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Report No. 144354

**INTERNATIONAL DEVELOPMENT ASSOCIATION
INTERNATIONAL FINANCE CORPORATION
MULTILATERAL INVESTMENT GUARANTEE AGENCY**

**PERFORMANCE AND LEARNING REVIEW
OF THE COUNTRY PARTNERSHIP FRAMEWORK**

**FOR THE
LAO PEOPLE'S DEMOCRATIC REPUBLIC**

FOR THE PERIOD FY2017–FY2021

February 12, 2020

**Lao PDR Country Office
East Asia and Pacific Region**

**The International Finance Corporation
East Asia and Pacific Region**

The Multilateral Investment Guarantee Agency

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The date of the last Country Partnership Framework was April 24, 2017

FISCAL YEAR

January 1–December 31

CURRENCY EQUIVALENTS

Exchange Rate Effective as of December 31, 2019

Lao Kip 8,877 = US\$1.00

ABBREVIATIONS AND ACRONYMS

AF	Additional Financing
ASA	Advisory Services and Analytics
BoL	Bank of Lao PDR
CAR	Capital Adequacy Ratio
Cat-DDO	Catastrophe Deferred Drawdown Option
CIB	Credit Information Bureau
CPF	Country Partnership Framework
CRW	Crisis Response Window
DB	Doing Business
DHIS	Demographic and Household Information Survey
DLI	Disbursement-linked Indicator
DP	Development Partner
DPO	Development Policy Operation
DRM	Disaster Risk Management
DSA	Debt Sustainability Assessment
ECC	Environmental Compliance Certificate
ECD	Early Childhood Development
ECE	Early Childhood Education
EDL	<i>Électricité du Laos</i>
ESIA	Environmental and Social Impact Assessment
EU	European Union
FSI	Financial Soundness Indicator
GDP	Gross Domestic Product
GoL	Government of Lao PDR
ICT	Information and Communication Technology
IFC	International Finance Corporation
LDC	Least Developed Country
LENS	Lao Environment and Social Project
M&E	Monitoring and Evaluation
MEM	Ministry of Energy and Mines
METT	Management Effectiveness Tracking Tool
MIGA	Multilateral Investment Guarantee Agency
MONRE	Ministry of Natural Resources and Environment
MPI	Ministry of Planning and Investment
NA	National Assembly
NEDSI	National Emergency Dam Safety Inspection

NSEDP	National Socio-Economic Development Plan
PA	Protected Area
PASA	Programmatic Advisory Services and Analytics
PDNA	Post-Disaster Needs Assessment
PDO	Project Development Objective
PFM	Public Finance Management
PLR	Performance and Learning Review
PRF	Poverty Reduction Fund
SBCC	Social and Behavioral Change Communication
SCD	Systematic Country Diagnostic
SDG	Sustainable Development Goal
SEADRIF	South East Asia Disaster Risk Insurance Facility
SOP	Standard Operation Procedure
TA	Technical Assistance
UNDP	United Nations Development Programme
UNFPA	United Nations Fund for Population Activities
VAT	Value Added Tax
WBG	World Bank Group

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I. INTRODUCTION

1. **This Performance and Learning Review (PLR) summarizes progress in the implementation of the World Bank Group (WBG) Country Partnership Framework (CPF) for the Lao People’s Democratic Republic for FY2017–2021 (Report No. 110813-LA).** The CPF, discussed by the Board of Executive Directors on April 24, 2017, proposed a program of assistance to support inclusive growth, invest in people, and protect the environment. A cross-cutting theme on strengthening institutions complemented these pillars. This PLR takes stock of the CPF implementation to date and proposes, looking forward, minor adjustments in response to the evolving country context, lessons learned, and emerging priorities.

2. **The CPF remains well aligned to the vision and aspirations of the Government of Lao PDR (GoL).** The GoL strategy is outlined in the 8th National Socio-Economic Development Plan (NSEDP), which covers 2016–2020. The NSEDP supports policies to graduate Lao PDR from Least Developed Country (LDC) status, reduce poverty, and promote broad-based growth built on environmentally sustainable principles. The GoL reaffirmed the overall strategic direction of the 8th NSEDP during the midterm review of the plan, carried out in the second half of 2018. Supported by the WBG, the elaboration of the 9th NSEDP—to be adopted in mid-2021—is currently under way.

3. **The CPF is being implemented in a challenging external and internal economic context.** The country has enjoyed robust growth, driven by investment in large infrastructure projects, mainly in the energy and transportation sectors. But the financing of these projects and an accommodating fiscal stance resulted in the build-up of public sector debt. Trade tensions on the international stage and low internal buffers have increased the risks of macroeconomic instability. The GoL remains committed to a path of debt and fiscal consolidation, but efforts on this front will need to intensify. Progress toward poverty reduction has continued. The political context is stable, and the current administration is expected to see through its 5-year mandate.

4. **The CPF, with limited adjustments, continues to provide an adequate framework for the collaboration between Lao PDR and the WBG.** Progress toward achieving the CPF objectives is on track. Portfolio performance has been robust with high disbursement rates. No major changes are proposed on the CPF’s focus areas and objectives or the cross-cutting theme, bar some rewording of objectives and streamlining of Objective 2.4 into the other objectives of Focus Area 2. Adjustments apply mainly to the Results Framework. The PLR, however, calls for more attention to the macro-fiscal framework and the consolidation of the portfolio moving forward. The CPF will not be extended to maintain alignment with the GoL’s current and next NSEDP.

II. MAIN CHANGES IN COUNTRY CONTEXT

Recent Economic Developments

5. **Economic growth in Lao PDR has been strong but below historical averages.** The CPF economic projections expected growth to average 7 percent per year over the period, but growth performance has fallen short of expectations. In 2018, widespread flooding resulted in a slowdown in growth to 6.3 percent. In 2019, more floods and droughts in different regions of the country, coupled with a decline in the maize harvest because of a caterpillar infestation, further dampened

growth in the agriculture sector. Growth in the retail and wholesale trade sectors also declined due to lower disposable income owing to higher inflation, driven by the sharp depreciation of the Lao kip against the Thai baht and U.S. dollar. Gross domestic product (GDP) growth in 2019 is expected to decline to 5.2 percent.

6. **The GoL has committed to a path of fiscal consolidation, as envisaged under the CPF, but public debt remains elevated.** Tighter control on spending lowered the fiscal deficit from 5.5 to 4.7 percent of GDP between 2017 and 2018. In 2019, fiscal deficit is expected to rise around 4.9 percent of GDP. While expenditure controls and lower spending on investment and wages have driven consolidation, the GoL needs to increase efforts to boost revenues, including through a revamped tax administration. The public debt-to-GDP ratio has increased since 2012 and is expected to reach 59.5 percent of GDP in 2019. The risk of debt distress remains high, as highlighted in the latest joint World Bank-International Monetary Fund (IMF) Debt Sustainability Assessment (DSA).¹

7. **The expansion of the power sector resulted in high debt and significant contingent liabilities.** The expansion of *Électricité du Laos* (EDL) and EDL-GEN's (electricity generation) assets were financed largely by debt, which accounts for 65 percent (or US\$6 billion) of public external debt. High debt levels have put the company under financial stress and annual debt servicing costs are projected to rise sharply in the next few years from US\$195 million (2019) to US\$790 million (2024). Further, EDL's rising debt burden has increased the debt-equity ratio, weakening its financial position. This poses significant risks not only to the sustainable development of the sector but also to the State Budget and overall macroeconomic stability.

8. **The country lacks buffers to respond to economic shocks, while the level of foreign exchange reserves remains low.** The current account deficit has hovered around 10 to 12 percent of GDP since 2017. It is expected to slightly narrow in 2019 to 11 percent of GDP, reflecting lower import growth owing to slower GDP growth. The appreciation of the U.S. dollar against regional currencies, a strong Thai baht, and the large current account deficit contributed to the steady depreciation of the Lao kip. Reserves are low, at 1.2 months of imports in 2019, and below prudential levels, making Lao PDR vulnerable to economic shocks. Headline inflation in 2019 is expected to hover at around 3.3 percent.

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

Progress on Poverty Reduction and Shared Prosperity

10. **The incidence of poverty fell from 46 percent to 23 percent between 1992 and 2012, and preliminary estimates show that poverty further declined to about 18 percent in 2019.** The official estimates of poverty and inequality in 2018–2019 are expected to be available in mid-

¹ The latest DSA was published in August 2019 in the IMF Article IV for Lao PDR.

2020. Meanwhile, preliminary results show that the incidence of poverty remains much higher in rural (23 percent) than in urban areas (7 percent). Poverty is particularly entrenched among remote and highland communities that are isolated during the rainy season. Labor market data show spatial and gender inequalities. The incidence of poverty (using the international poverty line) is projected to have declined to 18.4 percent in 2019 and is expected to fall below 18 percent in 2020–2021.

Political Context

11. **The political and social environment has remained stable.** The current administration is expected to serve its 5-year term. No major changes in key ministerial positions are expected to take place ahead of the Lao People’s Revolutionary Party Congress in early 2021. The GoL’s top priorities include maintaining macroeconomic stability, advancing the green growth agenda, further reducing poverty, improving the investment climate, protecting the environment, and strengthening disaster response and preparedness. In 2019, the National Assembly (NA) adopted several resolutions to provide legal back-up for and enhance the performance of the GoL and judiciary bodies. The NA is asking for more accountability and the curbing of corruption.

III. SUMMARY OF PROGRAM IMPLEMENTATION

Portfolio Performance

12. **Portfolio performance in Lao PDR has been robust.** The portfolio consists of 21 projects totaling US\$560.2 million, including 18 IDA-financed projects (US\$586 million), five co-financed trust funds (US\$26.3 million), and three stand-alone trust funds (US\$19.7 million).² Disbursement ratios in the last 5 years have remained above 20 percent. Currently there is one problem project in the portfolio. Some challenges require close monitoring: (a) some delays have emerged in the approval of withdrawal applications, and (b) capacity constraints within implementing agencies result in lengthy approval processes. These challenges call for greater level of technical assistance (TA) and continued upgrades of national capacity and systems.

13. **The portfolio is well aligned with WBG corporate priorities.** Of the 21 projects in the active portfolio, 8 are gender tagged and efforts are under way to gender tag all projects in FY20, except when data are not available. Strong climate mitigation and adaptation co-benefits have been delivered since the CPF inception and have contributed favorably to the adaptation and mitigation objectives of Lao PDR’s Nationally Determined Contribution to the Paris Climate Agreement. All investment projects since FY17 have been citizen engagement compliant, with clearly identifiable beneficiaries, a beneficiary feedback indicator in the Results Framework and a citizen-oriented design in project documents.

14. **The portfolio is also well aligned with GoL priorities and has expanded over the past years.** Since the launch of the CPF, the GoL has reached out to the WBG to step up the engagement on the protection of the environment, land titling, connectivity, public finance management (PFM), and disaster risk management (DRM), including dam safety. During IDA18 (and by the end of

² IDA18 country envelope of SDR203 million (US\$284 million equivalent) reached approximately SDR259 million (US\$363 million equivalent) after inter/intra-regional reallocations. In addition, the country accessed US\$50 million from IDA’s Crisis Response Window.

FY20), 11 new projects and six additional financings (AFs) are expected to be approved, including two AFs for the Lao Road Sector Project 2 and Disaster Risk Management Project under the IDA Crisis Response Window (CRW). However, looking forward, there is a pressing need to consolidate (more sizable) projects around key development themes.

15. **As Lao PDR moves into IDA19, the portfolio is fragmented.** The current portfolio has an average project size of US\$25 million. The current pace of project approval is not sustainable and poses a problem for mobilizing adequate resources for both project preparation and supervision while squeezing Advisory Services and Analytics (ASA). Projections show that the number of active projects will continue to be above 20 in the medium term. This PLR makes a strong case for consolidating the program as it enters the last year of the CPF and the beginning of IDA19. This is in line with the GoL's request for larger and fewer investments to ensure broad coverage and better monitoring and evaluation (M&E) of impacts and results.

16. **ASA has been critical to achieve CPF outcomes and inform policy making.** For instance, the Exploring Lao PDR's Green Growth Potential (P162394) ASA supported policy change in the environment sector (for example, the Forestry Law and the National Green Growth Strategy) and helped mainstream the green growth agenda into the 8th NSEDP. More examples include the work conducted in the Lao PDR: Financial Sector Development (P160715) ASA, which underpinned the WBG engagement with the Bank of Lao PDR (BOL) and led to the elaboration of the Investment Project Financing (IPF) on the Lao PDR Financial Sector Safety Net Strengthening (P169194) Project, to be approved in FY20.

17. **ASA have also played an important role in furthering the dialogue with the GoL in several areas.** They have informed the program in critical areas (for example, nutrition, governance, environment, forestry, green growth); filled existing knowledge gaps (for example, infrastructure connectivity, dam safety); paved the way for new engagements (for example, digital economy); and supported ongoing engagement programs. The upcoming Poverty Monitoring (FY21) and Country Economic Memorandum (FY21), both core diagnostics, will be key to update poverty statistics and provide evidence to deepen the dialogue on inclusive growth. The results of these core diagnostics will also feed into the preparation of the 9th NSEDP (2021–2025).

18. **The International Finance Corporation (IFC) Investment and Advisory Services are well aligned with the GoL priorities,** IFC has committed investments of US\$20.6 million with an outstanding portfolio of US\$14.2 million in power, banking, and manufacturing. The current outstanding advisory services portfolio is US\$10.3 million. IFC will continue its advisory work in the renewable energy, forestry, and financial sectors while seeking investments in those sectors as well as in hydropower, agriculture, tourism, and manufacturing. MIGA will continue to explore opportunities to support cross-border investment through political risk insurance, notably in the energy sector.

19. **The collaboration between the World Bank, IFC and MIGA is aimed at mobilizing private sector investment.** The World Bank and IFC have developed a joint-business plan, which is periodically monitored, identifying ways to mobilize finance for development. Promising areas here include the forestry and energy sectors, sectors where MIGA will also seek opportunities to support private investment through its de-risking instruments. In forestry, for instance, the policy dialogue is supported through the World Bank Green Growth Development Policy Operation (DPO) and the IFC Forest Investment Program. The World Bank and IFC also work jointly on

Doing Business (DB) reforms (in response to Lao PDR’s ambition to become a ‘double-digit’ DB country), the Forest Carbon Partnership Facility, and development of adequate frameworks for public-private partnerships.

Evolution of Partnerships and Leveraging

20. **Coordination with development partners (DPs) is robust with joint dialogue and co-financing mechanisms in place.** Since the mid-2000s, the GoL has co-led a ‘country platform’ with support from the United Nations through an annual Round Table Meeting chaired by the Prime Minister and with participation from all levels of central and local government and civil society. The World Bank co-chairs sector working groups in infrastructure, the macroeconomy, and natural resources and the environment. Co-financing has benefited investment projects in transport, rural development, health, governance, trade, and private sector development.³ The green growth agenda, trade facilitation, private sector development, debt management, and PFM are supported through Trust Funds.⁴

21. **The World Bank has been a catalyst in convening DPs for post-disaster response.** Following the Xe Pian-Xenamnoy dam failure in July 2018, the Prime Minister ordered a National Emergency Dam Safety Inspection (NEDSI) to review over 50 hydropower projects with capacity over 15 MW. The World Bank supported the NEDSI Secretariat through TA and convened several DPs to provide funds to hire international advisors to undertake this exercise.⁵ In addition, the World Bank, in partnership with the European Union (EU) and the United Nations Development Programme (UNDP), co-authored the Post-Disaster Needs Assessment (PDNA) for the 2018 flood, in response to the GoL’s request. The PDNA provided the estimates for damages and losses and recovery costs using a build-back-better approach.

Summary of Progress toward Achieving the CPF

22. **The implementation of the CPF program is on track, with significant progress already achieved.** By and large, all objectives pertaining to the three focus areas are on track. Of the 26 indicators in the Results Framework, 7 have already been achieved, 16 are on track and likely to be achieved by 2021, 1 has insufficient data, and 1 is off track. In some areas—such as public finance and financial sector, DRM, DB, and the protection of the environment—the dialogue with the Lao PDR authorities has significantly improved. The sections that follow take stock of progress in each focus area (pillar) of the CPF to date, while annex 3 presents more granular detail on progress achieved toward CPF indicators.

Focus Area 1: Supporting inclusive growth

23. **Objective 1.1: Putting public finances on a sustainable path and supporting financial sector stability.** *Progress is on track with robust policy dialogue.* Engagement with the Ministry of Finance on macroeconomics and PFM has expanded with respect to the original CPF plans. Supported by the Lao PDR Green Growth DPO series (P159956, P166839, P171431) and TA, the

³ Co-financiers include the Nordic Development Fund; Asian Infrastructure Investment Bank; European Investment Bank; EU; Governments of Australia, Japan, the Republic of Korea, Switzerland, and Ireland; USAID; and Global Fund.

⁴ Trust funds are supported by the EU, Australia, Korea, the Global Facility for Disaster Reduction and Recovery, the Global Environment Facility, and the Debt Management Facility.

⁵ Australia, China, the EU, France, Germany, New Zealand, Switzerland, and the United States support this work.

GoL, through the NA, has approved a new public debt law, a new public procurement law, several tax laws, and has amended the Bank of Lao PDR (BoL) Law and the Law on Commercial Banks. Engagement with the BoL contributed to increased ‘public reporting, and compliance with regulations of the Capital Adequacy Ratio (CAR)’ (Indicator 2).

24. **Objective 1.2: Making it easier to do business.** *Progress is on track with one indicator already achieved.* Joint World Bank-IFC activities have supported the GoL’s priority to improve the business environment and the country’s DB ranking. In the 2020 DB, Lao PDR increased its overall score but remained at the same ranking (154). The score on ‘Getting Credit’ (Indicator 3) remained at 60 (distance to frontier) while its ranking improved by seven places. Progress was achieved on facilitating trade and customs efficiency through the ASYCUDA system. This system has allowed some level of electronic processing, resulting in the ‘mean number of days to clear imports’ (Indicator 4) dropping from 2.8 days to 2.4 days, achieving the CPF target.

25. **Objective 1.3: Investing in infrastructure for growth and inclusion.** *Progress is on track.* Sound investments have improved (climate-resilient) connectivity throughout the country. Activities in the road sector increased the ‘share of rural population with access to an all-weather road’ (Indicator 6) from 53 percent to 56 percent. ‘Electricity losses per year in selected areas’ (Indicator 7) decreased from 22 percent to 19 percent, and in the project-targeted villages of the 43 poorest districts in the country, 14 percent (starting at a baseline of zero) of ‘beneficiaries have access to a safe water resource’ (Indicator 8). The flagship Nam Theun 2 Social and Environment Project (NT2, P049290) was closed in December 2017 and received a satisfactory rating from the Independent Evaluation Group.

Focus Area 2: Investing in people

26. **Objective 2.1: Reducing prevalence of malnutrition.** *Progress is on track.* The innovative Multisector Nutrition Convergence Approach, envisaged in the CPF, which supports the GoL’s ambitious goal to reduce stunting from 33 percent to 25 percent by 2025, has taken shape. The alignment of five World Bank projects⁶ focusing on the same four northern provinces, 12 districts, and 881 villages has begun. Notable progress can already be observed in the national ‘stunting rates of under 2 years old’ (Indicator 9), which decreased from 42 percent to 33 percent. In addition, supported by two World Bank projects, 114 villages have been declared open defecation free in targeted districts (Indicator 10).

27. **Objective 2.2: Improving quality of primary/pre-primary education and keeping girls in school.** *Progress is on track with one indicator already achieved but data missing on another.* Progress was made in improving preschool attendance rates in several areas with 66.7 percent (50 percent female) of ‘preschool age children (3–5 years old) attending preschool programs’ (Indicator 11), up from 48 percent and surpassing the CPF target. But for the primary school level, the current ‘number of out of school children of primary age’ (Indicator 12) could not be tracked due to the lack of reliable data. The Reading Readiness Program is being piloted and aligned with reducing learning poverty in Lao PDR.

⁶ Poverty Reduction Fund III (P157963) and its Additional Financing (P168620); Lao PDR Health Governance and Nutrition Development Project (P151425); Reducing Rural Poverty and Malnutrition Project (P162565); Scaling-Up Water Supply, Sanitation and Hygiene Project (P164901); and Early Childhood Education Project (P145544).

28. **Objective 2.3: Improving access to and quality of health services.** *Progress is on track with two targets already achieved.* Interventions targeted at maternal health and family planning contributed to a countrywide decrease in the ‘maternal mortality rate’ (Indicator 13) from 197 per 100,000 live births in 2015 to 185 in 2017. The ‘number of new women ages 15–49 years adopting long-term family planning methods in target provinces’ (Indicator 15) increased 11 percent over the baseline, achieving the final CPF target. Similarly, the ‘percentage of women who deliver with a skilled birth attendant at home or at a health facility’ (Indicator 14) has been achieved, with an increase of 16 percent over the 2016 baseline.

29. **Objective 2.4: Reducing vulnerability and inclusive access to social services.** *Progress is on track with the only indicator already achieved.* Several projects in the portfolio (including the Poverty Reduction Fund III Project, P157963) have focused activities in the most remote corners of Lao PDR, where the incidence of poverty is highest. Activities under this community-development project have benefited ‘57 percent of the rural population in the project areas’ (Indicator 16) with small-scale infrastructure contributing to improving access and boosting livelihood opportunities among beneficiaries. In addition, two environmental and forestry projects support isolated rural communities in forest areas with direct livelihoods support.

Focus Area 3: Protecting the environment

30. **Objective 3.1: Promoting protection of the environment and responsible management of natural resources.** *Progress is on track with two indicators achieved and one off-track.* Some 1.3 million ha was ‘brought under enhanced biodiversity protection’ (Indicator 17), including the establishment of Lao PDR’s first national parks (Nakai Nam Theun and Nam Et Phou Leouy), and 3.38 million ha of ‘forest area was brought under forest landscape management plans’ (Indicator 18). Three ‘river basin plans were developed’ (Indicator 19) and publicly consulted. ‘Annual reports on the implementation of policy on sustainable hydropower development were made publicly available’ (Indicator 20). The set-up of ‘Priority Pollution Watch Site’ (Indicator 21) suffered delays in the legislative framework for pollution control.

31. **Objective 3.2: Putting in place enhanced disaster risk management and climate and disaster resilience.** *Progress is on track with robust policy dialogue.* The ‘Department of Meteorology and Hydrology of MONRE has enhanced the early warning system and climate information system’ (Indicator 23) through a national early warning center. Project activities are facilitating future ‘access to immediate financing in response to an eligible emergency’ (Indicator 24), through the ongoing establishment of the South East Asia Disaster Risk Insurance Facility (SEADRIF), which will provide payouts in the event of natural disasters. The climate-resilient transport policy, approved in October 2019, will be mainstreamed into the 9th NSEDP.

Cross-cutting theme: Strengthening institutions to establish a rules-based environment

32. **The WBG program has also focused on strengthening institutions and systems.** *Progress is on track.* A new Environmental and Social Impact Assessment (ESIA) policy led to disclosures of ESIA and Environmental and Social Management and Monitoring Plans and the issuance of Environmental Compliance Certificates (ECCs) for investment projects. Annual reports on the implementation of policy on sustainable hydropower development have been published. Regulatory and implementation capacity has been strengthened in the mining sector, anti-money

laundering, and PFM at the central level and in sectors. A notable step by the GoL was the Prime Minister's moratorium on timber exports, which also opened space for forest governance reforms.

IV. EMERGING LESSONS

33. **Identifying champions and strengthening coordination between ministries sustained project implementation, but capacity at the local level needs strengthening.** The coordinated effort of different stakeholders is and will continue to be key to ensure effective program implementation. The innovative Multisector Nutrition Convergence Approach is now overseen by the Ministry of Planning and Investment (MPI) and requires substantial coordination at provincial and district levels and across different ministries. In line with the GoL's Sam Sang policies (decentralization), however, the establishment of reporting and accountability mechanisms between local and central government requires further strengthening.

34. **Flexibility in the dialogue with the GoL cemented the relationship with the WBG.** The WBG has been quick to respond to the GoL's new demands. On DRM, the dialogue has focused on financial mechanisms to respond to natural disasters and the implementation of specific investments to make infrastructure more climate resilient. On dam safety, the GoL has requested the World Bank to leverage technical and financial assistance to support a review of more than 50 dams under construction and in operation. On the environment, the dialogue has broadened from green growth to include solid waste and plastic. The WBG has also reengaged in the revamped PFM agenda, and demands have emerged on the digital economy, connectivity, and skills.

35. **While the WBG has been quick to respond to the GoL priorities, selectivity needs to guide portfolio choices.** The GoL wishes to shift to a more inclusive and environmentally sustainable development model, based on a diversified economy, land linked to the region, and where the private sector investment plays a bigger role. To achieve this vision, the GoL has decided to place more emphasis on boosting human capital, diversifying into nontraditional sectors (for example, nature-based tourism, manufacturing, trade logistics), and improving the business climate while strengthening its financial buffers and the ability to better prepare for, and respond to, natural disasters. Based on the experience to date, the WBG will need to be selective in its support to the GoL's priorities.

36. **Delays in establishing new policies and procedures adversely affected project implementation and call for targeted TA and system strengthening.** 'Off-track' CPF objectives are due to delays in the establishment of new policies (for example, national social targeting system, pollution watch sites) and procedures (for example, those to obtain an operating license). This points to the need for closer dialogue, the provision of focused TA, and strengthening of national systems for effective policy implementation. The presence of sectoral focal points in the Lao PDR Country Office has facilitated portfolio implementation to date, which will remain critical (and more complex) as initiatives shift to district and village levels where capacity and coordination are weak.

V. ADJUSTMENTS TO COUNTRY PARTNERSHIP FRAMEWORK

37. **The CPF, with some adjustments, continues to provide an adequate framework for collaboration between the GoL and WBG.** The implementation of the CPF to date does not warrant any major change in the structure of its overarching framework. Nevertheless, this PLR

proposes to reword Objective 2.3 (Improving access to and quality of maternal and child health services) and the cross-cutting theme (Strengthening institutions and systems for improved policy implementation) and to streamline Objective 2.4 (Reducing vulnerability and inclusive access to social services) into the other objectives of Focus Area 2 and Objective 1.3. Adjustments apply mainly to the Results Framework, where indicators are consolidated (See annexes 1 and 2).

38. **This PLR calls for more emphasis on macro-fiscal issues and the consolidation of the portfolio.** Emerging (or expanding) GoL priorities such as solid and plastic waste, human capital, and dam safety fit well within the current CPF objectives. Considering downside risks on the macroeconomic outlook, however, the macro-fiscal dialogue needs to intensify and include more squarely issues related to the energy sector and the mounting debt of EDL. This PLR also argues for a consolidation of the portfolio moving forward, given the unsustainable trend in project approval and small project size. The proposed adjustments, including projects and ASA for FY20 and (as of March 2020) FY21, are discussed in turn.

Focus Area 1: Supporting inclusive growth

39. **The program will strengthen its focus on macroeconomic stability, inclusive green growth, and climate-resilient infrastructure.** Dialogue on the macro-fiscal framework (notably debt management, revenue generation, and the energy sector) and sectoral environmental policy will intensify under the last Green Growth DPO (FY21). The Financial Sector Safety Net Strengthening Project (FY20) operationalizes the deposit insurance system at the BoL, aiming to put the financial sector on a stronger footing. Connectivity is being boosted by the AF for the Lao Road Sector Project II (FY20), which will deliver climate-resilient investments.

40. **A robust ASA and TA program will support this dialogue and feed into the 9th NSEDP.** The periodic Macroeconomic Monitoring will continue to underpin the macro-fiscal dialogue in parallel with the next DPO. Follow-up ASA in FY21 will focus on the interaction between the Lao-China railway and other economic corridors, to maximize the use of this important infrastructure and the necessary complementary policies. A Poverty Monitoring (FY21) and Country Economic Memorandum (FY21) will provide meaningful inputs regarding the constraints and opportunities for accelerating inclusive economic growth while informing the 9th NSEDP.

41. **The following adjustments to the Results Framework are proposed under Focus Area 1:**

- **Objective 1.1: Putting public finances on a sustainable path and supporting financial sector stability.** Indicators 1, 1.a, and 1.b measuring the ‘public debt ratio to GDP’, the ‘increase of registered taxpayers’, and the ‘reduction in wage bill as percentage of GDP’ were dropped, as improvement on these fronts cannot be solely attributed to the World Bank program and replaced with indicators measuring the ‘number of risk-based tax audits’ and the ‘recording of domestic and external debt’.
- **Objective 1.3: Investing in infrastructure for growth and inclusion.** The original Indicator 8 measured ‘access to public services in areas targeted by the Poverty Reduction Fund’. However, at the time of the CPF, this indicator was kept vague with the intention of revising it under the PLR once the program was under way. The indicator has now been replaced by a specific one measuring the ‘reduction in time to access safe water sources’.

Focus Area 2: Investing in people

42. **Priorities include the delivery of the Multisector Nutrition Convergence Approach and the strengthening of human capital.** A comprehensive M&E system, which oversees the ‘Convergence Approach’, will be put in place. It will contribute to strengthen the links between national- and district-level policy makers and provide live information on progress to guide implementation. The FY21 pipeline includes renewed efforts on education, with emphasis on reading well by age 10 under the Third Global Partnership for Education, and a new project on skills.

43. **A robust ASA and TA program on human development will support the dialogue in these important areas.** A new Social Protection ASA (FY21) will provide analytical input to the implementation of a basic social protection system, public employment services, and job matching mechanisms. The Lao PDR Health Sector Programmatic PASA (P164585) will provide evidence-based policy design and implementation capacity for universal health coverage. The Education Global Practice’s impact evaluations on early childhood education and the Reading Readiness Program will provide lessons on meeting the Learning Poverty target.

44. **The following adjustments to the Results Framework are proposed under Focus Area 2:**

- **Objective 2.2: Improving quality of primary/pre-primary education and keeping girls in school.** The original Indicator 12 (Number of out of school children of primary age) was dropped due to data unavailability. A new indicator was added to measure the quality of primary education (percentage of children who cannot read letters correctly in the Lao alphabet). This aligns with the Learning Poverty Agenda.
- **Objective 2.3: Improving access to and quality of maternal and child health services.** The original wording of the objective was revised to reflect the targeted beneficiaries (mothers and children) and the supplementary indicator on the ‘number of pregnant women who received the 4th Antenatal Care contact’ was upgraded to a primary indicator. The indicator on the ‘maternal mortality rate’ was dropped as improvements cannot be solely attributed to the World Bank program.
- **Objective 2.4: Reducing vulnerability and inclusive access to social services** will be streamlined into Focus Area 2 and Objective 1.3. This objective aimed to establish social protection and national targeting systems, but these systems are not in place and several projects (for example, Poverty Reduction Fund [PRF] and the ‘Convergence Approach’) have integrated project-specific targeting approaches. Objective 2.4 also included a focus on adolescent girls and behavioral change, which are addressed in Objectives 2.1, 2.2, and 1.3 through community-driven investments. The original Indicator 16 ‘Program beneficiaries as a share of the rural population in the selected districts’, linked to the PRF, has been moved under Objective 1.3.

Focus Area 3: Protecting the environment

45. **Activities will deepen the support to green growth.** In FY20, the AF for the LA-Scaling-Up Participatory Sustainable Forest Management Project (P130222) and the Lao PDR Clean Cook Stove Initiative (P169538) will generate emission reductions for payments from the Emission Reduction Purchase from the Forest Carbon Partnership Facility and serve as a bridge to the new Landscape and Livelihood Improvement Project (P170559) (FY21). The Disaster Risk

Management Development Policy Operation with Catastrophe Deferred Drawdown Option (Cat-DDO) (P164573, US\$40 million), expected for FY21, is on hold due to uncertainty on the macro-fiscal framework. The AF for the South East Asia Disaster Risk Management Project (P170945) (FY20) promotes climate-resilient investments.

46. **A robust ASA and TA program will support the dialogue and investments on green growth.** The Resilient Green Growth PASA (FY21) will continue to explore green growth potential, focusing on landscape valuation, forestry, environmental fiscal instruments, waste management, and air pollution. It will also deliver a strategic package of nonlending activities that will complement the strategic convergence around the final Green Growth DPO (FY21), the Landscape and Livelihoods Project, and the Forest Carbon Partnership Facility REDD+ Readiness Grant (Carbon Fund) and Emissions Reduction Purchase (FY20).

47. **The following adjustments to the Results Framework are proposed under Focus Area 3:**

- **Objective 3.1: Promoting protection of the environment and responsible management of natural resources.** The original Indicator 17 was aligned with the Second Lao Environment and Social Project (LENS2, P128393) to measure the ‘score on the Protected Area Management Effectiveness Tracking Tool (METT)’. Two indicators were transformed to supplementary progress indicators (forest area brought under forest landscape management plans and number of Priority Pollution Watch Sites). The original Indicator 20, monitoring the ‘number of publicly available annual reports on the implementation of policy on sustainable hydropower development’ was moved to the cross-cutting theme.

Cross-cutting theme: Strengthening institutions and systems for improved policy implementation

48. **This theme reflects greater emphasis on strengthening systems to support policy implementation.** The WBG has intensified support on the use of technology and the strengthening of legal and regulatory frameworks, including (a) the Financial Management Information System, which will improve expenditure management and financial reporting; (b) the electronic Civil Management Information System, which will expand the coverage of civil registration and vital events; and (c) the setting up of an electronic land registration database, and the use of information and communication technology (ICT) in urban resilience. These efforts underpin the GoL’s digital development ambitions to improve the interoperability of systems and policy formulation and implementation.

49. **ASA work is supporting efforts to strengthen capacity for more informed and effective policy implementation.** ASA across sectors supports the strengthening of legal and regulatory frameworks and systems, including on complex environmental and safety requirements in both energy and mining sectors, and dam safety standards and assessment tools. On PFM, TA is ongoing on the implementation of new laws that contribute to improved expenditure planning and revenue collection management. A Landscape Valuation ASA (P169455) (FY20) will provide updated natural capital accounts to better inform policy and planning. As such, this ASA work is included into this cross-cutting theme rather than under the respective ‘sectoral’ pillars.

50. **The following adjustments to the Results Framework are proposed under this theme:**

- The name of the cross-cutting theme has been changed to include emphasis on policy implementation.
- One indicator from Objective 3.1 (see paragraph 47) have been moved under this cross-cutting theme given their cross-cutting nature.
- In addition, an indicator was included to measure the implementation progress of the PFM program.

51. **The portfolio will need to consolidate into fewer and bigger projects (Table 1).** The average size of projects already increased in FY20 with some projects doubling in size (for example, Lao PDR Financial Sector Safety Net Strengthening [P169194], Lao People’s Democratic Republic Civil Registration and Vital Statistics Project [P167601], and Poverty Reduction Fund III Additional Financing [P168620]). In FY21, the Lao Landscapes and Livelihoods Project (P170559/P171406) brings several strands of the green growth dialogue under one umbrella. Opportunities for consolidation also exist in the human capital space, where a proposed Third Global Partnership for Education (GPEIII - TBD) will include activities that are now supported by the Early Childhood Education Project (P145544, closing in December 2020).

52. **The consolidation of the portfolio will align with the IDA19 focus areas and GoL priorities.** Promising areas for further consolidation include human capital, notably education and social protection, with emphasis on jobs and skills; the protection of the environment; and the agriculture and rural development space with emphasis on productivity and poverty reduction. Given Lao PDR’s aspirations to move from land-locked to land-linked, opportunities might also arise for spatial integration of multisectoral activities focusing on specific geographical areas around new growth poles (that is, road corridors intersecting with the new Lao-China railway line).

Table 1. Lending Projects and Key ASA for FY20 and 21^a

FY20	FY21 ⁷
Supporting Inclusive Growth	
<ul style="list-style-type: none"> • Lao PDR Financial Sector Safety Net Strengthening (P169194, US\$40 million) • Lao PDR Road Sector Project 2 - Additional Financing (P170951, US\$25 million) • Poverty Reduction Fund III Additional Financing (P168620, US\$22.5 million) <p><u>Key ASA (delivery)</u></p> <ul style="list-style-type: none"> • <i>Lao PDR Programmatic Macroeconomic Monitoring (P168469)</i> 	<ul style="list-style-type: none"> • Lao PDR Third Green Growth Development Policy Operation (P171431, US\$40 million) <p><u>Key ASA (delivery)</u></p> <ul style="list-style-type: none"> • <i>Lao PDR Programmatic Macroeconomic Monitoring (P168469)</i> • <i>Lao-China Railway Corridor Development ASA (P168595)</i> • <i>Lao PDR Country Economic Memorandum (P172222)</i> • <i>Lao PDR Poverty Monitoring and Analysis Programmatic ASA (P164698)</i> • <i>Lao PDR Financial Sector Development ASA Program (P171539)</i> • <i>Lao PDR Programmatic Debt Management Engagement under the Debt Management Facility (DMF) (P169759)</i>
Investing in People	
<ul style="list-style-type: none"> • Health and Nutrition Services Access Project (P166165, US\$15 million) 	<ul style="list-style-type: none"> • TBD <p><u>Key ASA (delivery)</u></p> <ul style="list-style-type: none"> • <i>Lao PDR Social Protection and Jobs PASA (P172089)</i> • <i>Health Sector PASA (P164585)</i> • <i>Lao PDR Early Childhood Education Impact Evaluation Analysis and Dissemination (P167611)</i>
Protecting the Environment	
<ul style="list-style-type: none"> • Lao PDR Southeast Asia Disaster Risk Management Project - Additional Finance (P170945, US\$25 million) • Additional Financing for Scaling Up Participatory Sustainable Forest Management Project (P170810, US\$5 million) <p><u>Key ASA (delivery)</u></p> <ul style="list-style-type: none"> • <i>Forest Note for the Lao People's Democratic Republic (P168798)</i> • <i>Lao PDR Landscapes Valuation (P169455)</i> 	<ul style="list-style-type: none"> • Lao Landscapes and Livelihoods Project (P170559/P171406, US\$50 million IDA + US\$7.37 million GEF)
Strengthening Institutions and Systems for Implementation	
<ul style="list-style-type: none"> • Lao People's Democratic Republic Civil Registration and Vital Statistics Project (P167601, US\$20 million) <p><u>Key ASA (delivery)</u></p> <ul style="list-style-type: none"> • <i>Lao PDR: Digital Development Technical Assistance (P169250)</i> 	<ul style="list-style-type: none"> • Enhancing Systematic Land Registration project (P169669, US\$25 million) <p><u>Key ASA (delivery)</u></p> <ul style="list-style-type: none"> • <i>Lao PDR Payment Systems (FIRST) (P168897)</i> • <i>Lao PDR Sustainable Energy and Extractives Advisory Program (P171029)</i>

Note: a. Only projects with an existing P-code and ASA to be delivered in FY20 and 21 are included in this table.

⁷ IDA19 will promote greater equity and economic growth; tackle broader development challenges (for example, debt sustainability and transparency, transformative digital economy, the rule of law, human capital); and sharpen its focus on crisis preparedness, resilience building, and support for countries in their national climate-related action plans. Projected resources are indicative and based on current IDA18 levels. Actual Performance-based allocation (PBA) will be determined annually in IDA19 based on (a) total IDA resources available; (b) the number of IDA-eligible countries; (c) Lao PDR's performance rating, per capita GNI, and population; and (d) the performance and other allocation parameters for other IDA borrowers.

VI. RISKS TO CPF PROGRAM

53. **Risks related to technical design of projects and programs and institutional capacity for implementation and sustainability have increased (table 2).** The rating for the former was upgraded from Low to Moderate due to the increasing complexity of programs that involve several ministries and sectors. Mitigation measures include a robust staff presence on the ground and enhanced capacity building and targeted TA. The risk of institutional capacity for implementation also increased from Moderate to Substantial. This reflects the decentralization of implementation and accountability to sector ministries and local authorities where capacity and coordination are challenging. Mitigation measures include the establishment of comprehensive M&E systems to assess progress and implement corrective measures as programs unfold and the agreement of the MPI to coordinate important multisectoral endeavors (such as the ‘Nutrition Convergence’) across ministries and levels of government.

54. **The macroeconomic risk, rated High, has further increased in 2019 and the economic outlook is subject to downside risks due to both internal and external factors.** Slower than expected economic growth, difficulties in the mobilization of revenue, and the build-up of public debt has led to an increased macroeconomic risk to the program, which needs to be carefully assessed. Mitigation measures here include the intensification of the dialogue on macro-fiscal issues, including more squarely on themes related to the energy sector and the mounting debt of EDL. Important measures that will need to be taken include bridging the external financing gap in the short term and undertaking robust reform efforts to raise revenue, improve the export earning potential of the country, and strengthen the business environment in the medium term. This dialogue will inform the last Green Growth DPO, expected for FY21.

Table 2. Adjustment of CPF Risks

Risk Categories	Ratings (H, S, M, L)	Revised Ratings
Political and governance	High	High
Macroeconomic	High	High
Sector strategies and policies	Moderate	Moderate
Technical design of project or program	Low	Moderate
Institutional capacity for implementation and sustainability	Moderate	Substantial
Fiduciary	Moderate	Moderate
Environmental and social	Substantial	Substantial
Stakeholders	Moderate	Moderate
Overall	Substantial	Substantial

**Annex 1. Updated CPF Results Matrix
(basis for Completion and Learning Review self-evaluation)**

CPF Objective Indicators	WBG Program
Focus Area 1: Supporting inclusive growth	
As set out in the Systematic Country Diagnostic (SCD), growth, poverty reduction and shared prosperity will depend on a growth strategy that is supported by the private sector as the engine of growth. WBG support toward a more productive private sector for more and better jobs will focus on good connectivity and infrastructure; and increased agricultural productivity. Fiscal and debt sustainability is supported through improving revenue mobilization, debt management and financial sector stability. This focus area will also support Outcome 1 of the 8th NSEDP, which centers on Sustained and Inclusive Growth through agriculture modernization, infrastructure development, improved competitiveness and macroeconomic stability.	
Objective 1.1: Putting public finances on a sustainable path and supporting financial sector stability	
Intervention Logic: Sustaining economic growth in a more challenging global environment will require fiscal sustainability and macroeconomic stability. In this regard, improved debt management and increased revenue mobilization are critical to contain the fiscal deficit and to ensure public debt remains at sustainable levels. Concurrently, financial sector stability will be important for a sound macroeconomic framework and promoting a vibrant business environment.	
<p>1. Number of risk-based tax audits carried out.</p> <ul style="list-style-type: none"> • Baseline: 0 (2016) • Target: 10 (2021) <p><i>1.a Recording of domestic and external debt.</i></p> <ul style="list-style-type: none"> • Baseline: Domestic debt not recorded (2016) • Target: Domestic and External debt (including on-lending and guarantees) recorded in the upgraded Debt Management and Financial Analysis System (DMFAS) (2021) 	<p>Knowledge and Convening</p> <p><i>Closed:</i></p> <ul style="list-style-type: none"> • Macroeconomic Monitor (P148008) - FY18 • Lao Economic Monitor (P158830/P164978) - FY17-18 • Lao PDR Expenditure Analysis (P158831) - FY18 • Public Expenditure Analysis and Dialogue (P168766) - FY19 • Public Finance Management Modernization (P158658) - FY19 • Financial Sector Development Analytical Program (P160715) - FY19 <p><i>On-going:</i></p> <ul style="list-style-type: none"> • Lao PDR Programmatic Macroeconomic Monitoring (P168469) - FY20 • Lao PDR Programmatic Debt Management Engagement (P169759) - FY21 • Programmatic Public Finance Management Reform (P167660) - FY23 • Lao Financial Sector Development Program (P171539)- FY21 • Lao PDR Payment Systems (FIRST) (P168897) - FY20 • Risk Based AML/CFT Supervision (P169215) - FY21 • Country Economic Memorandum (P172222) - FY21 <p>Financing</p> <p><i>Closed:</i></p> <ul style="list-style-type: none"> • Lao PDR Green Growth DPO 1 (P159956) - closed June 2018 <p><i>On-going:</i></p> <ul style="list-style-type: none"> • Lao PDR Green Growth DPO 2 (P168839) - closes December 2020
<p>2. Public reporting, and compliance with regulations of the Capital Adequacy Ratio (CAR).</p> <ul style="list-style-type: none"> • Baseline: CAR not reported (2016) • Target: > Regulatory minimum (currently CAR of 8%) <p><i>2.a Bank of Lao PDR laws and related regulations revised toward compliance with international standards (Sustainable Development Goal [SDG] 10.5: Regulation and M&E financial market institutions).</i></p> <ul style="list-style-type: none"> • Baseline: 0 laws/regulations (2016) • Target: 5 laws/regulations (2021) 	

CPF Objective Indicators	WBG Program
	<ul style="list-style-type: none"> Enhancing Public Finance Management through Information and Communication Technology and Skills (E-FITS) Project (P167534) - closes August 2025 Public Finance Management Reform Project (P167661) - closes March 2022 <p><i>Pipeline:</i></p> <ul style="list-style-type: none"> Lao PDR Green Growth DPO 3 (P171431) - FY21 Lao PDR Financial Sector Safety Net Strengthening Project (P169194) - FY20
Objective 1.2: Making it easier to do business	
<p>Intervention Logic: The weak business and financing environment is evidenced by investment and trade regulations which are generally restrictive, and often inconsistent and uncertain. Improving the business climate and markets is amongst the Government’s priorities in order to attract private sector capital, essential for the creation of jobs and the reduction of poverty. WBG engagement would focus on (i) improving the trade and business environment and the competitiveness of the Lao private sector, and (ii) increasing agricultural productivity by promoting agriculture technology such as good agriculture practice (GAP) to increase agriculture sustainability and efficiency.</p>	
<p>3. Ranking in Doing Business “Getting Credit” score.</p> <ul style="list-style-type: none"> Baseline: 55 distance to frontier (Doing Business 2017) Target: more than 60 distance to frontier (Doing Business 2021) <p>Supplementary Progress Indicator</p> <p>3.a Value of financing facilitated by the Credit Bureau</p> <ul style="list-style-type: none"> Baseline: US\$1.27m equivalent (Kip 10,344m) (2014) Target: greater than US\$1.33m equivalent (Kip 10,843m) (2021) 	<p>Knowledge and Convening</p> <p><i>Closed:</i></p> <ul style="list-style-type: none"> Trade and Competitiveness Analytical Program (P146216) - FY19 Financial Sector Development Analytical Program (P160715) - FY19 <p><i>On-going:</i></p> <ul style="list-style-type: none"> Lao PDR Business Climate TA (P168814) - FY23 <p>Financing</p> <p><i>Closed:</i></p> <ul style="list-style-type: none"> Customs and Trade Facilitation Project (P101750) - closed June 2017 Second Trade Development Facility Project (P130512) - closed September 2018 Lao Credit Bureau Phase 2 (IFC - 600450) - closed April 2018 Lao Secured Transactions Phase 2 (IFC - 6005235) - closed September 2019 Lao Payment Systems (IFC - 579207) - closed December 2018 Banque Franco-Lao (BFL) Risk Sharing Facility (IFC - 32726) - closed March 2018 KS Resort - Sofitel Luang Prabang (IFC - 27914) - closed March 2017 <p><i>On-going:</i></p> <ul style="list-style-type: none"> SME Access to Finance Project (P131201) - closes June 2020 Agriculture Competitiveness Project (P161473) - closes June 2024 Lao PDR Competitiveness and Trade Project (P164813) - closes December 2022 ABL Lao Kip Loan (IFC - 631193) - closes December 2020 Électricité du Laos (IFC - 28141) - closes September 2021 Essilao (IFC - 32557) - closes 2020
<p>4. Mean number of days to clear imports (Enterprise Survey) (SDG 8.a: Aid for Trade commitments).</p> <ul style="list-style-type: none"> Baseline: 2.85 (average of 2012 and 2016) Target: not go beyond 2.5 days (2021) <p>4.a Number of days to obtain an operating license (ES)</p> <ul style="list-style-type: none"> Baseline 16.3 (average of 2012 and 2016) Target: Less than 13 (2021) 	
<p>5. Change in value of agricultural production per hectare of agricultural land in the Project areas (SDG 2.3)</p> <ul style="list-style-type: none"> Baseline: US\$715/ha Target: US\$820/ha 	

CPF Objective Indicators	WBG Program
Objective 1.3: Investing in infrastructure for growth and inclusion	
Intervention Logic: Good connectivity and infrastructure are vital prerequisites for functioning markets and international competitiveness, and even more so in a landlocked country such as Lao PDR. The WBG’s program will support improved transport logistics through investments in infrastructure, technology and strengthened sector regulation, and increased access to infrastructure services in rural communities through community-driven investments.	
<p>6. Share of rural population with access to an all-weather road (SDG 9.1)</p> <ul style="list-style-type: none"> • Baseline: 53% (2017) • Target: 57% (2021) <p>Supplementary Progress Indicator</p> <p><i>6.a Roads in good and fair condition as a share of total national, provincial and district roads in targeted area.</i></p> <ul style="list-style-type: none"> • Baseline: 50% (2017) • Target: 65% (2020) 	<p>Knowledge and Convening</p> <p><i>Closed:</i></p> <ul style="list-style-type: none"> • Poverty Analysis (P156311) - FY17 • Hydropower Resource Mapping: Lao PDR (P163979) - FY18 • Lao PDR Energy and Extractives Dialogue ASA (P169087) - FY19 • Lao-China Railway Corridor Development ASA (P168595) - FY19 • Lao PRFII Impact Evaluation and Related Studies (P131675) - FY17 • Lao Roads PPP (IFC - 600156) - closed 2017 <p><i>On-going:</i></p> <ul style="list-style-type: none"> • Lao PDR Poverty Monitoring and Analysis Programmatic ASA (P164698) - FY21
<p>7. Electricity losses per year in the Power Grid Improvement Project area.</p> <ul style="list-style-type: none"> • Baseline: 22% (2017) • Target: Less than or equal to 14% (2020) 	<p>Financing</p> <p><i>Closed:</i></p> <ul style="list-style-type: none"> • Road Sector Project (P102398) - closed September 2017 • Nam Theun 2 Social and Environmental Project (P049290) - closed December 2017 <p><i>On-going:</i></p> <ul style="list-style-type: none"> • Road Sector Project II (P158504) - closes August 2022 • Lao National Road 13 Improvement and Maintenance (P163730) - closes May 2023 • Power Grid Improvement Project (P149599) - closes March 2020 • Poverty Reduction Fund III (P157963) - closes June 2020 • Lao PDR Clean Cook Stove Initiative (P169538) - closes December 2025 • Scaling Up Water Supply, Sanitation and Hygiene Project - closes March 2024
<p>8. Reduction in time to access safe water sources in targeted areas (SDG 6.1).</p> <ul style="list-style-type: none"> • Baseline: 0% (2016) • Target: 80% (2021) 	<p><i>Pipeline:</i></p> <ul style="list-style-type: none"> • Poverty Reduction Fund III Additional Financing (P168620) - FY20 • Lao PDR Road Sector Project II Additional Financing (P170951) - FY20
<p>9. Poverty reduction community grant beneficiaries as a share of the rural population in the targeted districts.</p> <ul style="list-style-type: none"> • Baseline: 0% (2016) • Target: 50% (2021) 	

CPF Objective Indicators	WBG Program
Focus Area 2: Investing in people	
Eliminating extreme poverty and boosting shared prosperity involves enabling the accumulation of human capital, particularly health, education and nutrition, to ensure a healthy and productive population in the future. This Focus Area will center on improving nutrition in the early years and the quality and inclusiveness of health and education services with a view to allow future generations to reach their full potential. These objectives are closely aligned with Outcome 2 of the NSEDP, where Outputs 2, 3, 4, and 5 concentrate on improved nutrition, education, health and social welfare. In addition, improvements in human assets will support the country's graduation from Least Developed Country status, also a key goal for Lao PDR.	
Objective 2.1: Reducing prevalence of malnutrition	
Intervention Logic: Investing in people begins with ensuring good nutrition status in the early years of life, during which there is a limited window to maximize everyone's ability to reach her full potential. Lao PDR still has more than 40 percent of under 5-year old suffering from chronic under-nutrition (i.e., they are "stunted"). The causes of stunting in Lao PDR are numerous and multi-sectoral, including: (i) poor infant and young child feeding practices are generally poor; (ii) suboptimal food diversity and nutrient; (iii) a large number of undernourished pregnant women; (iv) high disease burden among young children; (v) poor sanitation and unsafe water; and (vi) Lao-specific cultural beliefs and food taboos among the 50 ethnic groups are not always conducive to good nutrition. As such, accelerating progress in reducing stunting will involve a multi-sectoral approach that will include interventions to improve access to water and sanitation, toilet use in schools and remote communities.	
<p>10. Stunting rates of under 2 years old in targeted areas (SDG 2.2).</p> <ul style="list-style-type: none"> • Baseline: 42% (2015) • Target: <33% (2021) <p>Supplementary Progress Indicator</p> <p><i>10.a Number of village facilitators (disaggregated by gender) trained in social and behavior change communication in targeted districts:</i></p> <ul style="list-style-type: none"> • Baseline: 0 (of which female: 0) (2016) • Target: 3000 (of which female: 2500) (2021) 	<p>Knowledge and Convening</p> <p><i>Closed:</i></p> <ul style="list-style-type: none"> • Addressing Vulnerability through Social Protection (P160711) - FY19 • Poverty Analysis (P156311) - FY17 <p><i>On-going:</i></p> <ul style="list-style-type: none"> • Lao PDR Health Sector Programmatic ASA (P164585) - FY21 • Poverty Monitoring and Analysis Programmatic ASA (P164698) - FY21– FY23 • Lao PDR Poverty Monitoring and Analysis Programmatic ASA (P164698) - FY21 <p>Financing</p> <p><i>On-going:</i></p> <ul style="list-style-type: none"> • Health Governance and Nutrition Development Project (P151425) - closes December 2020 • Poverty Reduction Fund III (P157963) - closes June 2020 • Reducing Rural Poverty and Malnutrition Project (P162565) - closes March 2024 • Scaling-Up Water Supply, Sanitation and Hygiene Project (P164901) - closes March 2024 • Agriculture Competitiveness Project (P161473) - closes June 2024 <p><i>Pipeline:</i></p> <ul style="list-style-type: none"> • Health and Nutrition Services Access Project (P166165) - FY20 • Poverty Reduction Fund III Additional Financing (P168620) - FY20
<p>11. Number of villages declared open defecation free in targeted districts.</p> <ul style="list-style-type: none"> • Baseline: 0 (2015) • Target: 200 (2021) 	

CPF Objective Indicators	WBG Program
Objective 2.2.: Improving quality primary and pre-primary education and keeping girls in school	
Intervention Logic: One third of Lao PDR’s second graders cannot read a single word, limiting their ability to continue schooling (and, later, become productive workers). Especially for low-income children, the problems start early, with a large proportion of 6-year old arriving unprepared to learn. To tackle this challenge, WBG support will focus on enhancing early grade literacy outcomes by piloting a new early grade reading pedagogy approach and providing primary schools with more resources (through block grants) to enhance their learning environments. The CPF also aims to expand the access to and quality of formal and informal early childhood education programs.	
<p>12. Percentage of preschool aged children (3-5 years old) attending ECD/ECE/preschool program in target areas (<i>SDG 4.2.2</i>).</p> <ul style="list-style-type: none"> • Baseline: 11% (F: 11%) (2015/16) • Target: 48% (F: 48%) (2021) <p>13. Primary education dropout rate (disaggregated by gender) (in percent)</p> <ul style="list-style-type: none"> • Baseline: 4.7 (F:4.5) (2015-16) • Target: 4.0 (F:3.8) (2021) 	<p>Knowledge and Convening</p> <p><i>Closed:</i></p> <ul style="list-style-type: none"> • Evaluation of formal and non-formal ECD Services and identification of the root causes for early school drop-outs in Lao PDR - <i>FY17</i> • Quality of Education in Lao PDR (P153341) - <i>FY17</i> <p><i>On-going:</i></p> <ul style="list-style-type: none"> • Early Childhood Education Impact Evaluation Analysis and Dissemination (P167611) - <i>FY21</i> • Reading Readiness Program Impact Evaluation Analysis and Dissemination (P149130) - <i>FY 21</i> <p>Financing</p> <p><i>On-going:</i></p> <ul style="list-style-type: none"> • Early Childhood Education Project (P145544) - <i>closes December 2020</i> • Second Global Partnership for Education (P149130) - <i>closes December 2020</i> <ul style="list-style-type: none"> • <i>Pipeline: TBD</i>
14. Percentage of children who cannot read letters correctly in the Lao alphabet.	
<ul style="list-style-type: none"> • Baseline: will be available December 2019 • Target: estimated 0.2 standard deviation from the baseline (2020) 	
Objective 2.3: Improving access to and quality of maternal and child health services	
Intervention Logic: Addressing health barriers to skills acquisition and labor market participation would be essential for ensuring that all individuals have the capacity to contribute to productivity and are in the position to enjoy human development outcomes. WBG support will include measures aimed at improving the access to and quality of maternal and child health services through basic pre and post-natal care and family planning methods.	
<p>15. Number of pregnant women who received the 4th Antenatal Care contacts.</p> <ul style="list-style-type: none"> • Baseline: 94,511 (18 provinces, 2016, based on DHIS2) - around 53% of total births • Target: 103,962 women (10% increase over baseline) (2020) <p>16. Number of women who deliver with a skilled birth attendant at home or at a health facility (<i>SDG 3.1</i>).</p> <ul style="list-style-type: none"> • Baseline: 96,956 (18 provinces, 2016, based on DHIS2) - around 53% of total births 	<p>Knowledge and Convening</p> <p><i>Closed:</i></p> <ul style="list-style-type: none"> • Addressing Vulnerability through Social Protection (P160711) - <i>FY19</i> <p><i>On-going:</i></p> <ul style="list-style-type: none"> • Lao PDR Health Sector Programmatic ASA (P164585) - <i>FY21</i> <p>Financing</p> <p><i>On-going:</i></p> <ul style="list-style-type: none"> • Health Governance and Nutrition Development Project (P151425) - <i>closes</i>

CPF Objective Indicators	WBG Program
<ul style="list-style-type: none"> • Target: 106,651 (10% increase over baseline) (2020) <p>Supplementary Progress Indicator</p> <p>16.a Percentage of children age 12–23 months who received the third dose of DPT containing vaccine (DPT3) by their first birthday.</p> <ul style="list-style-type: none"> • Baseline: 74.6% (according to DHIS 2, 2016) • Target: Over 85% coverage (2021) <p>17. Number of new women aged 15–49 years adopting long term family planning methods in target provinces:</p> <ul style="list-style-type: none"> • Baseline: 45,746 women (14 provinces, 2016, based on HGNDP⁸ DLIs/ DHIS2) • Target: 10% increase over baseline 	<p><i>December 2020</i></p> <p><i>Pipeline:</i></p> <ul style="list-style-type: none"> • Health and Nutrition Services Access Project (P166165) - FY20
<p>Focus Area 3: Protecting the environment</p>	
<p>Natural resources have delivered growth and can continue to do so if properly managed. In addition, pollution is becoming a mounting challenge that can slow growth opportunities by undermining human capital formation. Putting in place effective systems for effective natural resource and environmental management will be critical to ensure sustainability of growth and social gains over the medium term. Climate variability and change are amplifying this challenge. Given the high levels of vulnerability in Lao PDR, building climate resilience through improved management of forest, land, water resources and disaster risk (flood and drought) is critical to protect the incomes and livelihoods of the poor and bottom 40 percent. This Focus Area supports Outcome 3 of the NSEDP on the Protection of Natural Resources and the Environment, and particularly the first two outputs encompassing natural resources management and preparedness for natural disasters and risk mitigation.</p>	
<p>Objective 3.1: Promoting protection of the environment and responsible management of natural resources</p>	
<p>Intervention Logic: Rich forest biodiversity has seen fast decline, driven by multiple factors including industrial development and activities for livelihood that are exacerbated by weak governance systems. Development of natural resources such as water and minerals that have driven the country’s growth in the last decade are being depleted without a systematic governance regime that can ensure sustainability of these assets or nurture the sector in an inclusive manner. An emerging concern is the pollution agenda, which is a consequence of industrial activities, unsustainable land management, and consumer behavior. The WBG intervention therefore focuses on supporting the Government in strengthening the governance regime on institutional, technical, and policy aspects.</p>	
<p>18. Increased score on Protected Area Management Effectiveness Tracking Tool (METT) for 11 protected areas (number, cumulative).</p> <ul style="list-style-type: none"> • Baseline: 0 (2016) • Target: 10 (2021) <p>Supplementary Progress Indicator</p>	<p>Knowledge and Convening</p> <p><i>Closed:</i></p> <ul style="list-style-type: none"> • Exploring Lao PDR’s Green Growth Potential (P162394) - FY19 • Developing Nature-Based Tourism as a Strategic Sector for Green Growth in Lao PDR (P164372) - FY19 • Lao PDR State of Environment Report (P164374) - FY19

⁸ HGNDP = Health Governance and Nutrition Development Project

CPF Objective Indicators	WBG Program
<p>18.a Forest area brought under forest landscape management plans (Hectare) (SDG 15.2).</p> <ul style="list-style-type: none"> • Baseline: 0 (2016) • Target: 750,000 ha (2021) 	<ul style="list-style-type: none"> • Sustainability in Lao PDR Forest (P164376) - FY19 • Collaborative Leadership support for Second Lao Environment & Social Project (P156347) - FY17
<p>19. At least three river basin plans approved by MONRE.</p> <ul style="list-style-type: none"> • Baseline: 0 (2016) • Target: 3 plans (2021) <p>Supplementary Progress Indicator</p> <p>19.a Number of Priority Pollution Watch Sites for which monitoring reports are regularly updated and publicly disclosed.</p> <ul style="list-style-type: none"> • Baseline: 0 (2016) • Target: 3 Priority Pollution Watch Sites (2021) 	<p><i>On-going:</i></p> <ul style="list-style-type: none"> • Lao Forestry Advisory (IFC - 594367) - closes June 2020 • Forest Note for the Lao People's Democratic Republic (P168798) - FY20 • Lao PDR Landscapes Valuation (P169455) - FY20 • Resilient Green Growth PASA (P171011) - FY22 • Lao Hydro Advisory (IFC - 589087) - closes March 2020 <p>Financing</p> <p><i>Closed:</i></p> <ul style="list-style-type: none"> • Nam Theun 2 Social and Environmental Project (049290) - closed December 2017 <p><i>On-going:</i></p> <ul style="list-style-type: none"> • Second Lao Environment and Social Project (P128393/ P128392) - closes June 2021 • Scaling-Up Participatory Sustainable Forest Management (P130222) - closes March 2020 • Mekong Integrated Water Resource Management (P104806) - closes March 2021 • Lao PDR Clean Cook Stove Initiative (P169538) - closes December 2025 <p><i>Pipeline:</i></p> <ul style="list-style-type: none"> • FCPC Readiness Grant (Carbon Funds) (P125082) - FY20 • Additional Financing for the Scaling-Up Participatory Sustainable Forest Management Project (P130222) - FY20 • Lao PDR Landscapes and Livelihoods Project (P170559 and P171406) - FY21
<p>Objective 3.2: Enhancing disaster risk management and climate and disaster resilience</p>	
<p>Intervention Logic: Economic losses from disasters are an increasing threat to sustainable development, impeding poverty reduction and inclusive growth in Lao PDR. Highly disaster-prone, Lao PDR needs to invest in disaster risk management to protect its development gains. While this implies certain upfront costs, global experience suggests that the direct and indirect benefits exceed these costs. Resilient investments can save lives, decrease losses, and protect future growth.</p>	
<p>20. Length of road receiving climate resilience improvement and maintenance.</p> <ul style="list-style-type: none"> • Baseline: 0 km (2016) • Target: 687 km (2021) 	<p>Knowledge and Convening</p> <p><i>Closed:</i></p> <ul style="list-style-type: none"> • Post Disaster Needs Assessment and Recovery Framework (P169197) - FY19
<p>21. Accessibility of hydromet data from Lao PDR station network</p>	<p>Financing</p>

CPF Objective Indicators	WBG Program
<ul style="list-style-type: none"> • Access to improved weather forecasts from 85 hydromet stations is not publicly accessible (2017) • Access to improved weather forecasts from (155 hydromet stations is publicly accessible through an integrated online platform (2021) 	<p><i>On-going:</i></p> <ul style="list-style-type: none"> • Road Sector Project II (P158504) - <i>closes August 2022</i> • Lao National Road 13 Improvement and Maintenance - <i>closes May 2023</i> • Lao PDR Southeast Asia Disaster Risk Management Project (P160930) - <i>closes October 2022</i> • Mekong Integrated Water Resources Management Project (MIWRMP) (P104806) - <i>closes March 2021</i> <p><i>Pipeline:</i></p> <ul style="list-style-type: none"> • Disaster Risk Management Development Policy Operation with a Catastrophe Deferred Drawdown Option (P164573) - <i>subject to favorable macro-economic situation</i> • Additional Financing for the Lao PDR SEA Disaster Risk Management Project (P170945) - <i>FY20</i> • Additional Financing Road Sector Project II (P170951) - <i>FY20</i>
<p>22. Access to immediate financing instruments in response to an eligible natural disaster emergency.</p> <ul style="list-style-type: none"> • Baseline: No financing instruments available (2016) • Target: Two financing instruments set up (2021) 	
<p>Cross-cutting theme: Strengthening institutions and systems for improved policy implementation</p>	
<p>Efficient institutions are critical for the implementation of the regulatory framework underpinning Lao PDR's reform agenda; however, challenges exist to ensure that policy reforms are followed by implementation. The WBG program support focuses on the use of technology, strengthening of the regulatory framework and building capacity to support policy implementation. Strengthened institutions will thus be critical for achieving results in each of the three Focus Areas and is aligned to the first of the three cross-cutting themes of the 8th NSEDP which looks to Enhance Effectiveness for Public Governance and Administration.</p>	
<p>23. Portion of completed Environmental and Social Impact Assessments (ESIA) for Category 2 mining, energy, and transport investment projects that have been publicly disclosed prior to approval of concession agreements.</p> <ul style="list-style-type: none"> • Baseline: 0% (2017) • Target: 50% (2021) 	<p>Knowledge and Convening</p> <p><i>Closed:</i></p> <ul style="list-style-type: none"> • Exploring Lao PDR's Green Growth Potential (P162394) - FY19 • Public Expenditure and Financial Accountability (PEFA) (P165614) - FY19 • Public Finance Management Modernization (P158658) - FY19 • ICT Sector Rapid Assessment (P168398) - FY19 • Enhancing Systematic Land Registration (P168100) - <i>FY19</i> <p><i>On-going:</i></p> <ul style="list-style-type: none"> • Resilient Green Growth Programmatic Analytical and Advisory Services (P171011) - <i>FY22</i> • Programmatic Public Finance Management Reform (P167660) - <i>FY23</i> • Lao PDR: Digital Development Technical Assistance (P169250) - <i>FY20</i> <p>Financing</p> <p><i>Closed:</i></p> <ul style="list-style-type: none"> • Green Growth DPO1 (P159986) <i>closed June 2018</i>
<p>24. Number of publicly available annual reports on the implementation of policy on sustainable hydropower development.</p> <ul style="list-style-type: none"> • Baseline: 1 (2016) • Target: 5 (2021) <p>Supplementary Progress Indicator</p> <p>24.a Improved Power Strategy/ White paper</p> <ul style="list-style-type: none"> • Baseline: Existing strategy (2016) 	

CPF Objective Indicators	WBG Program
<ul style="list-style-type: none"> • <i>Target: White paper issued by Ministry of Energy and Mines (MEM) (2018); White paper presented to the Government for endorsement (2019)</i> <p><i>24.b Improved Mining Sector Strategy</i></p> <ul style="list-style-type: none"> • <i>Baseline: Existing strategy (2016)</i> • <i>Target: Revised/update mining sector strategy issued by MEM (2018); Revised/update mining sector strategy presented to the Government for endorsement (2019).</i> <p><i>25. Implementation of the Ministry of Finance’s Public Finance Management Strategy.</i></p> <ul style="list-style-type: none"> • <i>Baseline: No Strategy in place (2016)</i> • <i>Target: M&E framework for the PFM Strategy in place and at least two progress reports prepared (2021)</i> 	<ul style="list-style-type: none"> • <i>Nam Theun 2 Social and Environmental Project (P049290) - closed December 2017</i> • <i>Strengthening the National Statistical System Project (P129825) - closed Feb 2018</i> <p><i>On-going:</i></p> <ul style="list-style-type: none"> • <i>Technical Assistance for Capacity Development in Hydropower and Mining Sector (P109736) - closes September 2020</i> • <i>Second Lao Environment and Social Project (P149130) - closes June 2021</i> • <i>Lao PDR Green Growth DPO 2 (P166839) - closes December 2020</i> • <i>Public Finance Management Reform Project (P167661) - closes March 2022</i> • <i>Enhancing Public Finance Management through Information and Communication Technology and Skills (E-FITS) Project (P167534) - closes August 2025</i> <p><i>Pipeline:</i></p> <ul style="list-style-type: none"> • <i>Lao PDR Green Growth DPO 3 (P171431) - FY21</i> • <i>Lao PDR Civil Registration and Vital Statistics Project (P167601) - FY20</i> • <i>Enhancing Systematic Land Registration Project (P169669) - FY21</i>

Original CPF Objective Indicators	Revised Indicators	Rationale for change
<p>Supplementary Progress Indicator 2.a Bank of Lao PDR laws and related regulations revised toward compliance with international standards (SDG 10.5: Regulation and M&E financial market institutions):</p> <ul style="list-style-type: none"> • Baseline: 0 laws/regulations (2016) • Target: 5 laws/regulations (2021) 	<p>Unchanged.</p>	
<p>Objective 1.2: Making it easier to do business</p>		
<p>3. Improving the Getting Credit System:</p> <ul style="list-style-type: none"> • Baseline: 55 (Doing Business-2017 Distance to Frontier) • Target: more than 60 (DB-2021) <p>Supplementary Progress Indicator 3.a Value of financing facilitated by the Credit Bureau</p> <ul style="list-style-type: none"> • Baseline: US\$1.27m equivalent (Kip 10,344m) (2014) • Target: greater than US\$1.33m equivalent (Kip 10,843m) (2022) 	<p>Revised indicator name. Ranking in Doing Business “Getting Credit” score.</p> <ul style="list-style-type: none"> • Baseline: 55 distance to frontier (Doing Business 2017) • Target: more than 60 distance to frontier (Doing Business 2021) <p>Revised target year. Value of financing facilitated by the Credit Bureau.</p> <ul style="list-style-type: none"> • Baseline: US\$1.27m equivalent (Kip 10,344m) (2014) • Target: greater than US\$1.33m equivalent (Kip 10,843m) (2021) 	<p>The indicator name was changed to clarify the link to the Doing Business Report.</p> <p>The target year was adjusted to be within the CPF period.</p>
<p>4. Reduced mean number of days to clear imports (SDG 8.a: Aid for Trade commitments)</p> <ul style="list-style-type: none"> • Baseline: 2.85 (average of last two Investment Climate Assessments - ICA) • Target: not go beyond 2.5 days <p>Supplementary Progress Indicators 4.a Number of days to obtain an operating license (ICA-ES)</p> <ul style="list-style-type: none"> • Baseline 16.3 • Target: Less than 13 	<p>Revised source. Mean number of days to clear imports (Enterprise Survey) (SDG 8.a: Aid for Trade commitments).</p> <ul style="list-style-type: none"> • Baseline: 2.85 (average of 2012 and 2016) • Target: not go beyond 2.5 days (2021) <p>Revised source. Number of days to obtain an operating license (Enterprise Survey).</p> <ul style="list-style-type: none"> • Baseline 16.3 (average of 2012 and 2016) • Target: Less than 13 (2021) 	<p>The source has been updated to “Enterprise Surveys (ES)”. The indicator name was slightly adjusted to delete the indication of the target (“reduced”).</p> <p>The source has been updated to “Enterprise Surveys (ES)”.</p>
<p>5. Change in value of agricultural production per hectare of agricultural land in the Project areas (SDG 2.3)</p> <ul style="list-style-type: none"> • Baseline: US\$715/ha • Target: US\$820/ha 	<p>Unchanged.</p>	

Original CPF Objective Indicators	Revised Indicators	Rationale for change
Objective 1.3: Investing in infrastructure for growth and inclusion		
<p>6. Share of rural population with access to an all-weather road (SDG 9.1)</p> <ul style="list-style-type: none"> • Baseline: 53% (2017) • Target: 57% (2021) <p>Supplementary Progress Indicators</p> <p>6.a Roads in good and fair condition as a share of total provincial and district roads in Project area.</p> <ul style="list-style-type: none"> • Baseline: 50% (2017) • Target 65% (2021) 	<p>Unchanged.</p> <p>Revised indicator name.</p> <p>Roads in good and fair condition as a share of total national, provincial and district roads in targeted area.</p> <ul style="list-style-type: none"> • Baseline: 50% (2021) • Target 65% (2021) 	<p>National roads were added to the indicator and “Project area” was changed to “targeted area” to harmonize this reference across the results framework.</p>
<p>7. Electricity losses per year reduced in the Power Grid Improvement Project area</p> <ul style="list-style-type: none"> • Baseline: 22% (2017) • Target: Less than or equal to 14% (2021) 	<p>Revised indicator name.</p> <p>Electricity losses per year in the Power Grid Improvement Project area</p> <ul style="list-style-type: none"> • Baseline: 22% (2017) • Target: Less than or equal to 14% (2020) 	<p>Indicator name was slightly adjusted, and target year was adjusted as the project closes in 2020.</p>
<p>8. Percentage of poor villages in the 43 poorest districts with improved access to at least one basic service (i.e. water supply, education, health, rural road)</p> <ul style="list-style-type: none"> • Baseline: 0% • Target: 75% 	<p>Dropped.</p>	<p>This indicator covers the access rate to several public services. At the time of the CPF, the scope of the projects contributing to this indicator had not yet been defined. This indicator has been replaced by a new one (% reduction in time to access safe water sources in targeted areas) which measures the access to safe water resources.</p>
	<p>Added. Reduction in time to access safe water sources in targeted areas (SDG 6.1)</p> <ul style="list-style-type: none"> • Baseline: 0% (2016) • Target: 80% (2021) 	<p>This indicator was added to replace Indicator 8.</p>
Focus Area 2: Investing in people		
Objective 2.1: Reducing prevalence of malnutrition		
<p>9. Stunting rates of under 2 years old in targeted areas (SDG 2.2)</p> <ul style="list-style-type: none"> • Baseline: 42% • Target: <33% <p>Supplementary Progress Indicators</p> <p>9.a Number of female village facilitators trained in</p>	<p>Revised indicator name.</p> <p>Stunting rate of under 2 years old (SDG 2.2)</p> <ul style="list-style-type: none"> • Baseline: 42% • Target: <33% <p>Revised.</p> <p>Number of village facilitators (disaggregated by</p>	<p>The reference to targeted areas was removed as data available refers to the national level for stunting rates.</p> <p>This indicator was revised to introduce a</p>

Original CPF Objective Indicators	Revised Indicators	Rationale for change
<p><i>SBCC in target districts (administrative data):</i></p> <ul style="list-style-type: none"> • Baseline: 0 • Midline: 300 • Target: 600 	<p><i>gender) trained in social and behavioral change communication in target districts.</i></p> <ul style="list-style-type: none"> • Baseline: 0 (of which female: 0) (2016) • Target: 3000 (of which female: 2500) (2021) 	<p>gender disaggregation and to increase the target.</p>
<p>10. Number of villages declared open defecation free in targeted priority districts:</p> <ul style="list-style-type: none"> ○ Baseline: 0 • Target: 200 	<p>Revised indicator name. Number of villages declared open defecation free in targeted districts.</p> <ul style="list-style-type: none"> • Baseline: 0 (2015) • Target: 200 (2021) 	<p>The word “priority” was deleted to harmonize the reference to target areas across the results framework.</p>
<p>Objective 2.2.: Improving quality of primary and pre-primary education and keeping girls in school</p>		
<p>11. Percentage of preschool aged children (3–5 years old) attending ECD/ECE/preschool program increases in target areas (SDG 4.2.2)</p> <ul style="list-style-type: none"> • Baseline (2015/16): 11% (F: 11%) • Target: 48% (F: 48%) <p>Supplementary Progress Indicators <i>11.a Primary education dropout rate (disaggregated by gender)</i></p> <ul style="list-style-type: none"> • Baseline (2015–16): 4.7 (F:4.5) • Target: 4.0 (F:3.8) 	<p>Revised indicator name. Percentage of preschool aged children (3–5 years old) attending ECD/ECE/preschool program in target areas (SDG 4.2.2).</p> <ul style="list-style-type: none"> • Baseline: 11% (F: 11%) (2015/16) • Target: 48% (F: 48%) (2021) <p>Revised indicator name and upgrade to primary indicator. Primary education dropout rate (disaggregated by gender) (in percent).</p> <ul style="list-style-type: none"> • Baseline: 4.7 (F:4.5) (2015–16) • Target: 4.0 (F:3.8) (2021)) 	<p>Indicator name adjusted to de-link from target.</p> <p>Unit of measurement (percentage) has been added and the indicator was upgraded from a supplementary indicator to a supplementary indicator to capture the objective of keeping girls in school.</p>
<p>12. Number of out of school children of primary age (SDG 4.1.2)</p> <ul style="list-style-type: none"> • Baseline (2015-16): 8,761 (F: 5,217) - around 1.2% of total boys and 1.5% of total girls • Target: 6,500 (F: 3,000) 	<p>Dropped.</p>	<p>This indicator cannot be tracked through a World Bank project so no estimate of progress toward the target can be obtained.</p>
	<p>Added. Percentage of children who cannot read letters correctly in the Lao alphabet.</p> <ul style="list-style-type: none"> • Baseline: will be available December 2019 • Target: estimated 0.2 standard deviation from the baseline (2020) 	<p>This indicator is aligned with the World Bank new learning target indicator and counts the number of students who scored 0 (i.e.: zero letters read correctly) when reading a list of letters.</p>
<p>Objective 2.3: Improving access to and quality of health services</p>		
<p>13. Maternal mortality rate (SDG 3.1.1)</p>	<p>Dropped.</p>	<p>This indicator has been dropped as improvements in the maternal mortality rate</p>

Original CPF Objective Indicators	Revised Indicators	Rationale for change
<ul style="list-style-type: none"> Baseline: 197 (2015 - WHO, UNICEF, UNFPA, World Bank Group, and United Nations Population Division Maternal Mortality Estimation Inter-Agency Group, <i>Maternal Mortality in 1990–2015</i>) Target: 180 <p>Supplementary Progress Indicators 13.a Number of pregnant women who received the 4th Antenatal Care contacts</p> <ul style="list-style-type: none"> Baseline: 94,511 (18 provinces, 2016, based on DHIS2) - around 53% of total births Target: 10% increase over baseline 	<p>Clarification of target. Number of pregnant women who received the 4th Antenatal Care contacts.</p> <ul style="list-style-type: none"> Baseline: 94,511 (18 provinces, 2016, based on DHIS2) - around 53% of total births Target: 103,962 women (10% increase over baseline) (2020) 	<p>cannot be directly attributed to the World Bank program.</p> <p>The number equivalent of 10% increase of baseline has been added to the target for alignment with the indicator measurement in the name (number). This indicator will be upgraded to a primary indicator as a measurement of quality of health services.</p>
<p>14. Number of women who deliver with a skilled birth attendant at home or at a health facility (<i>SDG 3.1</i>)</p> <ul style="list-style-type: none"> Baseline: 95,528 (18 provinces, 2016, based on DHIS2) - around 53% of total births Target: 10% increase over baseline <p>Supplementary Progress Indicator 14.a Number of children age 12-23 months who received the third dose of DPT containing vaccine (DPT3) by their first birthday</p> <ul style="list-style-type: none"> Baseline: 74.6% (according to DHIS 2) Target: Over 85% coverage 	<p>Revised baseline, and clarification of target. Number of women who deliver with a skilled birth attendant at home or at a health facility (<i>SDG 3.1</i>).</p> <ul style="list-style-type: none"> Baseline: 96,956 (18 provinces, 2016, based on DHIS2) – around 53% of total births Target: 106,651 (10% increase over baseline) (2020) <p>Revised indicator name and clarification of target. Percentage of children who received the third dose of DPT containing vaccine (DPT3) by their first birthday.</p> <ul style="list-style-type: none"> Baseline: 74.6% (according to DHIS 2, 2016) Target: Over 85% coverage (2020) 	<p>The number equivalent of 10% increase of baseline has been added to the target for alignment with the indicator measurement in the name (number). The baseline for 2016 was updated due to data adjustment made accounting for entry errors.</p> <p>The reference to “age 12–23 months” as the indicator has already a reference to age (“under one year”). The indicator name to “percentage” of children, instead of “number” as the baseline and target are formulated in percent.</p>
<p>15. Number of new women aged 15–49 years adopting long term family planning methods in target provinces (data will be disaggregated for adolescent girls aged 15–19 years):</p> <ul style="list-style-type: none"> Baseline: 45,746 women (14 provinces, 2016, based on HGNDP DLIs/ DHIS2) Target: 10% increase over baseline 	<p>Revised indicator. Number of new women aged 15–49 years adopting long term family planning methods in target provinces:</p> <ul style="list-style-type: none"> Baseline: 45,746 women (14 provinces, 2016, based on HGNDP DLIs/ DHIS2) Target: 10% increase over baseline 	<p>The age disaggregation has been removed due to unavailability of data for the age range break up.</p>
<p>Objective 2.4: Reducing vulnerability and improve inclusive access to social services</p>		
<p>16. Program beneficiaries as a share of the rural population in the selected districts.</p> <ul style="list-style-type: none"> Baseline: 0% 	<p>Revised indicator name. Poverty reduction community grant beneficiaries as a share of the rural population in the targeted districts.</p>	<p>The indicator was revised to clarify the beneficiary group. “Selected districts” was changed to “targeted districts” to harmonize this reference across the results framework.</p>

Original CPF Objective Indicators	Revised Indicators	Rationale for change
<ul style="list-style-type: none"> • Target: 50% <p>Supplementary Progress Indicator 16.a National targeting system developed and used for more than one program.</p> <ul style="list-style-type: none"> • Baseline: 0 • Target: >1 	<ul style="list-style-type: none"> • Baseline: 0% (2016) • Target: 50% (2021) <p>Dropped.</p>	<p>This indicator will be moved under Objective 1.3, and Objective 2.4 will be deleted.</p> <p>The targeting system is not expected to be in place by the end of the CPF period due to delays in the preparation of the Reducing Rural Poverty and Malnutrition Project, which is supporting the consultative process with key stakeholders.</p>
Focus Area 3: Protecting the environment		
Objective 3.1: Promoting protection of the environment and responsible management of natural resources		
17. Area brought under enhanced biodiversity protection measured by the score of management effectiveness (SDG 15.1) <ul style="list-style-type: none"> • Baseline: 0 • Target: 1.2 million ha (Area increases as score increases from one level to another) 	<p>Revised indicator name and description. Increased score on Protected Area Management Effectiveness Tracking Tool (METT) for 11 protected areas (number, cumulative).</p> <ul style="list-style-type: none"> • Baseline: 0 (2016) • Target: 10 (2021) 	Indicator name, baseline and target were revised to be more specific and to be aligned with the LENS Project indicator.
18. Forest area brought under forest landscape management plans (Hectare) (SDG 15.2) <ul style="list-style-type: none"> • Baseline: 0 • Target: 750,000 ha 	<p>Changed to supplementary indicator.</p>	This indicator will be changed to supplementary indicator to simplify the results framework.
19. At least three river basin plans approved by MONRE. <ul style="list-style-type: none"> • Baseline: 0 • Target: 3 plans 	<p>Unchanged.</p>	
20. Number of publicly available annual reports on the implementation of policy on sustainable hydropower development (2016-2021). <ul style="list-style-type: none"> • Baseline: 1 • Target: 5 <p>Supplementary Progress Indicators 20.a Improved Power Strategy/ White paper</p> <ul style="list-style-type: none"> • Baseline: Existing strategy (2016) • Target: White paper issued by MEM (2018); White paper presented to the Government for endorsement (2019) 	<p>Moved to the cross-cutting area.</p> <p>Moved to the cross-cutting area.</p>	<p>This indicator will be moved to the cross-cutting area as it measures the strengthening of institutions and improved policy implementation.</p> <p>This indicator will be moved to the cross-cutting area as it measures the strengthening of institutions and improved policy implementation.</p>

Original CPF Objective Indicators	Revised Indicators	Rationale for change
<p>20.b Improved Mining Sector Strategy</p> <ul style="list-style-type: none"> • <i>Baseline: Existing strategy (2016)</i> • <i>Target: Revised/update mining sector strategy issued by MEM (2018); Revised/update mining sector strategy presented to the Government for endorsement (2019)</i> 	<p><i>Moved to the cross-cutting area.</i></p>	<p>This indicator will be moved to the cross-cutting area as it measures the strengthening of institutions and improved policy implementation.</p>
<p>21. Number of Priority Pollution Watch Sites for which monitoring reports are regularly updated and publicly disclosed.</p> <ul style="list-style-type: none"> • Baseline: 0 • Target: 3 Priority Pollution Watch Sites 	<p><i>Changed to supplementary indicator.</i></p>	<p>This indicator will be changed to supplementary indicator to simplify the results framework.</p>
<p>Objective 3.2: Enhancing disaster risk management and climate and disaster resilience</p>		
<p>22. Length of road receiving climate resilience periodic maintenance</p> <ul style="list-style-type: none"> • Baseline: 0 km • Target: 687 km 	<p><i>Revised indicator name.</i> Length of road receiving climate resilience improvement and maintenance</p> <ul style="list-style-type: none"> • Baseline: 0 km • Target: 687 km 	<p>Indicator name was revised to be more specific.</p>
<p>23. The Department of Meteorology and Hydrology of MONRE has enhanced the early warning system and climate information system (<i>SDG 1.5 & SDG 13.1</i>).</p> <ul style="list-style-type: none"> • Baseline: No • Target: Yes 	<p><i>Revised indicator name and description.</i> Accessibility of hydromet data from Lao PDR station network</p> <ul style="list-style-type: none"> • Access to improved weather forecasts from 85 hydromet stations is not publicly accessible (2017) • Access to improved weather forecasts from (155 hydromet stations is publicly accessible through an integrated online platform (2021) 	<p>Indicator name, baseline and target were revised to be more specific.</p>
<p>24. Lao PDR has access to immediate financing in response to an eligible emergency.</p> <ul style="list-style-type: none"> • Baseline: No • Target: Yes 	<p><i>Revised indicator name and description.</i> Access to immediate financing instruments in response to an eligible natural disaster emergency.</p> <ul style="list-style-type: none"> • Baseline: No financing instruments (2017) • Target: Two financing instruments set up (2021) 	<p>Indicator name, baseline and target were revised to be more specific.</p>
<p>Cross-cutting theme: Strengthening institutions and systems for improved policy implementation</p>		
<p>25. Percentage of Category 2 investment projects with complete disclosure of relevant information through integrated database and public information platform, and having a valid ECC, prior to approval of concession agreements.</p>	<p><i>Revised indicator name and description.</i> Portion of completed Environmental and Social Impact Assessments (ESIA) for Category 2 mining, energy, and transport investment projects that have</p>	<p>The indicator was revised to more closely reflect the end of program indicator of the GGDPO series and the revised LENS2 PDO indicator. Target remains unchanged.</p>

Original CPF Objective Indicators	Revised Indicators	Rationale for change
<ul style="list-style-type: none"> • Baseline: 0% • Target: 50% 	been publicly disclosed prior to approval of concession agreements. <ul style="list-style-type: none"> ○ Baseline: 0% (2017) ○ Target: 50% (2021) 	
26. Establishment of Standard Operation Procedure (SOP) for Hydropower Plant Development. <ul style="list-style-type: none"> • Baseline: No SOP • Target: Applied SOP 	<i>Dropped.</i>	This indicator has been dropped as it was too output oriented and to simplify the results framework.
	<i>Added.</i> Implementation of the Ministry of Finance’s Public Finance Management Strategy. <ul style="list-style-type: none"> ○ Baseline: No Strategy in place (2016) ○ Target: M&E framework for the PFM Strategy in place and at least two progress reports prepared (2021). 	This indicator will be added to track the World Bank assistance to the GoL’s PFM reforms, which was not reflected in the CPF.

Annex 3. Matrix Summarizing Progress toward CPF Objectives

CPF Objective Indicators	Progress to Date	WBG Program
Focus Area 1: Supporting inclusive growth		
Objective 1.1: Putting public finances on a sustainable path and supporting financial sector stability		
<p>1. Annual NSEDP is underpinned by a macroeconomic framework with prudent deficit target in order to keep debt on a sustainable path</p> <ul style="list-style-type: none"> • Baseline: Public debt of 68% of GDP at end 2016 • Target: Public debt of 65% of GDP or less by 2020 <p>Supplementary Progress Indicators</p> <p><i>1.a: % Increase of registered tax payers who pay VAT.</i></p> <ul style="list-style-type: none"> • Baseline: 75% (registered tax payers: 2,777 of which 2,086 are paying value added tax [VAT]) • Target: 85% (10% increase or 275) <p><i>1.b: Reduction in wage bill:</i></p> <ul style="list-style-type: none"> • Baseline: 8.4% of GDP in FY15/16 • Target: 7.4% of GDP in 2020 	<p>Indicator 1: On track. Current Public debt of 57.2% of GDP (end 2018) The baseline and target for the debt/GDP ratio has changed based on more accurate domestic debt data (DSA 2019). Further, there was a rebase of the GDP by GoL, which also affected the ratio.</p> <p>Supplementary Progress Indicators</p> <p>Indicator 1.a: On track. <i>The number of registered VAT taxpayers has increased to 10,309 of which 4,101 are paying VAT (40%) (as of August 2019). Due to the drastic increase in the baseline, the original target of 85% is not relevant anymore, however due to the increase in the nominal number of registered VAT payers and those who pay VAT, this indicator can be deemed on track.</i></p> <p>Indicator 1.b. On track. <i>Current: 6.6% of GDP in 2018 (using the updated GDP estimates; see explanation under Indicator 1).</i></p>	<p>Knowledge and Convening</p> <p><i>Closed:</i></p> <ul style="list-style-type: none"> • Lao Economic Monitor and Public Expenditure Analysis (P148008) - FY18 • Lao Economic Monitor (P158830/P164978) FY17-18 • Public Expenditure Analysis (P158831) - FY18 • Public Expenditure Analysis and Dialogue (P168766) - FY19 • Public Finance Management Modernization (P158658) - FY19 • Public Expenditure and Financial Accountability (P165614) - FY19 • Financial Sector Development Analytical Program (P160715) - FY19 <p><i>On-going:</i></p> <ul style="list-style-type: none"> • Programmatic Macroeconomic Monitoring (P168469) - FY20 • Programmatic Debt Management Engagement under the Debt Management Facility (DMF) (P169759) - FY21 • Programmatic Public Finance Management Reform (P167660) - FY23 • Payment Systems (FIRST) (P168897) - FY20 • Risk Based AML/CFT Supervision (P169215) - FY21 • Country Economic Memorandum (P172222) - FY21 <p>Financing</p> <p><i>Closed:</i></p> <ul style="list-style-type: none"> • Strengthening the National Statistical System Project (P129825) - closed February 2018 • Lao PDR Green Growth DPO 1 (P159956) - closed June 2018 <p><i>On-going:</i></p> <ul style="list-style-type: none"> • Technical Assistance for Capacity Development in Hydropower and Mining Sector (P109736) - closes September 2020 • Lao PDR Green Growth DPO 2 (P168839) - closes December 2020
<p>2. Public reporting, and compliance with regulations of the Capital Adequacy Ratio, by types of banks:</p> <ul style="list-style-type: none"> • Baseline: Not reported • Target: > Regulatory minimum 	<p>Indicator 2: On track BoL has produced and published a set of core aggregate financial soundness indicators (FSIs) on quarterly basis since Q4 2017. Aggregate Capital Adequacy Ratio to date is in compliance with regulations of the CAR.</p>	<p><i>On-going:</i></p> <ul style="list-style-type: none"> • Lao PDR Green Growth DPO 2 (P168839) - closes December 2020

CPF Objective Indicators	Progress to Date	WBG Program
<p>Supplementary Progress Indicator 2.a Bank of Lao PDR laws and related regulations revised toward compliance with international standards (SDG 10.5: Regulation and M&E financial market institutions):</p> <ul style="list-style-type: none"> • Baseline: 0 laws/regulations (2016) • Target: 5 laws/regulations (2021) 	<p>Supplementary Progress Indicator Indicator 2.a: On track 2 laws/regulations. The Bank of Lao PDR (BoL) Law was amended in July 2018 to enhance the role and operation of the BoL by aligning it with good practice. In addition, the amendment of the Law on Commercial Banks was approved in January 2019.</p>	<ul style="list-style-type: none"> • Enhancing Public Finance Management through Information and Communication Technology and Skills (E-FITS) Project (P167534) - closes August 2025 • Financial Sector Development Program (P171539)- closes June 2021 • Lao PDR Public Finance Management Reform Project (P167661) - closes March 2022 <p>Pipeline:</p> <ul style="list-style-type: none"> • Lao PDR Green Growth DPO 3 (P171431) - FY21 • Financial Sector Safety Net Strengthening Project (P169194) - FY20
Objective 1.2: Making it easier to do business		
<p>3. Improving the Getting Credit System:</p> <ul style="list-style-type: none"> • Baseline: 55 (Doing Business-2017 Distance to Frontier) • Target: more than 60 (DB-2021) <p>Supplementary Progress Indicator 3.a Value of financing facilitated by the Credit Bureau</p> <ul style="list-style-type: none"> • Baseline: US\$1.27m equivalent (Kip 10,344m) (2014) • Target: greater than US\$1.33m equivalent (Kip 10,843m) (2022) 	<p>Indicator 3: On track Lao PDR scored 60 (distance from frontiers) for Getting Credit in DB 2020. The BoL is upgrading its credit information system and creating an independent Credit Information Bureau (CIB).</p> <p>Supplementary Progress Indicator Indicator 3.a: Achieved During June 2016 - June 2017, US\$22.7 million of financing have been facilitated by the Bank of Lao PDR Credit Bureau.</p>	<p>Knowledge and Convening Closed:</p> <ul style="list-style-type: none"> • Trade and Competitiveness Analytical Program (P146216) - FY19 • Poverty Analysis (P156311) - FY17 • Financial Sector Development Analytical Program (P160715) - FY19 <p>On-going:</p> <ul style="list-style-type: none"> • Lao PDR Business Climate TA (P168814) - FY23 <p>Financing Closed:</p> <ul style="list-style-type: none"> • Customs and Trade Facilitation Project (P101750) - closed June 2017 • Second Trade Development Facility Project (P130512) - closed September 2018 • Lao Credit Bureau Phase 2 (IFC 600450) - closed April 2018 • Secured Transactions Phase 2 (IFC 6005235) - closed September 2019 • Lao Payment Systems (IFC 579207) - closed December 2018 • BFL Risk Sharing Facility (IFC 32726) - closed March 2018 • KS Resort - Sofitel LPB (IFC 27914) - closed March 2017 <p>On-going:</p>
<p>4. Reduced mean number of days to clear imports (SDG 8.a: Aid for Trade commitments)</p> <ul style="list-style-type: none"> • Baseline: 2.85 (average of last two ICAs) • Target: not go beyond 2.5 days <p>Supplementary Progress Indicator 4.a Number of days to obtain an operating license (ICA-ES)</p>	<p>Indicator 4. Achieved Based on the last two Enterprise Surveys, the current mean number of days to clear imports is 2.4.</p> <p>Supplementary Progress Indicator Indicator 4.a: Off track Based on the last two Enterprise Surveys</p>	<p>On-going:</p>

CPF Objective Indicators	Progress to Date	WBG Program
<ul style="list-style-type: none"> • Baseline: 16.3 • Target: Less than 13 	(average of data for 2016 and 2018), it takes 21.7 days to obtain an operating license.	<ul style="list-style-type: none"> • SME Access to Finance Project (P131201) - closes June 2020 • Agriculture Competitiveness Project (P161473) - closes June 2024
5. Change in value of agricultural production per hectare of agricultural land in the Project areas (SDG 2.3) <ul style="list-style-type: none"> • Baseline: US\$715/ha • Target: US\$820/ha 	Indicator 5: Insufficient data The Agriculture Competitiveness Project is in early stage of implementation (since August 2018) and expected to provide the project baseline and initial value for CPF by the completion of the CPF.	<ul style="list-style-type: none"> • Competitiveness and Trade Project (P164813) - closes December 2022 • ABL Lao Kip Loan (IFC 631193) - closes December 2020 • Electricite du Laos (IFC 28141) - closes September 2021 • Essilao (IFC 32557) - closes 2020
Objective 1.3: Investing in infrastructure for growth and inclusion		
6. Share of rural population with access to an all-weather road (SDG 9.1) <ul style="list-style-type: none"> • Baseline: 53% • Target: 57% <p><i>Supplementary Progress Indicator</i></p> <p>6.a Roads in good and fair condition as a share of total provincial and district roads in Project area.</p> <ul style="list-style-type: none"> • Baseline: 50% • Target 65% 	Indicator 6: On track 56% of rural population with access to an all-weather road.	Knowledge and Convening <i>Closed:</i> <ul style="list-style-type: none"> • Poverty Analysis (P156311) - FY17 • Hydropower Resource Mapping: Lao PDR (P163979) - FY18 • Lao PDR Energy and Extractives Dialogue ASA (P169087) - FY19 • Lao-China Railway Corridor Development ASA (P168595) - FY19 • Lao PRFII Impact Evaluation and Related Studies (P131675) - FY17 • Lao Roads PPP (IFC - 600156) - closed 2017 <i>On-going:</i> <ul style="list-style-type: none"> • Poverty Monitoring and Analysis PASA (P164698) - FY21 Financing <i>Closed:</i> <ul style="list-style-type: none"> • Road Sector Project (P102398) - closed September 2017 • Nam Theun 2 Social and Environmental Project (P049290) - closed December 2017 <i>Dropped:</i> <ul style="list-style-type: none"> • Pro-Poor Rural Water Supply and Sanitation (P161074) [renamed into the Scaling Up Water Supply, Sanitation and Hygiene Project (P164901), see below] <i>On-going:</i> <ul style="list-style-type: none"> • Road Sector Project II (P158504) - closes August 2022
7. Electricity losses per year reduced in the Power Grid Improvement Project area <ul style="list-style-type: none"> • Baseline: 22% (2017) • Target: Less than or equal to 14% 	Indicator 7: On track Electricity losses are 19% (Jan - Dec 2018).	
8. Percentage of poor villages in the 43 poorest districts with improved access to at least one basic service (i.e. water supply, education, health, rural road) <ul style="list-style-type: none"> • Baseline: 0% • Target: 75% 	Indicator 8: On track 14% of PRF beneficiary households have access to safe water resources (as of June 30, 2019).	

CPF Objective Indicators	Progress to Date	WBG Program
		<ul style="list-style-type: none"> • Lao National Road 13 Improvement and Maintenance (P163730) - closes May 2023 • Power Grid Improvement Project (P149599) - closes March 2020 • Poverty Reduction Fund III (P157963) - closes June 2020 • Scaling Up Water Supply, Sanitation and Hygiene Project (P164901) - closes March 2024 <p><i>Pipeline:</i></p> <ul style="list-style-type: none"> • Poverty Reduction Fund III Additional Financing (P168620) - FY20 • Road Sector Project II Additional Financing (P170951) - FY20 <p><i>Dropped:</i></p> <ul style="list-style-type: none"> • Investment in Hydropower (Xekatom)
Focus Area 2: Investing in people		
Objective 2.1: Reducing prevalence of malnutrition		
<p>9. Stunting rates of under 2 years old in targeted areas (SDG 2.2)</p> <ul style="list-style-type: none"> • Baseline: 42% • Target: <33% <p>Supplementary Progress Indicator</p> <p>9.a Number of female village facilitators trained in SBCC in target districts (administrative data):</p> <ul style="list-style-type: none"> • Baseline: 0 • Midline: 300 • Target: 600 	<p>Indicator 9: On track. The national stunting rate of under 2 years old is 33% as per the latest data from LSIS2 (2017 Lao Social Indicator Survey). Projects contributing to the reduction of stunting including PRFIII and Health Governance and Nutrition Development Project.</p> <p>Supplementary Progress Indicator</p> <p>Indicator 9.a: Achieved. 1,474 female village facilitators have been trained (as of November 2019). A total of 2,220 (men and women) have been trained.</p>	<p>Knowledge and Convening</p> <p><i>Closed:</i></p> <ul style="list-style-type: none"> • Addressing Vulnerability through Social Protection (P160711) - FY19 • Poverty Analysis (P156311) - FY17 <p><i>On-going:</i></p> <ul style="list-style-type: none"> • Health Sector PASA (P164585) - FY21 • Poverty Monitoring and Analysis PASA (P164698) - FY21 <p>Financing</p> <p><i>On-going:</i></p> <ul style="list-style-type: none"> • Health Governance and Nutrition Development Project (P151425) - closes December 2020 • Poverty Reduction Fund III (P157963) - closes June 2020 • Reducing Rural Poverty and Malnutrition Project (P162565) - closes March 2024 • Scaling-Up Water Supply, Sanitation and Hygiene Project (P164901) - closes March 2024 • Agriculture Competitiveness Project (P161473) - closes June 2024
<p>10. Number of villages declared open defecation free in targeted priority districts</p> <ul style="list-style-type: none"> • Baseline: 0 • Target: 200 	<p>Indicator 10: On track. About 113 villages have been declared open defecation free as of May 2019, of which 13 are districts in the South targeted by the PRF III, and another 100</p>	

CPF Objective Indicators	Progress to Date	WBG Program
	in districts targeted by the Health Governance and Nutrition Development Project.	<i>Pipeline:</i> <ul style="list-style-type: none"> • Health and Nutrition Services Access Project (P166165) - FY20 • Poverty Reduction Fund III Additional Financing (P168620) - FY20
Objective 2.2.: Improving quality of primary and pre-primary education and keeping girls in school		
<p>11. Percentage of preschool aged children (3–5 years old) attending ECD/ECE/preschool program increases in target areas (<i>SDG 4.2.2</i>)</p> <ul style="list-style-type: none"> • Baseline (2015/16): 11% (F: 11%) • Target: 48% (F: 48%) <p>Supplementary Progress Indicator</p> <p><i>11.a Primary education dropout rate (disaggregated by gender)</i></p> <ul style="list-style-type: none"> • Baseline (2015–16): 4.7 (F:4.5) • Target: 4.0 (F:3.8) 	<p>Indicator 11: Achieved. As of December 2018, 66.7% (50% female) of preschool aged children attended the ECD/ECE/preschool program.</p> <p>Supplementary Progress Indicator</p> <p>Indicator 11.a: On track. <i>The primary education dropout rate is currently at 4.3 (F:3.8) percent.</i></p>	<p>Knowledge and Convening</p> <p><i>Closed:</i></p> <ul style="list-style-type: none"> • Evaluation of formal and non-formal ECD Services and identification of the root causes for early school drop-outs in Lao PDR - FY17 • Quality of Education in Lao PDR (P153341) - FY17 <p><i>On-going:</i></p> <ul style="list-style-type: none"> • Lao PDR Early Childhood Education Impact Evaluation Analysis and Dissemination (P167611) - FY21 <p>Financing</p> <p><i>On-going:</i></p> <ul style="list-style-type: none"> • Early Childhood Education Project (P145544) - closes December 2020 • Second Global Partnership for Education (P149130) - closes December 2020
<p>12. Number of out of school children of primary age (<i>SDG 4.1.2</i>)</p> <ul style="list-style-type: none"> • Baseline (2015-16): 8,761 (F: 5,217) - around 1.2% of total boys and 1.5% of total girls • Target: 6,500 (F: 3,000) 	<p>Indicator 12: Insufficient data. This data is not tracked as part of the program and there is no other credible source for this indicator.</p>	
Objective 2.3: Improving access to and quality of health services		
<p>13. Maternal mortality rate (<i>SDG 3.1.1</i>)</p> <ul style="list-style-type: none"> • Baseline: 197 (2015 - WHO, UNICEF, UNFPA, World Bank Group, and United Nations Population Division Maternal Mortality Estimation Inter-Agency Group, <i>Maternal Mortality in 1990 - 2015</i>) • Target: 180 <p>Supplementary Progress Indicator</p> <p><i>13.a Number of pregnant women who received the 4th Antenatal Care contacts</i></p>	<p>Indicator 13. On track. The maternal mortality rate has decreased to 185 per 100k live birth (latest data for 2017).</p> <p>Supplementary Progress Indicator</p> <p>Indicator 13.a: On track 102,208 (18 provinces, 2018, based on DHIS2) of pregnant women have received</p>	<p>Knowledge and Convening</p> <p><i>Closed:</i></p> <ul style="list-style-type: none"> • Addressing Vulnerability through Social Protection (P160711) - FY19 <p><i>On-going:</i></p> <ul style="list-style-type: none"> • Health Sector PASA (P164585) - FY21 <p><i>Dropped:</i></p> <ul style="list-style-type: none"> • Pro-Poor Rural Water Supply and Sanitation (P161074) [renamed into the Scaling Up Water Supply, Sanitation and

CPF Objective Indicators	Progress to Date	WBG Program
<ul style="list-style-type: none"> • <i>Baseline: 94,511 (18 provinces, 2016, based on DHIS2) - around 53% of total births</i> • <i>Target: 10% increase over baseline</i> 	<p>the 4th antenatal care contact, representing an increase of 8% over the baseline.</p>	<p>Hygiene Project (P164901)]</p> <p>Financing <i>On-going:</i></p> <ul style="list-style-type: none"> • Health Governance and Nutrition Development Project (P151425) - <i>closes December 2020</i> <p><i>Pipeline:</i></p> <ul style="list-style-type: none"> • Health and Nutrition Services Access Project (P166165) - <i>FY20</i> • Civil Registration and Vital Statistics Project (P167601) - <i>FY20</i>
<p>14. Number of women who deliver with a skilled birth attendant at home or at a health facility (SDG 3.1)</p> <ul style="list-style-type: none"> • <i>Baseline: 95,528 (18 provinces, 2016, based on DHIS2) - around 53% of total births</i> • <i>Target: 10% increase over baseline</i> <p>Supplementary Progress Indicator</p> <p><i>14.a Number of children age 12–23 months who received the third dose of DPT containing vaccine (DPT3) by their first birthday</i></p> <ul style="list-style-type: none"> • <i>Baseline: 74.6% (according to DHIS 2)</i> • <i>Target: Over 85% coverage</i> 	<p>Indicator 14: Achieved.</p> <p>111,715 women deliver with a skilled birth attendant at home or at a health facility (18 provinces, 2018, based on DHIS2). This represents a 16% increase over the baseline.</p> <p>Supplementary Progress Indicator</p> <p>Indicator 14.a: On track</p> <p><i>83.9% of children age 12–23 months received the third dose of DPT containing vaccine (DPT3) by their first birthday (18 provinces, 2018, based on DHIS2).</i></p>	
<p>15. Number of new women aged 15–49 years adopting long term family planning methods in target provinces (data will be disaggregated for adolescent girls aged 15–19 years):</p> <ul style="list-style-type: none"> • <i>Baseline: 45,746 women (14 provinces, 2016, based on HGNDP disbursement-linked indicators [DLIs]/ DHIS2)</i> • <i>Target: 10% increase over baseline</i> 	<p>Indicator 15: Achieved.</p> <p>50,756 new women aged 15–49 years adopting long term family planning methods in target provinces (18 provinces, 2018, based on DHIS2). This represent an increase of 11% over the baseline. However, data on the disaggregation by age group is not available.</p>	
<p>Objective 2.4: Reducing vulnerability and inclusive access to social services</p>		
<p>16. Program beneficiaries as a share of the rural population in the selected districts</p> <ul style="list-style-type: none"> • <i>Baseline: 0%</i> • <i>Target: 50%</i> 	<p>Indicator 16: Achieved.</p> <p>57% of the rural population in the 43 districts targeted by the Poverty Reduction Fund are beneficiaries of the PRF.</p>	<p>Knowledge and Convening</p> <p><i>Closed:</i></p> <ul style="list-style-type: none"> • Addressing Vulnerability through Social Protection (P160711) - <i>FY19</i>

CPF Objective Indicators	Progress to Date	WBG Program
<p>Supplementary Progress Indicator</p> <p>16.a National targeting system developed and used for more than one program.</p> <ul style="list-style-type: none"> • Baseline: 0 • Target: >1 	<p>Supplementary Progress Indicator</p> <p>Indicator 16.a: Off track. The national targeting system has not yet been put in place.</p>	<p><i>Ongoing:</i></p> <ul style="list-style-type: none"> • Poverty Monitoring and Analysis PASA (P164698) - FY21 <p>Financing</p> <p><i>On-going:</i></p> <ul style="list-style-type: none"> • Poverty Reduction Fund III (P157963) - closes June 2020 • Reducing Rural Poverty and Malnutrition Project (P162565) - closes March 2024 • Health Governance and Nutrition Development Project (P151425) - closes December 2020 <p><i>Pipeline:</i></p> <ul style="list-style-type: none"> • Health and Nutrition Services Access Project (P166165) - FY20 • Civil Registration and Vital Statistics Project (P167601) - FY20 • Poverty Reduction Fund III Additional Financing (P168620) - FY20
Focus Area 3: Protecting the environment		
Objective 3.1: Promoting protection of the environment and responsible management of natural resources		
<p>17. Area brought under enhanced biodiversity protection measured by the score of management effectiveness (SDG 15.1)</p> <ul style="list-style-type: none"> • Baseline: 0 • Target: 1.2 million ha (Area increases as score increases from one level to another) 	<p>Indicator 17: Achieved. The overall score for 1.3 million ha of area brought under enhanced biodiversity protection increased by 31, up from a baseline of 22.⁹</p>	<p>Knowledge and Convening</p> <p><i>Closed:</i></p> <ul style="list-style-type: none"> • Exploring Lao PDR's Green Growth Potential (P162394) - FY19 • Developing Nature-Based Tourism as a Strategic Sector for Green Growth in Lao PDR (P164372) - FY19 • Lao PDR State of Environment Report (P164374) - FY19 • Sustainability in Lao PDR Forest (P164376) - FY19 • Collaborative Leadership support for Second Lao Environment & Social Project (P156347) - FY17 • Enhancing Systematic Land Registration (P168100) - FY19
<p>18. Forest area brought under forest landscape management plans (Hectare) (SDG 15.2)</p> <ul style="list-style-type: none"> • Baseline: 0 • Target: 750,000 ha 	<p>Indicator 18: Achieved. As of May 2019, 3.38 million ha were brought under forest landscape management plans.</p>	

⁹

The Protected Area Management Effectiveness Tracking Tool (METT) is used in the LENS2 Project. The METT is a standardized tool used globally that measures the strength and effectiveness of institutions in managing protected areas (PA) and biodiversity. In LENS2, it is applied in 11 PAs that receive financing through LENS2. Each individual PA sub-project under implementation with LENS2 financing is scored separately by the client and averaged together for aggregated reporting. Baseline METT score is 22 and end of project (LENS2) target is 32.

CPF Objective Indicators	Progress to Date	WBG Program
<p>19. At least three river basin plans approved by MONRE.</p> <ul style="list-style-type: none"> • Baseline: 0 • Target: 3 plans 	<p>Indicator 19: On track. Two river basin plans for lower Xebangfai and lower Xebangheng have been developed and consulted at provincial level but have not yet been approved by MONRE.</p>	<p><i>On-going:</i></p> <ul style="list-style-type: none"> • Lao Forestry Advisory (IFC - 594367) - <i>closes June 2020</i> • Forest Note for the Lao PDR (P168798) - <i>FY20</i> • Lao PDR Landscapes Valuation (P169455) - <i>FY20</i> • Resilient Green Growth Programmatic Analytical and Advisory Services (P171011) - <i>FY22</i> • Lao Hydro Advisory (IFC - 589087) - <i>closes March 2020</i>
<p>20. Number of publicly available annual reports on the implementation of policy on sustainable hydropower development (2016–2021).</p> <ul style="list-style-type: none"> • Baseline: 1 • Target: 5 <p>Supplementary Progress Indicator</p> <p><i>20.a Improved Power Strategy/ White paper</i></p> <ul style="list-style-type: none"> • <i>Baseline: Existing strategy (2016)</i> • <i>Target: White paper issued by MEM (2018); White paper presented to the Government for endorsement (2019)</i> <p><i>20.b Improved Mining Sector Strategy</i></p> <ul style="list-style-type: none"> • <i>Baseline: Existing strategy (2016)</i> • <i>Target: Revised/update mining sector strategy issued by MEM (2018); Revised/update mining sector strategy presented to the Government for endorsement (2019).</i> 	<p>Indicator 20: On track. Three Annual Status Reports (2016, 2017, 2018) are made available. The draft Policy on Sustainable Hydropower Development Action Plan (2018–2019) is also available.</p> <p>Supplementary Progress Indicator</p> <p>Indicator 20.a: On track <i>The draft White Paper is available but has not being issued. GoL has adopted the Vision 2030, Strategic Development 2025 and 5-Year Energy and Mining Development Plan (2016–2020)– which considered some recommendations from the White Paper.</i></p> <p>Indicator 20.b: Achieved <i>The MEM sector strategies (required by the Mineral Law 2018 and Electricity Law), have been approved by the Prime Minister’s Office.</i></p>	<p>Financing</p> <p><i>Closed:</i></p> <ul style="list-style-type: none"> • Nam Theun 2 Social and Environmental Project (049290) - <i>closed December 2017</i> <p><i>On-going:</i></p> <ul style="list-style-type: none"> • Second Lao Environment and Social Project (P128393) - <i>closes June 2021</i> • Scaling-Up Participatory Sustainable Forest Management (P130222) - <i>closes March 2020</i> • Technical Assistance for Capacity Development in Hydropower and Mining Sector (P109736) - <i>closes September 2020</i> • Mekong Integrated Water Resource Management (P104806) - <i>closes March 2021</i> • Clean Cook Stove Initiative (P169538) - <i>closes December 2025</i> <p><i>Pipeline:</i></p> <ul style="list-style-type: none"> • FCPC Readiness Grant (Carbon Funds) (P125082) - <i>FY20</i> • Landscapes and Livelihoods Project (P170559 and P171406) - <i>FY21</i> • Enhancing Systematic Land Registration Project (P169669) - <i>FY21</i>
<p>21. Number of Priority Pollution Watch Sites for which monitoring reports are regularly updated and publicly disclosed.</p> <ul style="list-style-type: none"> • Baseline: 0 • Target: 3 Priority Pollution Watch Sites 	<p>Indicator 21: Off track. Sites are not yet identified. MONRE has set the basis for identifying these sites by promulgating policies and procedures for monitoring key air, water and chemical pollutants. A pollution policy is expected to be approved in late 2019.</p>	<p><i>Dropped:</i></p> <ul style="list-style-type: none"> • Laos-Vietnam Interconnector Project (P164500) • Forestry Plantation & Processing • Renewable Energy Project (hydro, solar or wind)

CPF Objective Indicators	Progress to Date	WBG Program
Objective 3.2: Putting in place enhanced disaster risk management and climate and disaster resilience		
22. Length of road receiving climate resilience periodic maintenance <ul style="list-style-type: none"> • Baseline: 0 km • Target: 687 km 	Indicator 22: On track 240 km of road are receiving climate resilience periodic maintenance and additional 357 km are scheduled to start in 2020.	Knowledge and Convening <i>Closed:</i> <ul style="list-style-type: none"> • Post Disaster Needs Assessment and Recovery Framework (P169197) - <i>FY19</i>
23. The Department of Meteorology and Hydrology of MONRE has enhanced the early warning system and climate information system (<i>SDG 1.5 & SDG 13.1</i>). <ul style="list-style-type: none"> • Baseline: No • Target: Yes 	Indicator 23: On track A national early warning center was established at DMH, and 70 hydro-met stations are expected to be set up in 2020.	Financing <i>On-going:</i> <ul style="list-style-type: none"> • Road Sector Project II (P158504) - <i>closes August 2022</i> • Lao National Road 13 Improvement and Maintenance (P163730) - <i>closes May 2023</i> • Lao PDR Southeast Asia Disaster Risk Management Project (P160930) - <i>closes October 2022</i> • Mekong Integrated Water Resources Management Project (MIWRMP) (P104806) - <i>closes March 2021</i>
24. Lao PDR has access to immediate financing in response to an eligible emergency <ul style="list-style-type: none"> • Baseline: No • Target: Yes 	Indicator 24: On track. In response to an eligible emergency, Lao PDR will have access to immediate financing through the SEADRIF (South East Asia Disaster Risk Insurance Facility) and potentially through a DRM Cat-DDO (US\$40 million) (subject to favorable macro-economic situation).	<i>Pipeline:</i> <ul style="list-style-type: none"> • Disaster Risk Management Development Policy Operation with a Catastrophe Deferred Drawdown Option (P164573) - <i>subject to favorable macro-economic situation</i> • Lao PDR SEA Disaster Risk Management Project Additional Financing (P170945) - <i>FY20</i> • Road Sector Project II Additional Financing (P170951) - <i>FY20</i>
Cross-cutting theme: Strengthening institutions to establish a rules-based environment		
25. Percentage of Category 2 investment projects with complete disclosure of relevant information through integrated database and public information platform, and having a valid ECC, prior to approval of concession agreements (related to an NSEDP indicator). <ul style="list-style-type: none"> • Baseline: 0% • Target: 50% 	Indicator 25. On track. A new Environmental and Social Impact Assessment (ESIA) policy has reinforced the legal basis for this disclosure requirement. MONRE's website includes disclosures of ESIA's and Environmental and Social Management and Monitoring Plans (ESMMP) for a total of 17 investment projects (2010–2018). As of May 2019, 45% of Category 1 and Category 2 projects that are under design, construction or operation have a valid Environmental Compliance Certificate (ECC).	Knowledge and Convening <i>Closed:</i> <ul style="list-style-type: none"> • Exploring Lao PDR's Green Growth Potential (P162394) - <i>FY19</i> • ICT Sector Rapid Assessment (P168398) - <i>FY19</i> <i>On-going:</i> <ul style="list-style-type: none"> • Resilient Green Growth PASA (P171011) - <i>FY22</i> • Digital Development Technical Assistance (P169250) - <i>FY20</i> Financing <i>Closed:</i> <ul style="list-style-type: none"> • Green Growth DPO 1 (P159956) - <i>closed June 2018</i> • Nam Theun 2 Social and Environmental Project (P049290) -

CPF Objective Indicators	Progress to Date	WBG Program
<p>26. Establishment of Standard Operation Procedure (SOP) for Hydropower Plant Development.</p> <ul style="list-style-type: none"> • Baseline: No SOP • Target: Applied SOP 	<p>Indicator 26: On track 26 SOPs have been drafted and several public consultations have been conducted. The Legal Department in MEM is leading the review of the revised SOP in consultation with agencies concerned before submitting to MEM Minister for consideration. It is now awaiting translation to be endorsed by the MEM</p>	<p><i>closed December 2017</i></p> <p><i>On-going:</i></p> <ul style="list-style-type: none"> • Technical Assistance for Capacity Development in Hydropower and Mining Sector (P109736) - <i>closes September 2020</i> • Lao Environment and Social Project II (P149130) - <i>closes June 2021</i> • Lao PDR Green Growth DPO 2 (P166839) - <i>closes December 2020</i> <p><i>Pipeline:</i></p> <ul style="list-style-type: none"> • Lao PDR Green Growth 3 (P171431) - <i>FY21</i>