



@#&OPS~Doctype~OPS^blank@pidaprcoverpage#doctemplate

Project Information Document (PID)

Appraisal Stage | Date Prepared/Updated: 27-Jun-2025 | Report No: PIDIA01269



BASIC INFORMATION

A. Basic Project Data

Project Beneficiary(ies)	Region	Operation ID	Operation Name
Lao People's Democratic Republic	EAST ASIA AND PACIFIC	P507442	Improving Frontline Workers Performance in Education and Health
Financing Instrument	Estimated Appraisal Date	Estimated Approval Date	Practice Area (Lead)
Investment Project Financing (IPF)	16-Jul-2025	23-Oct-2025	Education
Borrower(s)	Implementing Agency		
Lao People's Democratic Republic	Ministry of Health, Ministry of Education and Sports		

Proposed Development Objective(s)

To enhance the performance of primary education and health frontline workers in Lao PDR

Components

- 1.Improving Primary Education Frontline Workers Performance and Management
2. Improving Skill Mix, Performance and Management of Health Frontline Workers
3. Project Management and Monitoring and Evaluation
5. Contingent Emergency Response Component (CERC)

PROJECT FINANCING DATA (US\$, Millions)

Maximizing Finance for Development

Is this an MFD-Enabling Project (MFD-EP)? No

Is this project Private Capital Enabling (PCE)? No

SUMMARY

Total Operation Cost	35.00
Total Financing	35.00
of which IBRD/IDA	35.00
Financing Gap	0.00

For Official Use Only



DETAILS

World Bank Group Financing

International Development Association (IDA)	35.00
IDA Credit	35.00

Environmental And Social Risk Classification

Moderate

Decision

The review did authorize the team to appraise and negotiate

Other Decision (as needed)

B. Introduction and Context

Country Context

1. **Despite experiencing significant economic growth and becoming one of the fastest-growing economies in East Asia and the Pacific**, the Lao People’s Democratic Republic (Lao PDR) has faced increasing macroeconomic instability in recent years. Poverty rates declined from 40.5 percent in 2012 to 32.5 percent in 2018, but have since stagnated, with mounting inflation negatively affecting households' purchasing power. Poverty in Lao PDR is heavily concentrated in specific districts, particularly in rural and remote areas, with a significant portion of the country's poor population located in 40 priority districts.^{1,2} These districts, primarily in the northern and southern regions, face multiple disadvantages, including limited infrastructure, difficult terrain, and reduced access to public services. Health and education challenges are also more severe in these disadvantaged areas.

2. **Lao PDR faces significant challenges in human capital development, particularly in education and health.** Lao PDR's human capital index is 0.46, the lowest among its neighbors, indicating that a child born in the country today can expect to be only 46 percent as productive when they turn 18 as someone with complete education and full health. At the same time, combined spending on education and health has declined from 4.9 percent of GDP in 2013 to an estimated 2.3 percent in 2023. Recent surveys indicate a partial reversal of earlier gains in child nutrition, further underlining the challenges in human capital development.

¹ MoES identified 40 priority districts where educational outcomes lag behind the national average: Education and Sports Sector Development Plan 2021-2025. <https://rtm.org.la/wp-content/uploads/2024/02/ESSDP-Final-Eng-Version-update-30-Oct-2020.pdf>

² Lao People's Democratic Republic - Systematic Country Diagnostic Update (English). Washington, D.C. : World Bank Group. <http://documents.worldbank.org/curated/en/525331657067519545/Lao-Peoples-Democratic-Republic-Systematic-Country-Diagnostic-Update>

For Official Use Only



Sectoral and Institutional Context

3. **Lao PDR faces a severe human capital crisis evidenced by alarming education and health outcomes.** In education, the learning poverty rate stands at 98 percent, meaning that nearly all children cannot read and understand a simple text by age 10.³ The expected 10.6 years of schooling equate to only 6.3 years when adjusted for actual learning. According to regional assessments, a mere 2 percent of grade 5 students meet minimum proficiency in reading, and only 8 percent in mathematics. Primary school dropout rates have worsened from 10.4 percent in 2017 to 13.8 percent by 2023.⁴ Budget constraints further hinder progress, with public education financing dropping from 4 percent of GDP in 2013 to 1.48 percent in 2025. In health, malnutrition undermines children's learning capacity, with one-third of children under 5 suffering from stunting, 10.7 percent experiencing wasting, and 24.3 percent underweight. The Lao Social Indicator Survey in 2023 showed that 25 children in every 1,000 live births died before reaching their first birthday. The World Health Organization (WHO) also reported that 112 women died for every 100,000 live births. These poor outcomes are largely attributable to inadequate frontline workers' (FW) performance and limited access to quality services, particularly in rural areas where workforce shortages are most acute. Furthermore, despite free schooling in Laos, parents often hesitate to invest in their children's education when they perceive the quality of teaching to be poor and see few examples of education leading to better livelihoods in their communities.

4. **Persistent spatial and socio-economic disparities disproportionately affect vulnerable populations.** Children and families from poor, rural, and ethnic minority backgrounds face greater challenges in accessing quality education and healthcare. Although the introduction of national health insurance has improved the affordability of healthcare services, low-income households still seek medical care less frequently than high-income households. Households in the poorest quintile had more than 2.5 times the under-5 mortality rates (63 deaths per 1000 live births) of households in the richest quintile (23 deaths per 1000 live births). Under-five mortality rates were nearly double for Mon-Khmer ethnic group (63 deaths per 1000 live births) and Chinese Tibetan ethnic group (72 deaths per 100 live births) compared to the Lao-Tai majority (35 deaths per 1000 live births).⁵ These disparities are further exacerbated by language barriers, as 84 percent of the population does not speak Lao as their mother tongue, yet Lao is the mandated medium of instruction in schools. This linguistic divide,⁶ compounded by teacher shortages and inadequate training, contributes to early learning failures and high dropout rates.

Weak management of frontline workers in education and health

5. **Health and education services in Lao PDR are largely delivered by the public sector with FW playing a critical role.** In education sector the state provides services in 97 percent of primary and 89 percent of secondary schools. As of 2020, there were approximately 34,743 primary school teachers, and a significant proportion serve in rural and remote areas-nearly half of primary teachers and 28 percent of lower secondary teachers work in their home villages⁷-highlighting the critical role of FWs in ensuring access to education across diverse regions, despite challenges in teacher distribution and qualifications between rural and urban areas. The public health system consists of 1,072 health centers, 135 district (community) hospitals, 17 provincial hospitals, and 10 central hospitals. The health frontline workers (HFW)

³ The Southeast Asia Primary Learning Metrics 2019: Main Results for Lao PDR" (Published by the Southeast Asian Ministers of Education Organization and UNICEF)

⁴ World Bank: 'Averting a Human Capital Drought: Investing in Laos' Future Workforce Laos Human Capital' June 2024

⁵ Lao Statistics Bureau. 2018. Lao Social Indicator Survey II 2017, survey findings report. Vientiane: Lao Statistics Bureau.

⁶ Laos is home to over 45 different ethnic groups, each with its own language, contributing to a rich tapestry of linguistic diversity. The major ethnic categories include Tai Kadai (55% of the population), Hmong-Mien (27%), and Sino-Tibetan (18%), among others. In total, there are around 82 officially recognized languages in Laos, which include various dialects and minority languages such as Khmu, Hmong, Akha, and Tai Dam. This linguistic diversity presents significant challenges for education, particularly as Lao is the mandated medium of instruction in schools.

⁷ UNICEF MICS-EAGLE Country Report Lao PDR 2020



at health centers and district hospitals are responsible for 76 percent of outpatient visits and 48 percent of all inpatient cases, thus playing a crucial role in delivering health services for rural, hard-to-reach and ethnic populations.

6. **Severe workforce shortages are evident and compounded by drastic cuts in hiring quotas.** In 2023, the teacher hiring quota fell to 285 from 3,500 in 2019, while the health sector's quota dropped to 230 from 4,000 in 2014. The proportion of health workers per 1,000 population stands at 2.5 in 2024, significantly below WHO's recommendation of 4.3. These cuts were driven by fiscal crisis and budget reductions within MoES and MoH, severely impacting service delivery while failing to address—and often worsening—geographical distribution of frontline workers.

7. **Geographical disparities further exacerbate workforce challenges.** This uneven distribution reinforces socio-economic and ethnic disparities, with 68 percent of schools with teacher shortages being small- or medium-sized in rural, high-poverty areas, leading to rapid expansion of multigrade classrooms. Urban-rural health worker ratios reveal stark disparities: medical staff (1.6 to 0.4), nurses (1.5 to 0.5), and midwives (0.7 to 0.5) per 1,000 population.

8. **To cope with these shortages, both sectors rely heavily on volunteers,** who account for nearly 30 percent of teachers and 20 percent of health workers. This creates an unsustainable workforce structure, as volunteers lack salaries and benefits, leading to low motivation, economic instability and high turnover rates.

9. **Workforce for education and health is managed through a fragmented information system, which severely undermines effective planning and deployment of FWs in education and health sectors.** The Government's Personnel Information Management System⁸ (PIMS) contains basic information for only about half of all civil servants (around 85,000); approximately 75,000 teachers and many district-level employees are excluded. MoES has developed and operates its own Personnel Management Information System (PMIS) covering both administrative and teaching staff, because PIMS could not meet all the specificities of MoES personnel's employment status and qualifications. PIMS and PMIS are not interoperable. MoES must transfer its data through excel file to be entered in PIMS. This situation increases the risk of duplicated data entry and coordination failures that prevent timely, accurate, and comprehensive workforce planning. MoH uses the Government's PIMS for civil servants but maintains a separate system for contractual workers. HRH data is compiled through the Health Personnel Information Management System (HPIMS), maintained by the Department of Health Personnel (DHP). The HPIMS uses basic data fields identified by the Ministry of Home Affairs (MoHA), which are insufficient to carry out HRH planning. The 2024 reform⁹ transitioning over 70,000 civil servants to public service employees (PSE) status further emphasizes the need for integrated information systems that would allow Government's oversight while maintaining sector ministries' autonomy in personnel management.

10. **The registration and licensing of HWs, an overarching mechanism for health workforce governance, commenced in 2020 and is being rolled out slowly at the frontline level.** The Health Professional Council (HPC) has been collaborating with central- and provincial-level healthcare institutions to license eligible health workers (doctors, dentists, high-level nurses and high-level midwives). The progress at district hospitals and health centers remains very slow, with many essential components still under-development, such as internship curriculum and continuous professional development (CPD) requirements for different categories and academic degrees of health professionals working at the frontline level. Currently, the registration and licensing are conducted manually with several disadvantages including lower efficiency, increased labor costs, a higher risk of errors, and limited scalability. HPC and DHP are using an excel-based in-service training tracking system, which is very challenging to track all in-service training nationwide.

⁸ Formerly managed by the MoHA, dismantled in the recent Government restructuring, announced in March 2025.

⁹ Decree on Public Service Employees No 283/GOL introduced a new employment category called public service employees (PSE).



Low quality of frontline workers in education and health

11. **Poor management and inadequate numbers of FWs are compounded by inadequate quality, further compromising delivery of education and health services.** Only 2.4 percent of grade 4 teachers were found to be proficient in Grade 4 Math and Lao language in 2018, with many lacking the skills required to teach the new curriculum introduced gradually since 2019.¹⁰ Over 50 percent of Grade 3 teachers could correctly answer only 3 out of 25 questions related to Grade 3-5 math content (JICA 2024). Overall, teachers demonstrate low proficiency as measured by the classroom observation tool TEACH¹¹ in the 40 priority districts. In the health sector, the majority of district and health center staff have low- to mid-level qualifications, and often lack the skills needed to deliver basic services. In 2024, 42 percent of HWs at the central and provincial levels were bachelor or higher degree holders, while only 27.5 percent at the district and health center levels had such qualifications.

12. **The skill mix challenge hinders the HFWs delivering essential health services.** 60 percent of district hospital staff and 79 percent of health center staff were low- and mid-level workers. 71 percent of health centers had less than five staff while only 31.5 percent of health centers meet MoH's staffing standard. Out of 135 district hospitals, 95 (70%) had more than two medical doctors, however, only 56 (41%) had one family medicine specialist, 15 (11%) had a cardiovascular specialist, 13 (9.6%) had a pediatric, 13 (9.6%) had an anesthesia specialist, 10 (7.4%) had an obstetric - gynecological specialist, 6 (4.4%) had a surgical specialist, and only one hospital had both surgical and anesthesia specialists. A lack of skilled workers is the major factor contributing to service gaps in reproductive, maternal, newborn, child, and adolescent health (RMNCAH). 62 percent of pregnant women received at least four antenatal care (ANC) visits but only 29.2 percent of them had blood pressure, urine and blood samples taken. Similarly, 64.4 percent of livebirths were assisted by skilled birth attendants but only 45.9 percent of newborns received a health check following the birth.¹² While severe obstetric complications remain prevalent, the percentage of births by cesarean section was only 7.4 percent, which was remarkably lower than WHO's recommended rate of 10 - 15 percent for optimal maternal and neonatal outcomes. Coverage of critical preventive services is relatively low: one third of adult patients received at least 3 out of 6 preventive health services and most women were currently not being screened for breast and cervical cancers.¹³ Administrative and clinical stakeholders indicated that a lack of health workers' skill sets is the top barrier to quality of care.¹⁴

13. **Ineffective in-service professional development further compounds FWs' performance issues.** For both education and health sectors, professional development is largely ad hoc, donor-dependent, and lacking continuous support mechanisms. Much of the in-service teacher training is conducted by MoES through large workshops in a lecture format with limited teaching demonstrations. Only 25 percent of teachers received feedback in the past year, highlighting weak monitoring and supervision systems. Despite the introduction of a new primary education curriculum

¹⁰ SABER Service Delivery Survey, 2017 (Demas et al. 2018), as cited in the World Bank's analytical report, The Learning Crisis in Lao PDR: Challenges and Policy Priorities (World Bank, 2018).

¹¹ The TEACH classroom observation tool is an instrument developed by the World Bank to assess and improve the quality of teaching practices in classrooms. A contextualized version of the World Bank's TEACH tool is currently implemented by the DTE to measure teacher proficiency on an ongoing basis. The full TEACH tool was also implemented in 2024 to observe a representative sample of 214 teachers across 40 GPE III-LEAP supported districts.

¹² Lao Statistics Bureau. 2018. Lao Social Indicator Survey II 2017, survey findings report. Vientiane: Lao Statistics Bureau.

¹³ Aryal et al. 2024. Health system inequities in Lao People's Democratic Republic: Evidence from a nationally representative phone survey. Trop Med Int Health. 2024;29(6):518–25. <https://doi.org/10.1111/tmi.13997>

¹⁴ Jon Peabody, Mary Tran, David Paculdo, Azusa Sato, and Kirthi Ramesh. 2019. Quality of Health Care in the Lao PDR. Asian Development Bank Institute.



in 2023, most teachers use outdated teaching methods and are evaluated against previous standards.¹⁵ Misalignment between curriculum resources and classroom teaching practices significantly hinders improvement efforts. However, the Department of Teacher Education (DTE) is piloting promising approaches to in-service professional development with support from the Lao PDR Global Partnership for Education III: Learning and Equity Acceleration Project (GPE III – LEAP)¹⁶ and other partners, including school-level support through Internal Pedagogical Support (IPS) staff who conduct regular classroom observations and provide evidence-based feedback. For the health sector, almost half of the health center staff had never undergone any in-service training and where training was received, it was often mismatched with the type of health services being provided by the HFWs, resulting in substantial gaps in clinical competencies related to the management of clinical situations.¹⁷ Although the government policy attaches importance to upgrading qualifications of existing workforce, opportunities for HFWs to enroll long-term qualification upgrading programs are limited by unavailability of funding/scholarship or inability of meeting enrollment criteria. CPD requirements have become mandatory for license renewal, creating additional pressure on health workers who received inadequate initial training to seek continuing education opportunities that are often limited or unavailable. However, systemic gaps in CPD curricula development, training facilities, and quality management undermine efforts to establish a well-structured CPD system for health frontline workers.

14. **Addressing these interconnected challenges of weak management, maldistribution, and insufficient numbers of adequately trained FWs, requires comprehensive actions across both education and health sectors.** The MoH is entering the 3rd phase of its health sector reform strategy (year 2021-2030), which aims to achieve universal health coverage through the development of human resources and improvement of service delivery. The introduction of the essential health service package (EHSP), the expansion of health insurance coverage to 94 percent of the population, and the implementation of Health and Nutrition Services Assess (HANSA)¹⁸ project has increased the availability and affordability of primary health care services at health centers. MoH has approved the national HRH Development Strategy by 2030 with strategic objectives and proposed actions for strengthening the governance, increasing the quantity and skill mix, enhancing the quality, improving the distribution, and strengthening the performance and productivity of HRH. The Vision to 2030, Strategy for Teacher and Human Resource Development by the MoES, aims to enhance teacher allocation, distribution, and deployment efficiency. Key actions include increasing provincial and district accountability, establishing a teacher rotation system, and creating incentive packages that allow transfer of teachers across districts. This strategy shifts from short-term fixes to a medium-term, comprehensive approach to teacher planning. This requires updating MoES decrees and guidelines to delegate tasks to the subnational level. Regarding teacher performance, the strategy highlights teacher CPD as the primary action to improve teacher performance in alignment with the 2023 national primary teaching standards. Without such reforms, Lao PDR is unlikely to maximize its returns from education and health investments.

C. Proposed Development Objective(s)

Development Objective(s) (From PAD)

15. The project development objective (PDO) is to enhance the performance of primary education and health frontline workers in Lao PDR.

¹⁵ Revised teacher performance standards have been developed and approved in 2024 with the support of development partners. While the standards are officially adopted, the annual evaluation of teachers' performance is still done using metrics that are more aligned with the previous version of teaching standards in Lao PDR.

¹⁶ Lao People's Democratic Republic - Learning and Equity Acceleration Project (English). Washington, D.C.: World Bank Group. <http://documents.worldbank.org/curated/en/827001616378469121>

¹⁷ World Bank. 2023. Facility-Based Service Readiness Assessment in Four Northern Provinces for the Lao PDR.

¹⁸ Lao Peoples Democratic Republic - Health and Nutrition Services Access Project (English). Washington, D.C. : World Bank Group. <http://documents.worldbank.org/curated/en/298581584324067365>



Key Results

16. The PDO achievement will be measured by the following outcome indicators:

Enhanced performance of primary education frontline workers:

- Average of Classroom observation tool (COT) score received by teachers of Grade 1-3 mathematics and Lao language curriculum in target districts implementing the CPD at school-level with IPS.
- Districts having 50 percent of government primary schools with enough teachers per approved MoES criteria.

Enhanced performance of health frontline workers:

- Districts in target provinces with improved health workforce productivity.
- Health frontline workers in target provinces who are licensed by the Health Professional Council.

D. Project Description

17. **Component 1: Improving Primary Education Frontline Workers Performance and Management (IDA Financing: US\$16M).** The component focuses on building the skills of frontline workers in education, with particular emphasis on primary education teachers, while improving the management and distribution of frontline workers in education. This strategic focus aligns with national education priorities and aims to address critical gaps in teacher professional development and management.

18. **Sub-component 1.1: Improving Primary Education Frontline Workers Performance (US\$12 million)** will be structured around four main pillars:

- *Pillar I: Strengthening CPD at the school level* will finance activities to incorporate the IPS framework to be implemented by primary school principals. Female school principals and teachers will be given the priority to participate in IPS training. District pedagogical advisors will be responsible for training and monitoring CPD implementation at the school level, with support from TTC master trainers and provincial education staff. Programs for CPD at the school level will also include training on climate science, the impacts of climate change on local communities, and strategies for integrating climate education into the subjects taught by primary school teachers. The DTE will lead this effort with support from pedagogical staff at District Education and Sport Bureaus (DESB) and Provincial Education and Sports Services (PESS) levels who will be trained as IPS trainers. The school principals will also be trained on conducting classroom observations, using the existing TEACH COT, to allow them to better understand the capacity of teachers in the school and provide support accordingly.
- *Pillar II: Building the capacity of TTCs* will support revision of the initial teacher education program to align with the new primary education curriculum, as well to support the existing two-year continuous bachelor program currently implemented by TTCs. The program revision will also include modules on climate change adaptation and mitigation strategies, which can prepare future teachers to educate students on these issues. The support encompasses both direct assistance to TTCs for improving accommodation and operational costs, as well as scholarship benefits for trainees. Priority will be given to female teachers to attend the continuous bachelor program. Additionally, modernization initiatives will introduce smart classrooms, IT workstations, and management modernization through twinning arrangements with foreign universities, particularly in Thailand due to language similarities.
- *Pillar III: Establishment of an LMS* will support teacher training. The system will be developed through several interconnected initiatives: establishing policies and plans for LMS development, investing in IT infrastructure such as energy-efficient servers and computers, and developing online content, including short online training, and open access resources. The system will be supported by comprehensive communication and training programs to ensure effective utilization by teachers and IPS staff, with ongoing monitoring to guide CPD and



training content development. Content on safe working and learning environment at schools will help create safe schools for teaching and learning. DTE will lead the development of the LMS.

- *Pillar IV: Teachers assessment* will implement teaching proficiency assessment through yearly measurements using the TEACH COT for both primary and ECE teachers in targeted districts, teacher content knowledge assessments, and the development of primary school teacher licensing frameworks. This will include qualitative surveys to collect information on teacher training needs for ECE and primary education, developed in collaboration with the Research Institute for Educational Sciences (RIES). Climate literacy will be included as a component of teacher proficiency assessments, which will help ensure that teachers have a foundational understanding of climate issues and can effectively teach them.

19. **Sub-component 1.2: Improving Teacher Management (US\$3.6 million)** will support strengthening the systematic approach to teacher management, with a focus on primary school teachers. This sub-component is structured around three programs of interventions.

- *Pillar I* will support review and revision of ministerial implementation decrees on teacher management and performance. The goal is to enhance accountability at provincial and district levels by delegating tasks and decision-making responsibilities. To strengthen teacher effectiveness, the teacher performance assessment guidelines will be revised to fully align with established primary teaching standards, followed by evaluations based on these new guidelines, creating a more coherent assessment framework. With the adoption of Government Decree 283 on public service employees (PSE), frontline workers, specifically teachers, will transition from civil servant status to PSE status. To support this implementation, the sub-component will include activities to support MoES in executing the Government Decree on PSE.
- *Pillar II* will enhance teacher management at the district level. This involves updating guidelines and tools for teacher planning, allocation, and deployment of teachers. The activity will also support assigning teachers to climate-vulnerable areas and ensuring they receive appropriate training on climate-related issues. These improvements will enable MoES to develop realistic staffing projections and apply evidence-based methods for allocation and deployment in the flood prone areas. Additionally, the program aims to build the capacity of PESSs and DESBs to improve efficiency in these areas. A significant aspect of the program includes strengthening the teacher rotation system and offering incentives for teachers who rotate to rural schools.
- *Pillar III* will support the improvement of the PMIS of MoES, including developing interoperability standards and applying energy efficient technology. This enhancement will make PMIS a vital tool for teacher projection, planning, allocation, and deployment. The system will incorporate occupational classification according to the standards set by the Ministry of Labor and Social Welfare and the International Labor Organization (ILO) and new salary grades and steps as per PSE implementation decree. Additionally, it will facilitate data exchange with the Government's PIMS.

20. **Sub-component 1.3: Assessment of the information management systems (US\$400,000)** will support an initial assessment of existing PIMS (and any other relevant systems) and legislation to understand better their status, complexity, and possibility for interoperability/exchange data, especially with the PMIS of MoES.

21. **Component 2: Improving Skill Mix, Performance and Management of HFWs (estimated cost: US\$15 million IDA).** This component aims to improve the skill mix and performance of HFWs at district hospitals and health centers to deliver EHSP in eight target provinces. In addition, the component will strengthen frameworks for health workforce registration, licensing, recruitment, deployment, retention and management at the national level. These activities align with the national HRH Development Strategy by 2030.



22. **Sub-component 2.1: Improving skills mix and performance of health frontline workers (US\$11.2 million)** will be structured around three main pillars as follows:

- *Pillar I: Strengthening health worker training system* will develop competency-based curricula for CPD of HFWs, including on disaster medicine and climate-responsive service delivery; train of trainers and clinical mentors through short-term courses (such as the MoES-approved andragogy course) and long-term programs for those who pursue health professional education; and upgrade clinical teaching and learning resources (simulation equipment, ICT hardware and e-learning platform, course readers, examination facilities, etc.) for pre-service education institutions and medical teaching hospitals to deliver newly developed curricula. Regular quality assurance exercises will be conducted to measure and improve the quality of education and training for HFWs.
- *Pillar II: Upskilling and retaining HFWs at district hospitals and health centers* will upskill HFWs in climate-vulnerable areas. This pillar will support HFWs in eight target provinces through a combination of short- and long-term, on-the-job arrangements. First, a CPD program will establish short-term, specialized courses for the existing HFWs, creating sustainable professional development pathways that meet national standards while addressing specific healthcare needs and challenges, particularly in the delivery of EHSP. The CPD program will harness the power of energy-efficient ICT technology and will adopt blended learning approach to widen access and participation for healthcare training. Second, a scholarship program will support physicians at district hospitals in disaster-prone areas to complete a medical specialization education program and other HFWs to complete a degree-upgrading education program at UHS and PHEIs. Third, a clinical mentorship program will provide HFW teams with access to hands-on and worksite-based training and supervision, focusing on ensuring that the trained HFW teams have adequate skills to perform quality services. The mentorship program supports clinical attachments, allowing district health workers to practice at central/provincial hospitals under specialized supervision, simultaneously enabling supervisors from central/provincial hospitals to provide their trainees with on-site coaching at district hospitals.
- *Pillar III: Enhancing health frontline workers' performance and productivity* will enable HFW teams to apply acquired skills and deliver EHSP at district hospitals following the clinical mentorship program. This pillar will enhance the motivation and productivity of HFWs and managers by empowering them to perform acquired skills under clinical supervision from experienced specialists, introducing non-financial incentives such as excellence awards to outstanding HFWs. In addition, district hospitals in target provinces will improve the working environment by providing medical equipment based on a service readiness assessment, strengthening capacity to respond to climate-related health emergencies, and establishing standardized operating procedures, and will empower trained HFW teams to practice acquired skills at their workplaces. It is expected that 40 district hospitals (80%), both type A and type B, in the target provinces will have sufficient capacities (skill mix and equipment) to deliver the essential health services package and improve health service productivity. The workers assessments will be conducted at the baseline, the mid-term, and the end of the project to evaluate improvements at district hospitals.

23. **Sub-component 2.2 Strengthening national frameworks for management of health frontline workers (US\$3.8 million)** will be structured around two main pillars as follows:

- *Pillar I: Streamlining registration and licensing of HFWs* will support the HPC in developing guidelines and instructions for the resolution of claims, grievances and disputes occurring from the provision of health services. The development and adoption of web-based and mobile-based applications will allow online registration and licensing and will facilitate information exchange and communications across stakeholders (HPC, health offices, training institutions, health facilities, and health workers). In synergy with pillar II under



sub-component 2.1, this pillar will also support streamlining and using geo-location for the registration and licensing system for HFW in eight target provinces vulnerable to seasonal flood.

- *Pillar II: Strengthening recruitment, deployment, management and retention* will support the development and implementation of HRH management development policies. Regulations and guidelines will be developed to streamline competency-based recruitment examinations. Deployment efforts will include revising HFW classification based on ILO international standards and updating job descriptions, with equal opportunity provided for female and male managers to address career advancement gaps. Management and retention will involve health worker and health facility performance assessment (including on climate-smart criteria) and recognition, development and implementation of codes of conducts, health worker satisfaction assessment, capacity building for provincial- and district-level health managers on HRH workforce planning and management. The MoH PIMS will be improved to support HFWs management (projection, planning, allocation, deployment) and facilitate data exchange with the Government's PIMS, MoH DHIS2, and HPC registration and licensing system. Studies on HRH management will be conducted to provide policy makers with evidence meant to revise the existing HRH policies.

Component 3: Project management and Monitoring and Evaluation (IDA Financing: US\$4 million)

24. Component 3 will support the project management activities to ensure effective project implementation and monitoring and will comprise two sub-components:

25. **Sub-component 3.1. MoES project management and monitoring and evaluation (US\$2.5M)** will support the establishment of a Project Management Unit (PMU) within the MoES as a leading agency for the project. The PMU will be responsible for reporting to the World Bank on the overall progress of the project, including preparation of progress reports, ensuring annual external audits, etc. This sub-component will finance recruitment of PMU staff responsible for daily project management and compliance with fiduciary and environmental and social requirements, including project manager/coordinators, technical advisers, fiduciary specialists, monitoring and evaluation (M&E) specialist, environmental and social officer, and administrative staff. The component will also finance training costs; incremental operating costs to provide technical and operational assistance to the project; design and implementation of the citizen engagement/social accountability activities; preparation of selected environmental, social, technical, and economic documents, through the provision of technical advisory services in health and education sectors; project monitoring and evaluation; and annual external audits for the project-related expenditures.

26. **Sub-component 3.2. MoH project management and monitoring and evaluation (US\$1.5M)** will support the establishment of a Project Implementation Unit (PIU) within the MoH. The PIU will be responsible for the day-to-day implementation, monitoring, reports, and coordination of components 2 and 3.2 of the project. This sub-component will finance salaries of the PIU team, including project manager/coordinator, technical advisers/consultants, monitoring and evaluation officer, fiduciary, environmental and social and administrative staff; incremental operating costs; and equipment.

Component 4: Contingent Emergency Response Component (CERC) (US\$0)

27. Due to Lao PDR's vulnerability to climate change, this component is designed to provide swift response in an event of an eligible crisis or emergency. The CERC will include a zero-allocation of funds, and if activated in response to an eligible crisis or emergency, uncommitted credit resources under the project (from other components) may be requested for reallocation to support response and reconstruction. The inclusion of a CERC will allow the Government



and World Bank to minimize the time and effort needed to utilize uncommitted project funds to finance urgent needs in the event of eligible emergency.¹⁹

Legal Operational Policies

Triggered?

Projects on International Waterways OP 7.50

No

Projects in Disputed Area OP 7.60

No

Summary of Screening of Environmental and Social Risks and Impacts

28. Overall environmental and social risk for the project is rated moderate. The environmental risk rating is designated Low, as only negligible or minimal environmental risks and impacts are anticipated from the project activities. The environmental risks and impacts are mainly related to disposal/recycling of package and electronic wastes and OHS risks associated with ICT installation and upgrade for the proposed IT facilities including the PMIS of the MOES, and minor renovation activities (limited to painting and wall partitioning). The identified risks and impacts are expected to be minimal and can be easily mitigated with implementation of package and Electronic Waste Management Plan and Environmental and Social Code of Practices (ESCOP) to be prepared and disclosed prior to project appraisal. In addition, Project Operations Manual (POM) will include provisions of description of technically and financially feasible measures to improve energy efficiency as per the World Bank Group (WBG) Environmental, Health, and Safety Guidelines and relevant Good International Industry Practices. Social risk rating is currently considered moderate. The project aims to enhance the performance of primary education and health frontline workers in Lao PDR, in particular through conducting assessments, developing and strengthening Human (Personnel) Resource Management policy and systems, and supporting career development and training programs for the frontline workers. The main social risk from the project activities is the potential exclusion of vulnerable and ethnic frontline workers from benefiting from project activities. Other social risks from project activities are expected to be low and manageable including OHS risk of project workers, in particular traffic-relating accidents when conducting project travel and some small risks from limited renovation works, and (ii) health and safety risks to the community if project workers travel to local communities, provincial and district offices of education and sport and health, schools and health service facilities to carry out project activities and citizen engagement. A set of ESF instruments have been prepared to manage the E&S risks including ESCP, SEP, and ESCOP. The SEP was prepared in accordance with ESS10 and ESS7 requirements and relevant national legislation. The SEP provides communication and engagement strategies to involve and reach out to frontline workers, including those from ethnic minorities and other vulnerable groups, to enhance their accessibility and inclusion in the project design and implementation. The SEP also includes a grievance redress mechanism (GRM) to provide platform for affected persons to raise their concern and to improve transparency in public service management in the education and health sectors. An existing set of health care protocols and guidelines developed and applied will be applied to manage the risks related communicable diseases and outbreak. Existing national traffic regulations will be observed by the communities to avoid and mitigate road safety risk and accidents, and to manage SEA/SH risk . In addition, a Rapid Strategic Environmental and Social Assessment (R-SESA) was undertaken, which highlights main challenges and opportunities in place in the health and education sector, while providing strategic recommendations for improving the

For Official Use Only

¹⁹ An event that has caused, or is likely to imminently cause, a major adverse economic and/or social impact associated with natural or man-made crises or disasters.



existing national framework and system for HRM including of vulnerable frontline workers, which will be incorporated by the project.

E. Implementation

Institutional and Implementation Arrangements

29. The **Frontline Workers project will be implemented in accordance with a combination of interministerial arrangements**. The MoES will be responsible for the overall oversight of the project. The PMU established within the MoES will be responsible for overall project administration, including the preparation of annual workplan and budget plan (AWBP) and preparation of the POM; implementation of project activities under component 1, sub-component 3.1, and component 4 (should the CERC be activated); administration of financial management, procurement, environmental and social safeguards management, and communication; overall project monitoring, evaluation and reporting.

30. **MoH DHP will be responsible for preparing the AWBP and leading implementation of all activities under component 2 and sub-component 3.2.** A PIU led by a DHP's senior manager will support day-to-day communications and coordination with the Department of Planning and Finance (DPF), the Department of Health Professional Education, the Department of Healthcare and Rehabilitation (DHR), HPC, health training institutions, and provincial health offices (PHO). The DPF will handle fiduciary and procurement aspects, prepare interim financial reports, oversee resource use, and ensure financial compliance. The PHOs will assign a project team to oversee and coordinate project activities in target provinces, including service availability and readiness assessment, development and implementation of training plans, evaluation of health workers and health facility performance. The training programs will be implemented through the memoranda of understanding between MoH/PHOs and health training institutions. Roles of all departments and institutions will be described in POM in detail. The POM will also include guidelines for selecting candidates for education and training programs, assuring quality of education and training programs, deploying and retaining trained HFWs at health facilities, assessing HFWs' post-training performance and productivity to ensure inclusion, effectiveness and sustainability in HRH development.

31. **Project Steering Committee (PSC).** To ensure effective and efficient implementation of the project, the establishment of the PSC was initiated during the project preparation. The PSC will provide strategic guidance on project implementation, ensure alignment with national policies and reforms, resolve any cross-ministerial implementation challenges, and make key decisions on resource allocation and implementation arrangements. The committee will also review progress reports, validate AWBPs, and ensure that project activities are properly sequenced and coordinated across all implementing agencies. To maintain continuity and institutional memory, each ministry will designate permanent representatives to the committee who will serve as focal points for their respective institutions throughout the project period.

32. **Project Operational Manual.** The project will be implemented in accordance with the POM, which will have detailed arrangements and procedures for: (i) institutional coordination and day-to-day execution of the project; (ii) disbursement and financial management, the division of responsibilities for the fiduciary function between MoES and MoH; (iii) procurement; (iv) environmental and social requirements; (v) monitoring, evaluation, reporting and communication; (vi) the districts in which the activities will be implemented as agreed between the government of Lao PDR and the World Bank; and (vi) such other administrative, financial, technical and organizational arrangements and procedures as shall be required for the project. MoH will provide inputs for the POM to be included in the overall project's POM prepared by MoES.

CONTACT POINT



World Bank

Michael Drabble
Senior Economist

Sang Minh Le
Senior Health Specialist

Borrower/Client/Recipient

Lao People's Democratic Republic

Implementing Agencies

Ministry of Health

Dr. Khampasong Theppanya
Director General, DHP
pasong05@yahoo.com
Dr. Bounsert Keopasith
Director General, DFP
bounserth@gmail.com

Ministry of Education and Sports

Sithon Sikhao
Director General of Planning
sithong.sikhao@hotmail.com

FOR MORE INFORMATION CONTACT

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

APPROVAL

Task Team Leader(s):	Michael Drabble, Sang Minh Le
----------------------	-------------------------------

Approved By

Practice Manager/Manager:	Mario Cristian Aedo Inostroza	03-Jun-2025
---------------------------	-------------------------------	-------------

For Official Use Only



Country Director:	Mariam J. Sherman	27-Jun-2025
-------------------	-------------------	-------------

For Official Use Only