit 4,000]

Social risk is considered Moderate based on the project information and due diligence carried out by the World Bank task team. Social risks and impacts are expected to be manageable and site specific since the project aims to finance improvement works for prioritized sections of existing District Roads and Rural Roads within the pre-identified road alignments except those segments where some small adjustments may be needed to improve road safety and climate resilience. Moreover, the density of population in the three target provinces is relatively low ranging from 27 to 50 persons per square kilometer and the traffic volume, as well as number of road commuters, along the rural roads is small. Land acquisition and resettlement are expected to be insignificant as all main house structures and assets are located outside the road alignments and Corridor of Impact (COIs). Risks of Occupational Health and Safety (OHS) and Community Health and Safety (CHS) including risks of communicable diseases transmission, and Sexual Exploitation and Abuse and Sexual Harassments (SEA/SH), Gender-Based Violence (GBV) and Violence Against Children (VAC) is rated to below and manageable due to limited influx of workers anticipated from outside local community, and from neighboring countries if foreign contractors are selected. Given the nature and scale of the works proposed, the MPWT will opt for national competitive bidding method to encourage local contractors to undertake the road works and the contractors will be encouraged to hire local labors and workers from local communities to the extent possible. These approaches will help minimize risks associated with external labor influx and provide a paid job opportunity for local people. Workers camps may be installed along rural road sections. Labor Management Procedures, OHS and CHS plans have been developed and provided in the ESMF to manage such risks, and a social Code of Conduct will be also included in the ESMF to prevent and address potential SEA/SH, GBV, and VAC issues. During the project implementation, subsequent site specific-ESMPs will be prepared and applied for each road section to be improved to manage the above discussed risks. There are some ethnic groups that are defined as Indigenous Peoples (IPs) among the potential project affected people (PAP) along the proposed road sections in the

three provinces. These groups are observed to possess the four characteristics of IPs defined under the scope of application of the World Bank's ESS7. Initial E&S Screening for the proposed road sections carried out based on the preliminary survey and conceptual design suggests that the nature and scale of risks and impacts on the ethnic groups and ethnic villages are expected to be manageable because only some ethnic households and individuals (not entire village) will likely be affected with some parts of their land and extended temporary structures expected to be either temporarily or permanently affected and acquired for the road works. Given that no resettlement of entire individual households and entire villages are expected, an Ethnic Group Development Framework has been prepared as part of a Stakeholder Engagement Plan required under ESS7 and ESS10 respectively to ensure meaningful consultation, effective information dissemination, active engagement of ethnic groups in project implementation, benefits from project investment, e.g., though employment, in a culturally sensitive manner. Consultation with concerned stakeholders particularly with PAPs of the ethnic groups was carried out to discuss potential risks and impacts from the project activities and obtain feedback on design options and risk mitigation measures. Further site-specific ESA will be carried during project implementation after detailed survey and design is available to inform preparation of site-specific instruments (SS-ESMPs and RPs) required to be applied to manage the E&S risks by each road section.

[Summary of key factors contributing to risk rating. This attribute is only for the internal version of the download document and not a part of the disclosable version – Max. character limit 8,000]

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

[Explanation - Max. character limit 10,000]

The overall Environmental and Social (E&S) risk of the project is considered Moderate. Nine out of ten Environmental and Social Standards (ESSs) of the World Bank are relevant under the project. These are ESS1: Assessment and Management of Environmental and Social Risks and Impacts, ESS2: Labor and Working Conditions, ESS3: Resource Efficiency and Pollution Prevention and Management, ESS4: Community Health and Safety, ESS5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement, ESS6: Biodiversity Conservation and Sustainable Management of Living Natural Resources, ESS7: Indigenous People, ESS8: Cultural Heritage, and ESS10: Stakeholder Engagement and Information Disclosure. Potential environmental risks and impacts are considered including: 1) Potential direct impacts and risks related to improvement of roads and cross-drainage structures as part of roads: earthworks, sourcing of materials, soil erosion, impacts on water flow and river biology, sedimentation, noise, dust, hazardous and non-hazardous wastes generated from civil works, exhaust from engines and fuel leak of earth moving vehicles, management of storm water, traffic disturbance during construction, community safety related to traffic during construction and operation, occupational health and safety of the contracted workers, clearing of production forests and land beyond road corridors for worker camps, encounter of unexploded ordnance (UXO), and intentional or accidental introduction of non-native flora species for stabilization of embarkment. 2) Potential indirect impacts may be associated with improved road condition that may induce additional encroachment of agricultural farms and infrastructure to the road-side forests which are already in degraded condition and cause further degradation of such forests or changes to other land use types. 3) Indirect impacts that may be potentially amplified following road

upgrading and the increased connectivity of road network: illegal trades of timber and wildlife products from nearby Conservation Forests/Protected Areas and Protection Forests. Potential social risks and impacts are considered including: 1) Temporary economic displacement, small-scale land acquisition and relocation of minor structures and/or access restrictions during the construction period; 2) General and industry-specific risks of Occupational Health and Safety (OHS) for workers including unsafe working conditions and discrimination faced by women and/or ethnic minority employees; 3) Risks of Community Health and Safety (CHS) due to the construction activities, including risks of traffic accidents and of communicable diseases transmission, and low risk of Sexual Exploitation and Abuse and Sexual Harassments (SEA/SH), Gender-Based Violence (GBV) and Violence Against Children (VAC); 4) Exclusion of vulnerable groups, including ethnic minorities, from consultations on road work design, implementation, and benefit sharing through employment opportunities that would cause them to not be ablet to access project benefits or be more negatively impacted by the project; 5) During operations, road safety risks due to the improved road conditions and potential speeding or unsafe driving behavior, and broader risks of human trafficking due to improved road connectivity. While shortlisting roads based on selection criteria, consultations with Ministry of Agriculture and Forestry, and its respective Provincial and District Offices, and other key stakeholders were undertaken to ensure that the proposed road sections for project financing do not fall within Protected Areas with internally and nationally significant biodiversity value. It was also confirmed by the PMU that there will be no possibilities of associated road sections in the nearby protected areas to be financed by the government or other donors. Some road sections are close to Protected Areas (within 1- 3 km) and the contractors responsible for these road sections will conduct site specific biodiversity assessment and prepare and implement site specific Biodiversity Management Plans (SS-BMPs) following guidance provided in the project ESMF (Annex D). To protect forests from further degradation, monitoring of potential impacts for these roads will involve remote sensing monitoring conducted by the Contractor, pre-construction, mid-construction and post-construction (years 1, 2 & 5 of O&M phase). To mitigate the project environmental and social risks and impacts, the Borrower has prepared and disclosed an Environmental and Social Management Framework (ESMF), which includes, among others, (i) Screening procedures; (ii) Template for a Biodiversity Management Plan; (iii) Labour Management Procedures (LMP); (iv) Environmental and Social Management Plan (ESMP) Outline; (v) UXO Procedures, and (vi) Chance Find Procedures. A Resettlement Policy Framework (RPF) has been prepared to guide land acquisition and resettlement related impacts. A standalone SEP, which incorporates elements of an Ethnic Group Development Framework (EGDF), including a Grievance Redress Mechanism (GRM), has been prepared to guide the Borrower's stakeholder engagement, including with Indigenous groups. An Environmental and Social Commitment Plan (ESCP), drawn and agreed between the Bank and the Borrower, sets out the important measures and actions required for the project to meet environmental and social requirements over the project's lifetime. All instruments – ESMF, RPF, SEP and ESCP – were consulted during October 3 and 27, 2023, and disclosed on May 21, 2024. During project implementation, required site-specific management plans (SS-ESMPs) and Abbreviated Resettlement Action Plans (ARAPs) will be developed following the screening procedures in the project's ESMF and RPF. Key measures and requirements from the SS-ESMP, and from the ARAP if applicable, will be included in a bidding document and Contractor ESMP (C-ESMP) which forms part of work contract to be complied with by the contractor and will be closely monitored by the PMU and PTI with technical support from a firm of supervision consultant to be hired.

ESS10 - Stakeholder Engagement and Information Disclosure Relevant

[Explanation - Max. character limit 10,000]

ESS10 Stakeholder Engagement and Information Disclosure This standard is relevant. A Stakeholder Engagement Plan (SEP) has been developed, including a Grievance Redress Mechanism (GRM), before appraisal. MPWT has prepared a Stakeholder Engagement Plan (SEP), including a Grievance Redress Mechanism (GRM) incorporating the inclusive approach and program for engagement, consultation and information dissemination. The SEP also include outcomes from the E&S screening carried out during project preparation. The SEP will be implemented, updated, and disclosed throughout the project life cycle. The approach to engaging the project stakeholders takes into account the needs and challenges encountered by ethnic and vulnerable groups, both as part of engagement and also as part of the E&S assessment process. The engagement will ensure not only that risks are managed but that benefits from the project are accessible to all. Furthermore, the PMU has established a Grievance Redress Mechanism (GRM) at various levels and for all groups of project stakeholders particularly project affected people building on the existing formal and nonformal mechanism of the Government of Laos. The PMU, ES specialists and contractors will inform the project-affected parties about the grievance process, handle the grievance in cultural appropriate manner and maintain records documenting the actions taken on grievances. Thus, the functioning of the GRM can be monitored, and particular problem areas identified for improvement. The project involves different groups of stakeholders from national to village levels, and the project's stakeholders and the level of their engagement are identified and analyzed in the SEP. Affected parties or project beneficiaries, include project target groups, community members, and other parties that may receive project benefit (either directly or indirectly). Project's target groups are people both male and female of all different ages and socio-economic status (poor and better-off) including people with disability, LGBT, elder people, children/ school students, and ethnic groups (IPs) along the proposed road sections in the three provinces. Other interested parties may include government officials, community leaders, and civil society organizations, and those who work in, or with the same communities under their own project/program. These may include different administrative levels including village, district, provincial and central levels, including provincial public works and transport departments, Lao Women's Union in charge of promoting and protecting women and child rights and interest, Lao Front for National Development mandated to promote and advocate ethnic groups, ethnic group leaders, village authority and NGOs. As part of the information disclosure arrangements, the drafts of ESMF (including initial assessment results), SEP (covering EGDF), RPF, and ESCP were consulted during October 3 and 27, 2023, and disclosed on May 21, 2024 onto the websites of the MPWT and hard copies made available at participating PDPWTs and DDPWTs. During the project implementation, the same requirements and process will follow for subsequent site-specific ESF instruments (SS-ESMPs, ARAPs) required to be prepared and applied in accordance with the ESMF, RPF and SEP.

ESS2 - Labor and Working Conditions Relevant

[Explanation - Max. character limit 10,000]

The project will involve civil servants (government staff appointed and employed by the implementing and concerned agencies at all levels) as direct workers, contracted workers (project consultants, employees of civil works contractors and subcontractors, service providers), and potentially primary supply workers (workers from providers of essential goods and construction materials). Road improvement works to be financed under the project may involve a limited influx of workers from outside communities within the country, and from neighboring countries if foreign contractors are selected. Given the scale of the works, the Client will aim for national competitive bidding for local contractors to undertake the road works, reducing the likelihood for laborers from neighboring counties. This will minimize risks associated external labor influx expected to be limited including transmission of communicable diseases, Sexual Harassment (SEA/SH), Gender-Based Violence (GBV) and Violence Against Children (VAC). Workers camps may be

installed along rural road sections. Work contractors will be encouraged to hire local labors or workers from within the community including female workers, to extent possible in order to minimize the potential risks and provide an income earning opportunity for local people. Labor Management Procedures (LMP) have been prepared as part of the ESMF to be applied under the project to manage risks related to labor and working conditions. Site-specific ESMPs to be prepared for each of road sections including the camp sites in accordance with the ESMF and LMP which details all requirements, including on Health and Safety, prohibition of child or forced labor and Codes of Conduct for workers to adhere to, as well as details on a worker's grievance mechanism.

ESS3 - Resource Efficiency and Pollution Prevention and Management Relevant

[Explanation - Max. character limit 10,000]

The ESS3 on Resource Efficiency and Pollution Prevention and Management is relevant. The project investment on road improvement and cross-drainage structures for climate resilience will ensure efficient use of energy, water and raw materials. The potential risks and impacts associated with road construction activities may include waste generation (including hazardous and nonhazardous waste) during earth movement and construction. Pollution may arise from mis-handling or improper disposal of oils, cement, plastic waste, and other types of solid waste. The disposal of construction waste to nearby water ways may cause blockage of water flows, affect water quality and aquatic animals' biological cycles (e.g. migration, spawning). Improper disposal of construction waste along the roads and lubricants or fuels leakage from project vehicles and equipment in use may pose health and safety risks to the project workers. The storages of petroleum-based products may potentially be sources of fire outbreak to the project sites and nearby communities. The project ESMF outlines measures to keep such construction related impacts to minimum. The SS-ESMPs and C-ESMPs will provide site-specific guidance including erosion control and waste management plan, camp site management, emergency response before the civil works are started. Dust emission is a very common issue in road construction resulting from onsite excavation and movement of earth materials, vehicle movement, and transport of construction materials. Another source of emission may include exhaust from diesel engines of project vehicles and earth moving equipment as well as from open burning of solid waste on project site. These impacts and risks will be managed through the application of good engineering designs and good practices for construction by incorporating environmental mitigation measures in the SS-ESMPs (e.g. dust prevention measures, proper management of hazardous and non-hazardous site wastes and surplus materials, etc.) and integrated in the technical design and tender documents. The project will ensure that pollution prevention and management as well as spill prevention and response measures are included in the site-specific management plan. Road improvement activities will have low impact on Green House Gas emissions due to reasons that the proposed project roads have very low traffic volumes, and the proposed roads are also used for non-motorized transport by the rural population. Sourcing of quarry and borrow materials from existing licensed sites shall be preferred over establishment of new sites as much as possible. Quarries and borrow pits shall not be established in national, provincial, district protected forests, productive land, and others ecologically sensitive and protected areas. The SS-ESMPs will include an Environmental Code of Practices (ECOP) that reflects good practices/Good International Industrial Practices (GIIP) for road construction works, and the environmental mitigation measures (e.g. solid waste management, quarry management plan etc.), and Social Code of Practice (COC) to prevent and address potential risks of community health and safety and Sexual Exploitation and Abuse and Sexual Harassment (SEA/SH). This provision are clearly mentioned in the Environmental and Social Commitment Plan (ESCP).

ESS4 - Community Health and Safety Relevant

[Explanation - Max. character limit 10,000]

The traffic volume of District Roads and Rural Roads after improvement are expected to be 100 – 300 passenger car units per day roads as Class V, and 50 – 100 passenger car units per day roads as Class VI. The potential impacts and risks of Community Health and Safety (CHS) anticipated during and after road construction periods may include (i) incremental risk of exposure to operational and traffic accidents; (ii) exposure to hazardous materials and substances that might be released from the construction activities such as air pollution due to emission from dust, vehicles exhausts and burning of wastes at the project sites and (iii) broader risk related to human trafficking given the improved connectivity. Although the traffic volume is comparatively small, the project activities may cause traffic disturbance during construction, and road safety risks during construction and operation. Road accidents usually occur when vehicles (cars and motorbikes) tend to drive faster when the road condition is better. Houses and other sensitive receptors including schools, hospitals/healthcare centers, religious structures, among others, are located along the road. Local people often use and encroach the right of way for agricultural and business activities. Road construction and operation will need to pay special attention to safety of pedestrians paying special attention to the safety risks to children elderly, persons with disabilities, and other vulnerable populations. CHS risks including transmission communicable diseases, COVID-19, if resume, Sexual Transmitted Diseases (STDs and HIV/AID), and potential risks SEA/SH, GBV and VAC issues will be considered in contractor management, qualifications and bidding criteria and contracts for contractors. These risks, both during construction and operations, have been well considered in the ESMF and will need to be part of SS-ESMPs. Key CHS measures including the COC as well as other environmental, social, health and safety requirements will be included in bidding documents and Contractor-ESMPs which forms part of work contracts to be adopted and complied with by the contractors.

ESS5 - Land Acquisition, Restrictions on Land Use and Involuntary Resettlement Relevant

[Explanation - Max. character limit 10,000]

Improvement works for existing District Roads and Rural Roads to be financed under the project are expected to mainly follow the existing road alignments. However, there are some spots or segments of the road which may require insignificant changes to road alignments and width, and readjustment of road profile for the purposes of improving road safety and climate resilience. In these road segments, land acquisition and resettlement may be required including housing and agricultural land, and cultural and spiritual places. Economic displacement, local livelihood disturbance and restriction of access to local villages and households are also anticipated during the construction period. However, these risks and impacts are expected to be temporary, and manageable as all main house structures and assets are located outside the road corridors and the population density in rural areas of these three target provinces is relatively low. To minimize land acquisition and resettlement risks, one of the agreed criteria included in the negative list of project investment is that road work sub-projects that may cause resettlement of more than 200 people (or 40 households), and/or cause more than 40 households to be severely affected - with 10 percent or more of productive assets including land owned by individual household lost – will not be considered for financing under the Project in all three target provinces. Given that the detailed technical design and segments that may need expansion and adjustment, on which land acquisition and resettlement may be required, will not be known prior to appraisal, a Resettlement Policy Framework (RPF) has been prepared to applied under the project. The RPF provides the principles and process of assessing risks and impacts related to land acquisition and resettlement, livelihood

disruption and economic displacement and for preparing Abbreviated Resettlement Action Plans (ARAPs) for impact mitigations and compensation for assets and land lost, if any. ARAPs will include provisions and entitlements for compensation and necessary support for PAPs during resettlement transition and livelihood restoration, costs, implementation, and monitoring arrangement. Special attention will be paid to the vulnerable and ethnic groups of PAPs including women, female heads of households, elder people and people with disability who may need additional support for relocation. The RPF has been consulted and disclosed prior to WB project appraisal. Following identification of specific sites and corridor of impacts (COIs), ARAPs for each road sections will be prepared as required in accordance with the RPF. Draft ARAPs will be consulted on and disclosed locally and in local language. With outcomes of the consultation incorporated, ARAPs will be finalized and submitted to the World Bank for review and approval and re-disclosed by the PMU before implementation. ARAPs will be fully implemented, with compensation and resettlement process completed before beginning of the road works.

ESS6 - Biodiversity Conservation and Sustainable Management of Living Natural Resources Relevant

[Explanation - Max. character limit 10,000]

The ESS6 on biodiversity conservation and sustainable management of living natural resources is relevant. Lao PDR designated areas with internationally or nationally significant biodiversity values as Protected Areas which may be either National Protected Area (NPA) or Provincial Protected Area (PPA). NPAs which are prioritized for sustainable management and financing under the Master Plan for the National Protected Areas of Lao PDR (2020-2025) include wet evergreen ecosystem: (i) Nakai-Nam Theun NPA, Khammouan Province, (ii) Laving-Laverne NPA, Savannakhet Province, (iii) Xe Sap NPA, Saravan Province; Indochina limestone karsts ecosystem: (iv) Phou Hin Poun NPA, Khammouan Province, (v) Hin Ham No PA, Khammouan Province; dry evergreen, mixed deciduous and dry dipterocarp forest ecosystem: (vi) Phou Xang He NPA, Savannakhet Province, (vii) Dong Phou Vieng NPA, Savannakhet Province, (viii) Xe Bang Nouan NPA, Saravan Province, and (ix) Phou Xieng Thong NPA, Saravan Province, and (x) National Eld's Deer Sanctuary, Savannakhet Province. Protected Areas may cover both Conservation Forests and Protection Forests depending on their presence of significant flora and fauna, and important ecosystem functions. The PAs in the project target provinces have most significant representation of this Greater Annamite ecosystems within the lower Mekong Ecoregion Complex. Some areas of these provinces are classified as Protection Forests for watershed protection, erosion control, national security, and prevention of natural disasters. Some are Production Forests designated for supply of wood and non-timber forest products (NTFPs) which may be allocated and managed or used by the local communities as per the District Forest Management Plans. Production forests passed through by some road sections under this project are observed largely degraded with presence of agricultural farming and housings and small other infrastructure. To minimize the potential E&S risks at the project level, it was agreed that (i) the proposed project will not finance road sections within PAs with internally or nationally significant biodiversity value, to avoid risks and impacts on biodiversity of significant value, critical and natural habitats, and ecological functions. Civil works for road improvement will be mainly carried out within the existing road alignments except at places where some adjustments are required for widening and climate resilience. During the project preparation, consultations with Ministry of Agriculture and Forestry, and its respective Provincial and District Offices, and other key stakeholders were undertaken to ensure that the road sections for project financing do not fall within PAs which are prioritized for conserving internally or nationally significant biodiversity. It was also confirmed by the PMU that there will be no possibilities of associated road sections in the nearby protected areas to be financed by the government or other donors. Some road sections are close to Protected Areas (within 1- 3 km) and the contractors

responsible for these road sections will conduct site specific biodiversity assessment and prepare and implement SS-BMPs following guidance provided in the project's ESMF (Annex D). The potential risks may include but are not limited to noise, dust, waste generation, and increased traffic volume associated with the road improvement during road construction and these may affect integrity of nearby PAs, breeding habits, animal crossing and migration patterns of wildlife. The project ESMF includes measures to minimize such impacts on the biodiversity and habitats. Workers will be given regular toolbox training to ensure they do not encroach in the forests during works (or for collection of wood fuel) and that tree cutting in these areas will be limited to the right of way with the approval of Provincial Agriculture and Forestry Office (PAFO). Poaching or illegal tree cutting shall be a sackable offence. Non-invasive local plant species will only be used for revegetation. Traffic levels are not anticipated to increase significantly and operational phase vibration will not be significant. Improved road conditions should reduce dust and are not anticipated to increase significantly to effect air quality. Hence there are no expected impacts on biodiversity and habitats due to traffic during the road operation. While the SS- ESMP will include mitigation measures to limit direct impacts on forests and biodiversity during construction phase, improved access and better road condition during operation stage and after project completion may bring additional pressure on the remaining forests along road sides including further encroachment of agricultural activities, and new settlements. To monitor potential impacts to the forests, remote sensing monitoring will be conducted by the Contractor, pre-construction, mid-construction and post-construction (years 1, 2 & 5 of O&M phase) to monitor any indirect impacts including further agricultural encroachment, further degradation of forests due to illegal trade of timber and wildlife from the forests and nearby PAs. Mitigation measures to manage significant potential biodiversity risks if any, will be integrated into the SS-BMPs which will include ways to engage with local authorities and other stakeholders on post-construction protection of illegal timber and wildlife trade. As part of the road improvement for climate resilience, cross-drainage structures will be rehabilitated or newly replaced at many places. There is a possibility of constructing new bridges across streams and small rivers which are tributaries flowing into the Mekong River. The ESMF provides measures to minimize associated impacts on the streams and small rivers and on aquatic flora and fauna of these tributaries due to increased turbidity during the construction phase. This is predicted to be minor and a very short duration, returning to normal again once the works are completed and not expected to have significant impacts on aquatic ecology of the Mekong River. These short-term impacts will be reduced and kept to a minimum through mitigation measures such as erosion control and by timing the works in the dry season and by controlling release of sediments, concrete sludge waste, hazardous liquid into the rivers . While new bridges are expected to be small, the design of bridges will ensure that they do not obstruct the flow of water and the structure do not cause significant changes to the hydrodynamic environment. The road construction activities will provide alternative routes for the communities to ensure continuation of their livelihood activities. Due to the scale and nature of project activities, the road upgrading is not likely to severely affect ecosystem services.

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

[Explanation - Max. character limit 10,000]

In Laos, there are 50 distinct ethnic groups classified into four ethno-linguistic families namely Hmong Iew Mien, Mone-Khmer, Chine-Tibetan and Lao-Tai. The term "Ethnic Groups" is often used for ethnic minority groups belonging to the first three ethno-linguistic families (Hmong Iew Mien, Mone-Khmer and Chine-Tibetan) who meet the four characteristics and definition of Indigenous Peoples under ESS7. Based on the SEP, the two main ethnic groups who are in the project area are the Lao (Lao Tai), and Mon-Khmer (Makong, Khmu, Phoutai, Yrou, Bru, Ta-Oy,

Katang). Based on the project scope, the nature and scale of risks and impacts on the ethnic groups and ethnic villages are expected to be manageable since only some ethnic households and individuals (not entire village) could be affected if some parts of their land and/or extended temporary structures are impacted by road works. Given that it is unlikely that relocation of a households will be required, given that works are expected to be conducted in the carriageway, a stand-alone Ethnic Group Development Framework has not been prepared but rather it has been incorporated as part of the Stakeholder Engagement Plan to ensure there is meaningful consultation with ethnic groups, effective information dissemination, and active engagement of ethnic groups in project implementation so that they can directly benefit from the project (including via employment opportunities). The SEP includes a Grievance Redress Mechanism for the project required to be established taking into consideration the needs and challenges faced by ethnic groups to access and lodge feedback or grievances. Whenever feasible, locally appropriate GRMs should be built upon, such as traditional grievance or conflict resolution systems which involve ethnic group leaders. Special attention is paid to the needs of the ethnic groups (IPs) in engagement including ensuring translation into relevant languages during consultations on key issues and measures. The PMU has hired social consultants with facilitation skills to help carry out meaningful consultation with the ethnic villages and ethnic groups in collaboration with the National University of Laos during the project preparation. During implementation, the consultants will also support and facilitate participation of the different ethnic groups and representatives in the project's stakeholder engagement activities and ensure that any information shared is sensitive to their culture.

ESS8 - Cultural Heritage Relevant

[Explanation - Max. character limit 10,000]

This standard is relevant. Project civil works will be undertaken along the carriageway, and although no major impacts to cultural heritage (PCR) are anticipated, chance finds could occur during construction. The land will be screened to ensure that it is free of PCR ahead of constructions and a provision of Chance-Finds Procedure is included in the ESCP and ESMF.

ESS9 - Financial Intermediaries Not Currently Relevant

[Explanation - Max. character limit 10,000]

Not relevant. The project will not involve financial intermediaries.

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 In Part

[Explanation including areas where "Use of Borrower Framework" is being considered - Max. character limit 10,000]

The level and extents of relevance and consistencies between national framework and ESF/relevant ESSs vary from legislation to legislation and from agency to agency. A Review of Lao PDR Social System in the context of the World Bank's ESF (2020) broadly identifies some relevant national legislations that are largely consistent with the ESS2 and ESS4 of the World Bank. These include the Law on Labors (2013) and the Law on Combating and Preventing Violence against Women and Children (2014). A further thorough Borrower's Framework Assessment (BFA) is currently underway to identify specific gaps between national legal and institutional frameworks and the World Bank's ESF/ESSs on both environmental and social aspects. The final BFA report is expected to be available by the end of June 2024 after the project appraisal. Therefore, the ESF instruments namely ESCP, SEP (which includes EGDF outlining ESS7 requirements) and ESMF and RPF have been prepared to be applied under the project in accordance with the relevant ESSs and national legislations.

Use of Common Approach No

[Explanation including list of possible financing partners – Max. character limit 4,000]

None

B.4 Summary of Assessment of Environmental and Social Risks and Impacts

[Description provided will not be disclosed but will flow as a one time flow to the Appraisal Stage PID and PAD – Max. character limit 10,000]

Overall Environmental and Social (E&S) risks is considered Moderate. Nine out of ten Environmental and Social Standards (ESSs) of the World Bank are relevant under the project. These are ESS1: Assessment and Management of Environmental and Social Risks and Impacts, ESS2: Labor and Working Conditions, ESS3: Resource Efficiency and Pollution Prevention and Management, ESS4: Community Health and Safety, ESS5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement, ESS6: Biodiversity Conservation and Sustainable Management of Living Natural Resources, ESS7: Indigenous People, ESS8: Cultural Heritage, and ESS10: Stakeholder Engagement and Information Disclosure.

Potential direct environmental impacts associated with the road improvement may include sourcing of material for earthworks, noise, dust, sedimentation, erosion, wastes generated from civil works, management of storm water, community safety related to traffic during construction and operation, occupational health and safety of the workers, worker camps, forests/land clearing beyond road corridors, encounter of unexploded ordnance (UXO), and intentional or accidental introduction of non-native flora species for stabilization of embarkment. Based the scale and nature of proposed project activities, potential environmental risks and impacts associated with road improvement activities are considered insignificant, site specific, temporary, and manageable if relevant mitigation measures are properly conducted. Potential indirect impacts may be associated with improved road condition that may encourage additional encroachment of agricultural farms and infrastructure to the road-side forests which are already in degraded condition and cause further degradation of such forests or changes to other land use types. Road upgrade and the increased connectivity of road network may amplify illegal trades of timber and wildlife products from nearby Conservation Forests/Protected Areas and Protection Forests.

The project will not finance road sections within Protected Areas (PAs) with international or nationally significant biodiversity value that may cover Conservation Forests and Protection Forests so as to ensure avoidance of adverse

impacts on key biodiversity, critical and natural habitats, and ecological functions as well as local population. Consultations with Ministry of Agriculture and Forestry, and its respective Provincial and District Offices, and other key stakeholders were undertaken to ensure that the proposed road sections for project financing do not fall within Protected Areas with internally and nationally significant biodiversity value. It was also confirmed by the PMU that there will be no possibilities of associated road sections in the nearby protected areas to be financed by the government or other donors. During the project implementation, site specific Biodiversity Management Plan (SS-BMPs) will be prepared for some road sections which are close to PAs (within 1 – 3 km) following the guidance provided in the project ESMF.

Social risk is also considered Moderate. Social risks and impacts identified through the initial E&S screening are expected to be site specific and manageable since the project aims to finance improvement works for existing District Roads and Rural Roads within the pre-identified road alignments except those segments where some small adjustments may be needed to improve road safety and climate resilience. Moreover, the density of population in the three target provinces is relatively low ranging from 27 to 50 persons per square kilometer and the traffic volume, as well as number of road commuters, along the rural roads is small. Land acquisition and resettlement are expected to be minor as all main house structures and assets are located outside the road alignments and Corridor of Impact (COIs). To effectively manage land acquisition and resettlement risks, one of the agreed criteria to be included in the negative list of project investment is that sub-projects that may cause resettlement of more than 200 people (or 40 households), and/or cause more than 40 households to be severely affected - with 10 percent or more of productive assets including land owned by individual household lost – will not be considered for financing under the Project in all three target provinces. Land acquisition impacts will be managed under the RPF.

Risks of Occupational Health and Safety (OHS) and Community Health and Safety (CHS) including risks of communicable diseases transmission, and SEA/SH, GBV and VAC are moderate and manageable due to limited influx of workers anticipated from outside local community, and from neighboring countries if foreign contractors are selected. To help minimize risks associated with external labor influx, the MPWT has prepared an LMP as part of the ESMF and will encourage local contractors to undertake the road works using national competitive bidding method to and to hire local labors and workers from local communities to the extent possible. Risks associated workers camps that may be installed along rural road sections with necessary facilities to be provided will be managed through a worker camp management plan to be prepared and applied as part of the SS-ESMP.

There are some ethnic groups that are defined as Indigenous Peoples (IPs) among the potential project affected people along the proposed road sections in the three provinces. These groups are observed to possess the four characteristics of IPs defined under the scope of application of the World Bank's ESS7. Initial screening identifies potential risks of CHS particularly traffic safety issue and risks of the exclusion and discrimination of ethnic minorities, women and vulnerable groups from project planning, consultation, implementation and benefit, e.g., income earning or employment opportunities and these risks are managed via the ESMF and SEP.

The project's risk management instruments have been prepared to be applied under the project. These include an Environmental and Social Commitment Plan (ESCP); Environmental and Social Management Framework (ESMF) including screening procedures, Labor Management Procedures, a template for Biodiversity Management Plan and for an ESMP; Resettlement Policy Framework (RPF) and a Stakeholder Engagement Plan (SEP) which integrates elements of an Ethnic Group Development Framework (EGDF). These ESF instruments were consulted with key stakeholders during October 3 and 27, 2023, and submitted to the Bank for review and clearance before appraisal. The cleared documents were

disclosed onto the MPWT's website on May 21, 2024. During project implementation, and after scope and detailed design of road sections to be financed by the project is confirmed, site-specific assessments will be carried out and required site-specific management plans (SS-ESMPs, ARAPs) will be developed following the screening procedures outlined in the project's ESMF and RPF.

Road alignment may go through some Protection Forests and Production Forests and noise and frequent movement of traffic during construction. The site-specific ESMP will include mitigation measures to limit direct impacts on those forests along roadside and their biodiversity during construction phase. However improved access and better road condition during operation stage and after project completion may bring additional pressure on the remaining forests along the roadsides including further encroachment of agricultural activities, and new settlements. To monitor potential impacts to the forests, remote sensing monitoring will be conducted by the Contractor, pre-construction, mid-construction and post-construction (years 1, 2 & 5 of O&M phase) to monitor any indirect impacts including agricultural encroachment, further degradation of forests due to illegal trade of timber and wildlife from the forests and nearby PAs.

The PMU is also recommended to comply with the relevant national regulations. These include the Labor Law (2013), EIA Decree, updated in October 2022 which requires a separate Initial Environmental Examination (IEE) to be carried out and IEE reports prepared and submitted to the Provincial Office of Natural Resources and Environment (PONRE) for review and approval for projects to improve existing roads regardless sources of funds.

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?

[Description of expectations in terms of documents to be prepared to assess and manage the project's environmental and social risks and by when (i.e., prior to Effectiveness, or during implementation), highlighted features of ESA documents, other project documents where environmental and social measures are to be included, and the related due diligence process planned to be carried out by the World Bank, including sources of information for the due diligence - Max. character limit 10,000]

During project implementation and after detailed survey and design are available, detailed E&S impact assessments (ESA) will be carried out and site specific ESMPs and ARAPs for each road subproject will be prepared to manage potential E&S risks and impacts related to land acquisition and resettlement in accordance with the ESMF, RPF, and SEP. SS-BMPs will be prepared for some road sections which are close to PAs (within 1 – 3 km) following the guidance provided in the project's ESMF.

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