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GRANT NUMBER E200-KM

# **Financing Agreement and Amendment to the Original Financing Agreement**

**(COMOROS INTERISLAND CONNECTIVITY PROJECT ADDITIONAL  
FINANCING)**

**between**

**THE UNION OF THE COMOROS**

**and**

**INTERNATIONAL DEVELOPMENT ASSOCIATION**

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**GRANT NUMBER E200-KM**

**FINANCING AGREEMENT**

AGREEMENT dated as of the Signature Date between THE UNION OF THE COMOROS (“Recipient”) and INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”) for the purpose of: (i) providing additional financing to the Original Project (as defined in the Appendix to this Agreement); and (ii) amending the Original Financing Agreement (as defined in the Appendix) and set forth in Schedule 3 to this Agreement. The Recipient and the Association hereby agree as follows:

**ARTICLE I — GENERAL CONDITIONS; DEFINITIONS**

- 1.01. The General Conditions (as defined in the Appendix to this Agreement) apply to and form part of this Agreement.
- 1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the General Conditions or in the Appendix to this Agreement.

**ARTICLE II — FINANCING**

- 2.01. The Association agrees to extend to the Recipient a grant, which is deemed as Concessional Financing for purposes of the General Conditions, in an amount equivalent to eleven million two hundred thousand Special Drawing Rights (SDR 11,200,000) (“Financing”), to assist in financing the project described in Schedule 1 to this Agreement (“Project”).
- 2.02. The Recipient may withdraw the proceeds of the Financing in accordance with Section III of Schedule 2 to this Agreement.
- 2.03. The Maximum Commitment Charge Rate is one-half of one percent (1/2 of 1%) per annum on the Unwithdrawn Financing Balance.
- 2.04. The Payment Dates are April 15 and October 15 in each year.
- 2.05. The Payment Currency is Euro.

**ARTICLE III — PROJECT**

- 3.01. The Recipient declares its commitment to the objective of the Project. To this end, the Recipient, through MTMA, shall carry out the Project in accordance with the provisions of Article V of the General Conditions and Schedule 2 to this Agreement.

**ARTICLE IV – REMEDIES OF THE ASSOCIATION**

- 4.01 The Co-financing Deadline for the effectiveness of the Co-financing Agreement is October 31, 2023.

**ARTICLE V — EFFECTIVENESS; TERMINATION**

- 5.01 The Effectiveness Deadline is the date ninety (90) days after the Signature Date.
- 5.02. For purposes of Section 10.05 (b) of the General Conditions, the date on which the obligations of the Recipient under this Agreement (other than those providing for payment obligations) shall terminate is twenty (20) years after the Signature Date.

**ARTICLE VI — REPRESENTATIVE; ADDRESSES**

- 6.01. The Recipient’s Representative is its minister responsible for budget and finance.
- 6.02. For purposes of Section 11.01 of the General Conditions: (a) the Recipient’s address is:

Ministry of Finance, Budget, and the Banking Sector  
Avenue de l’Independence  
B.P. 324  
Moroni; and

- 6.03. For purposes of Section 11.01 of the General Conditions: (a) the Association’s address is:

International Development Association  
1818 H Street, N.W.  
Washington, D.C. 20433  
United States of America; and

(b) the Association’s Electronic Address is:

Telex:	Facsimile:
248423 (MCI)	1-202-477-6391

AGREED as of the Signature Date.

**THE UNION OF THE COMOROS**

**By**



\_\_\_\_\_  
**Authorized Representative**

**Name:** Mzé Abdou Mohamed Chanfiou

**Title:** Ministre des Finances

**Date:** 21-Jun-2023

**INTERNATIONAL DEVELOPMENT ASSOCIATION**

**By**

*Idah Z. Pswarayi-Riddihough*

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**Authorized Representative**

**Name:** Idah Z. Pswarayi-Riddihough

**Title:** Country Director for Mozambique, Madagascar

**Date:** 20-Jun-2023

## SCHEDULE 1

### Project Description

The objective of the Project is to improve maritime transport climate resilience between the islands.

The Project consists of the following parts:

#### **Part 1: Improvement of Climate Resilience of Port Infrastructure**

Strengthening the climate resilience of *Port Boingoma* through carrying out the construction of the entire breakwater along the north side of both quays to provide protection of waves from a northerly direction.

#### **Part 2: Implementation Support and Capacity Building**

Part 2.1: Implementation Support.

Providing support to the Recipient in project management, monitoring, and evaluation functions, including *inter alia*: (a) providing Operating Costs for the Project Implementation Unit (“PIU”); (b) undertaking Project management, fiduciary activities, financial and technical audits; (c) undertaking studies and technical assistance to facilitate Project preparation and implementation; (d) monitoring, reporting and evaluation of Project activities; and (e) providing Resettlement Costs required for the Project implementation as indicated in the Resettlement Actions Plan (RAP).

Part 2.2: Capacity building

Providing support to improve the institutional framework and capacity of the Recipient to implement interisland maritime policies, including maritime safety and port management through:

- (a) Providing technical assistance and training to enhance the Recipient’s capacity to manage commercial operations in the port sector including *inter alia*: (i) updating its legal framework for public-private partnerships; and (ii) the development and implementation of a private-sector participation mechanism for the *Port Boingoma*.
- (b) Providing technical assistance, capacity building to the Recipient’s port authority including *inter alia*: (i) developing its legal framework; (ii) carrying out needs assessment; (iii) reviewing and updating its administrative setup; and (iv) reviewing and updating its operational regulations, including safety and resilience manuals.

- (c) Carrying out a climate resilience strategy for the maritime transport sector.
- (d) Developing a port climate resilience maintenance manual.
- (e) Providing support to implement the climate resilience strategy and climate resilience maintenance manual in the *Port Boingoma*.
- (f) Providing support to empowerment and safety of women through: (i) developing and carrying out a national maritime training program to foster skilled labor, especially female professionals, in the port and maritime transport sector; (ii) carrying out technical assistance to develop an analysis and action plan on the barriers faced by women in the maritime sector; and (iii) preparing and implementing a training curriculum on gender based violence / sexual harassment (GBV/SH) prevention and response to boat operators as well as port operators at *Port Boingoma*.

#### Part 2.3: Maritime Communication and Safety Equipment

Improving maritime transport safety by ameliorating the equipment of port and vessels operators to be used by the SCP and the other agencies in charge of maritime transport and safety through supporting the supply and installation of maritime safety and communication equipment and facilities (including equipment for the operations center, the VHF stations and the Global Maritime Distress and Safety System (GMDSS)).

#### **Part 3: Contingent Emergency Response**

Provision of immediate response to an Eligible Crisis or Emergency, as needed.

## SCHEDULE 2

### Project Execution

#### Section I. Implementation Arrangements

##### A. Institutional Arrangements

1. The Ministry of Maritime and Air Transport (MTMA) shall have the responsibility for overall implementation of the Project.
2. Project Implementation Unit (PIU)
  - (a) The Recipient shall maintain, throughout the course of Project implementation, a PIU within MTMA, to carrying out of the Project, with mandate, composition and resources acceptable to the Association.
  - (b) Without limitation to the provisions of paragraph (a) above, the PIU shall be responsible for the day-to-day management of the Project and the coordination of its activities including, *inter alia*: (i) procurement, disbursement, accounting, financial and technical reporting; (ii) social and environmental management; (iii) communication, monitoring and evaluation, ensuring the auditing of the accounts and providing Project progress reports; (iv) coordinating the preparation, adjustments, and use of the Project management tools, including any updates to the PIM, Annual Work Plan, Procurement Plan, and disbursement projections; (v) coordinating with key stakeholders on the technical aspects of the Project; and (vi) monitoring the progress of the Project Development Objective and intermediate indicators of the Results Framework.
  - (c) Without limitation to the provisions of paragraph (a) above, the PIU shall include and maintain, throughout the course of Project implementation, *inter alia*: a Project coordinator, a procurement specialist, a financial management specialist, an environmental specialist, a social specialist, a gender specialist, a monitoring and evaluation specialist, a port transport specialist, an infrastructure specialist, an external auditor, a communication specialist, and an accountant.
  - (d) No later than three (3) months from the Effective Date, the Recipient shall recruit an internal auditor in a manner acceptable to the Association.
  - (e) The Recipient shall maintain throughout the course of Project implementation a computerized accounting software, satisfactory to the Association.

3. Project Steering Committee (PSC)
  - (a) The Recipient shall maintain, throughout Project implementation, the existing Project Steering Committee (“PSC”), with composition and mandate acceptable to the Association.
  - (b) Without limitation to the generality of the foregoing provisions of paragraph (a) immediately above, the PSC shall be chaired by the General Secretary of the Recipient’s ministry in charge of maritime transport and the membership of representatives of relevant ministries in a manner satisfactory to the Association, with functions, human and financial resources satisfactory to the Association.
  - (c) The Recipient shall thereafter maintain the PSC to be responsible for, *inter alia*: (i) overall strategic guidance; (ii) ensuring consistency and support for the multi-sectoral Project activities; (iii) guidance on Project implementation; (iv) overseeing and monitoring the Project activities; and (v) reviewing and approving annual work plans and budgets.
  - (d) The Recipient shall ensure that the PSC meets at least twice a year.

**B. Project Implementation Manual**

1. The Recipient, not later than thirty (30) days from the Effective Date, shall update and submit to the Association, the Project Implementation Manual (“PIM”) in form and substance satisfactory to the Association, containing detailed guidelines, methods and procedures for the implementation of the Project, including: (a) the different roles and responsibilities in the implementation of the Project, including the various mechanisms for ensuring close coordination and collaboration between various Project stakeholders and the adjustments in procedures required with the co-financing; (b) budget and budgetary control; (c) flow of funds, disbursement procedures and banking arrangements; (d) financial, procurement and accounting procedures; (e) Personal Data collection and processing in accordance with applicable national law and good international practice; (f) monitoring and evaluation arrangements; (g) the Annual Work Plans and Budget for the first year of Project implementation; (h) corruption and fraud mitigation measures; (i) a grievance redress mechanism; (j) safeguards aspects, including a detailed account on payments to Affected Persons including criteria of identification of Affected Persons, methods of payment, flow of funds, and reporting arrangements; and (k) such other arrangements and procedures as shall be required for the effective implementation of the Project, in form and substance acceptable to the Association.
2. The Recipient shall carry out the Project in accordance with this Agreement and the PIM. Except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate, or waive the provisions of the PIM without prior approval



of the Association. In the event of any conflict between the provisions of the PIM and this Agreement, the provisions of this Agreement shall prevail.

**C. Annual Work Plans and Budget**

1. The Recipient shall: (a) not later than November 30 every year, prepare and furnish to the Association, a work plan and budget (“Annual Work Plan and Budget” or “AWP&B”), satisfactory to the Association, which shall include, *inter alia*, the activities to be carried out under the Project and a financing plan for expenditures required for such activities, setting forth the amounts and sources of financing; and (b) thereafter carry out said Work Plan and Budget in accordance with its terms and in a manner acceptable to the Association.
2. The Recipient shall not make or allow to be made any change to the approved Work Plan and Budget without prior approval in writing by the Association.

**D. Environmental and Social Standard**

1. The Recipient shall ensure that the Project is carried out in accordance with the Environmental and Social Standards, in a manner acceptable to the Association.
2. Without limitation upon paragraph 1 above, the Recipient shall ensure that the Project is implemented in accordance with the Environmental and Social Commitment Plan (“ESCP”), in a manner acceptable to the Association. To this end, the Recipient shall ensure that:
  - (a) the measures and actions specified in the ESCP are implemented with due diligence and efficiency, as provided in the ESCP;
  - (b) sufficient funds are available to cover the costs of implementing the ESCP;
  - (c) policies and procedures are maintained, and qualified and experienced staff in adequate numbers are retained to implement the ESCP, as provided in the ESCP; and
  - (d) the ESCP, or any provision thereof, is not amended, repealed, suspended or waived, except as the Association shall otherwise agree in writing, as specified in the ESCP, and ensure that the revised ESCP is disclosed promptly thereafter.
3. Without limitation upon the provisions of paragraph 2 above, if sixty (60) days prior to the Closing Date, the Association determines that there are measures and actions specified in the ESCP which will not be completed by the Closing Date, the Recipient shall: (a) not later than thirty (30) days before the Closing Date, prepare and present to the Association, an action plan satisfactory to the

Association on the outstanding measures and actions, including a timetable and budget allocation for such measures and actions (which action plan shall be deemed to be considered an amendment of the ESCP); and (b) thereafter, carry out said action plan in accordance with its terms and in a manner acceptable to the Association.

4. In case of any inconsistencies between the ESCP and the provisions of this Agreement, the provisions of this Agreement shall prevail.
5. The Recipient shall ensure that:
  - (a) all measures necessary are taken to collect, compile, and furnish to the Association through regular reports, with the frequency specified in the ESCP, and promptly in a separate report or reports, if so requested by the Association, information on the status of compliance with the ESCP and the environmental and social instruments referred to therein, all such reports in form and substance acceptable to the Association, setting out, *inter alia*: (i) the status of implementation of the ESCP; (ii) conditions, if any, which interfere or threaten to interfere with the implementation of the ESCP; and (iii) corrective and preventive measures taken or required to be taken to address such conditions; and
  - (b) the Association is promptly notified of any incident or accident related to or having an impact on the Project which has, or is likely to have, a significant adverse effect on the environment, the affected communities, the public or workers, in accordance with the ESCP, the environmental and social instruments referenced therein and the Environmental and Social Standards.
6. The Recipient shall establish, publicize, maintain and operate an accessible grievance mechanism, to receive and facilitate resolution of concerns and grievances of Project-affected people, and take all measures necessary and appropriate to resolve, or facilitate the resolution of, such concerns and grievances, in a manner acceptable to the Association.
7. The Recipient shall ensure that all bidding documents and contracts for civil works under the Project include the obligation of contractors, and subcontractors to:
  - (a) comply with the relevant aspects of ESCP and the environmental and social instruments referred to therein; and
  - (b) adopt and enforce codes of conduct that should be provided to and signed by all workers, detailing measures to address environmental, social, health and safety risks, and the risks of sexual exploitation and abuse, sexual harassment and violence against children, all as applicable to such civil works commissioned or carried out pursuant to said contracts.

**E. Contingent Emergency Response**

1. In order to ensure the proper implementation of contingent emergency response activities under Part 3 of the Project (“Contingent Emergency Response Part”), the Recipient shall ensure that:
  - (a) a manual (“CERC Manual”) is prepared and adopted in form and substance acceptable to the Association, which shall set forth detailed implementation arrangements for the Contingent Emergency Response Part, including: (i) any structures or institutional arrangements for coordinating and implementing the Contingent Emergency Response Part; (ii) specific activities which may be included in the Contingent Emergency Response Part, Eligible Expenditures required therefor (“Emergency Expenditures”), and any procedures for such inclusion; (iii) financial management arrangements for the Contingent Emergency Response Part; (iv) procurement methods and procedures for the Contingent Emergency Response Part; (v) documentation required for withdrawals of Financing amounts to finance Emergency Expenditures; (vi) a description of the environmental and social assessment and management arrangements for the Contingent Emergency Response Part; and (vii) a template Emergency Action Plan;
  - (b) the Emergency Action Plan is prepared and adopted in form and substance acceptable to the Association;
  - (c) the Emergency Response Part is carried out in accordance with the CERC Manual and the Emergency Action Plan; provided, however, that in the event of any inconsistency between the provisions of the CERC Manual or the Emergency Action Plan and this Agreement, the provisions of this Agreement shall prevail; and
  - (d) neither the CERC Manual or the Emergency Action Plan is amended, suspended, abrogated, repealed or waived without the prior written approval by the Association.
2. The Recipient shall ensure that the structures and arrangements referred to in the CERC Manual are maintained throughout the implementation of the Contingent Emergency Response Part, with adequate staff and resources satisfactory to Association.
3. The Recipient shall ensure that:
  - (a) the environmental and social instruments required for the Contingent Emergency Response Part are prepared, disclosed and adopted in

accordance with the CERC Manual and the Safeguard Instruments, and in form and substance acceptable to the Association; and

- (b) the Contingent Emergency Response Part is carried out in accordance with the environmental and social instruments in a manner acceptable to the Association.
4. Activities under the Contingency Emergency Response Part shall be undertaken only after an Eligible Crisis or Emergency has occurred.

**Section II. Project Monitoring, Reporting and Evaluation**

- 1. The Recipient through the PIU shall furnish to the Association each Project Report not later than one (1) month after the end of each calendar semester, covering the calendar semester.
- 2. The PIU shall prepare quarterly unaudited interim financial reports (IFRs) and provide such reports to the Association within forty-five (45) days after the end of each calendar quarter. The Recipient shall recruit a private auditor to annually audit the Project financial statements, under terms acceptable to the Association. The Recipient shall submit the audited report to the Association no later than six (6) months after the end of each fiscal year.

**Section III. Withdrawal of the Proceeds of the Financing**

**A. General**

Without limitation upon the provisions of Article II of the General Conditions and in accordance with the Disbursement and Financial Information Letter, the Recipient may withdraw the proceeds of the Financing to finance Eligible Expenditures in the amount allocated and, if applicable, up to the percentage set forth against each Category of the following table:

<b>Category</b>	<b>Amount of the Grant Allocated (expressed in SDR)</b>	<b>Percentage of Expenditures to be Financed (inclusive of Taxes)</b>
(1) Goods, works, non-consulting services under Part 1 of the Project	7,467,000	Up to 100% as indicated in the AWP&B

(2) Operating Costs and Consulting services for the Project	1,844,000	100%
(3) Goods, works, non-consulting services under Part 2.3 of the Project	1,493,000	100%
(4) Resettlement Costs under Part 2.1 (e) of the Project	396,000	100%
(5) Emergency Expenditures under Part 3 of the Project	0	100%
<b>TOTAL AMOUNT</b>	11,200,000	

**B. Withdrawal Conditions; Withdrawal Period**

1. Notwithstanding the provisions of Part A above, no withdrawal shall be made:
  - (a) for payments made prior to the Signature Date;
  - (b) under Category (1) unless and until the Co-financing Agreement has been executed and delivered and all conditions precedent to its effectiveness or the right of the Recipient to make withdrawals under it (other than the effectiveness of this Agreement) have been fulfilled.
  - (c) under Category (4) unless and until the Recipient has prepared and adopted the RAP in form and substance satisfactory to the Association; and
  - (d) under Category (5) for Emergency Expenditures unless and until all of the following conditions have been met in respect of said expenditures:
    - (i) (A) the Recipient has determined that an Eligible Crisis or Emergency has occurred, and has furnished to the Association a request to withdraw Financing amounts under Category (5); and (B) the Association has agreed with such determination, accepted said request and notified the Recipient thereof; and
    - (ii) the Recipient has adopted the CERC Manual and Emergency Action Plan, in form and substance acceptable to the Association.

2. The Closing Date is June 30, 2028.

**Section IV. Private Participation to Port Management**

1. The Recipient shall, no later than sixteen (16) months after the Effective Date (or such later date acceptable to the Association), has launched a transparent international competitive bidding process to select a private concessionaire for the operations and maintenance of the Port Boingoma, in a manner satisfactory to the Association.
2. The Recipient shall exercise its rights under the transparent international competitive bidding process in such manner as to protect the interests of the Recipient and the Association.

### Amendments to the Original Project

The Recipient and the Association hereby agree to amend the Original Financing Agreement as follows:

1. Article 4.01 of the Original Financing Agreement is modified to read as follows:  
  
*“The Co-financing Deadline for the effectiveness of the Co-financing Agreement is October 31, 2023”*
2. Part 1 of the Original Financing Agreement is modified to read as follows:  
  
**“Part 1: Improvement of Climate Resilience of Port Infrastructure**  
  
*Strengthening the climate resilience of Port Boingoma through carrying out the construction of the entire breakwater along the north side of both quays to provide protection of waves from a northerly direction.”*
3. Part 2.1 of the Original Financing Agreement is modified to include the following Part 2.1(e) to read as follows:  
  
*“and (e) providing Resettlement Costs required for the Project implementation as indicated in the Resettlement Actions Plan (RAP).”*
4. A new sub-component (Part 2.3) titled “Maritime Communication and Safety Equipment” is added to the Project, to read as follows:  
  
*“Part 2.3: Maritime Communication and Safety Equipment*  
  
*Improving maritime transport safety by ameliorating the equipment of port and vessels operators to be used by the SCP and the other agencies in charge of maritime transport and safety through supporting the supply and installation of maritime safety and communication equipment and facilities (including equipment for the operations center, the VHF stations and the Global Maritime Distress and Safety System (GMDSS)).”*
5. Section I.A.2 of Schedule 2 to the Original Financing Agreement is amended to read as follows:  
  
*“2. Project Implementation Unit (PIU)*  
  
*(a) The Recipient shall maintain, throughout the course of Project implementation, a PIU within MTMA, to carrying out of the Project, with mandate, composition and resources acceptable to the Association.*

(b) *Without limitation to the provisions of paragraph (a) above, the PIU shall be responsible for the day-to-day management of the Project and the coordination of its activities including, inter alia, (i) procurement, disbursement, accounting, financial and technical reporting; (ii) social and environmental management; (iii) communication, monitoring and evaluation, ensuring the auditing of the accounts and providing Project progress reports; (iv) coordinating the preparation, adjustments, and use of the Project management tools, including any updates to the PIM, Annual Work Plan, Procurement Plan, and disbursement projections; (v) coordinating with key stakeholders on the technical aspects of the Project; and (vi) monitoring the progress of the Project Development Objective and intermediate indicators of the Results Framework.*

(c) *Without limitation to the provisions of paragraph (a) above, the PIU shall include and maintain, throughout the course of Project implementation, inter alia: a Project coordinator, a procurement specialist, a financial management specialist, an environmental specialist, a social specialist, a gender specialist, a monitoring and evaluation specialist, a port transport specialist, an infrastructure specialist, an external auditor, a communication specialist, and an accountant.*

(d) *No later than three (3) months from the Effective Date, the Recipient shall recruit an internal auditor in a manner acceptable to the Association.*

(e) *The Recipient shall maintain throughout the course of Project implementation a computerized accounting software, satisfactory to the Association.”*

6. Section I.A.3 of Schedule 2 to the Original Financing Agreement is amended to read as follows:

4. “3. *Project Steering Committee (PSC)*

(a) *The Recipient shall maintain, throughout Project implementation, the existing Project Steering Committee (“PSC”), with composition and mandate acceptable to the Association.*

(b) *Without limitation to the generality of the foregoing provisions of paragraph (a) immediately above, the PSC shall be chaired by the General Secretary of the Recipient’s ministry in charge of maritime transport and the membership of representatives of relevant ministries in a manner satisfactory to the Association, with functions, human and financial resources satisfactory to the Association.*

(c) *The Recipient shall thereafter maintain the PSC to be responsible for, inter alia, (i) overall strategic guidance; (ii) ensuring consistency and support for the multi-sectoral Project activities; (iii) guidance on Project implementation;*



(iv) overseeing and monitoring the Project activities; and (v) reviewing and approving annual work plans and budgets.

(d) *The Recipient shall ensure that the PSC meets at least twice a year.*”

7. Section I.B of Schedule 2 to the Original Financing Agreement is amended to read as follows:

**“B. Project Implementation Manual**

1. *The Recipient, not later than 30 days from the Effective Date, shall update and submit to the Association, the Project Implementation Manual (“PIM”) in form and substance satisfactory to the Association, containing detailed guidelines, methods and procedures for the implementation of the Project, including: (i) the different roles and responsibilities in the implementation of the Project, including the various mechanisms for ensuring close coordination and collaboration between various Project stakeholders and the adjustments in procedures required with the co-financing; (ii) budget and budgetary control; (iii) flow of funds, disbursement procedures and banking arrangements; (iv) financial, procurement and accounting procedures; (v) Personal Data collection and processing in accordance with applicable national law and good international practice; (vi) monitoring and evaluation arrangements; (vii) the Annual Work Plans and Budget for the first year of Project implementation; (viii) corruption and fraud mitigation measures; (ix) a grievance redress mechanism; (x) safeguards aspects, including a detailed account on payments to Affected Persons including criteria of identification of Affected Persons, methods of payment, flow of funds, and reporting arrangements and (xi) such other arrangements and procedures as shall be required for the effective implementation of the Project, in form and substance acceptable to the Association.*
2. *The Recipient shall carry out the Project in accordance with this Agreement and the PIM. Except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate, or waive the provisions of the PIM without prior approval of the Association. In the event of any conflict between the provisions of the PIM and this Agreement, the provisions of this Agreement shall prevail.*”

8. A new Section I.C is added to Schedule 2 to the Original Financing Agreement to read as follows:

**“C. Annual Work Plans and Budget**

1. *The Recipient shall: (i) not later than November 30 every year, prepare and furnish to the Association, a work plan and budget (“Annual Work Plan and Budget”), satisfactory to the Association, which shall include, inter alia, the activities to be carried out under the Project and a financing plan for expenditures required for such activities, setting forth the amounts and sources of financing; and (ii) thereafter carry out said Work Plan and Budget in accordance with its terms and in a manner acceptable to the Association.*
2. *The Recipient shall not make or allow to be made any change to the approved Work Plan and Budget without prior approval in writing by the Association.”*
9. Former Section I.C of Schedule 2 to the Original Financing Agreement is renumbered Section I.D.
10. Former Section I.D of Schedule 2 to the Original Financing Agreement is renumbered Section I.E.
11. Section II of Schedule 2 to the Original Financing Agreement is amended to read as follows:

***Section II. Project Monitoring, Reporting and Evaluation***

1. *The Recipient through the PIU shall furnish to the Association each Project Report not later than one month after the end of each calendar semester, covering the calendar semester.*
2. *The PIU shall prepare quarterly unaudited interim financial reports (IFRs) and provide such reports to the Association within forty-five (45) days after the end of each calendar quarter. The Recipient shall recruit a private auditor to annually audit the Project financial statements, under terms acceptable to the Association. The Recipient shall submit the audited report to the Association no later than six (6) months after the end of each fiscal year.”*
12. The following definitions were included in the Appendix of the Original Financing Agreement, and existing definitions were renumbered as needed:  
  
“1. “Affected Person” means a person or entity who, on account of the execution of the Project, has experienced or would experience direct economic and social impacts caused by the involuntary taking of land resulting in: (i) relocation or loss of shelter; (ii) loss of buildings and structures; (iii) loss of assets or access to assets; or (iv) loss of income sources or means of livelihood, whether or not such

*person must move to another location; or (v) loss on non-land assets such as trade activities and, “Affected Persons”, means more than one such Affected Person.*

2. *“GMDSS” means global maritime distress and safety system.*

3. *“Original Financing Agreement” means the financing agreement for the Comoros Interisland Connectivity Project between the Recipient and the Association, dated June 7, 2022 (Credit No. 7086-KM and Grant No. E0190-KM) and restructured with the amendment letter dated December 12, 2022.*

4. *“Original Project” means the Project activities as described in Schedule 1 to the Original Financing Agreement.*

5. *“Personal Data” means any information relating to an identified or identifiable individual. An identifiable individual is one who can be identified by reasonable means, directly or indirectly, by reference to an attribute or combination of attributes within the data, or combination of the data with other available information. Attributes that can be used to identify an identifiable individual include, but are not limited to, name, identification number, location data, online identifier, metadata and factors specific to the physical, physiological, genetic, mental, economic, cultural or social identity of an individual.*

6. *“Project Implementation Manual” or “PIM” means the Project’s implementation manual referred to in Section I.B of Schedule 2 to this Agreement.*

7. *“PSC” means the Project Steering Committee referred to in Section I.A.3 of Schedule 2 to this Agreement established by Recipient’s Ministerial Arrête No. 22-018/MTMA/CAB, dated May 24, 2022.*

8. *“VHF” means very high frequency.”*

## APPENDIX

### Section I. Definitions

1. “ANAM” means *Agence Nationale des Affaires Maritimes*, the Recipient’s National Agency of Maritime Affairs established by Law Number 15-105/AU dated 28 December 2015.
2. “Affected Person” means a person or entity who, on account of the execution of the Project, has experienced or would experience direct economic and social impacts caused by the involuntary taking of land resulting in: (i) relocation or loss of shelter; (ii) loss of buildings and structures; (iii) loss of assets or access to assets; or (iv) loss of income sources or means of livelihood, whether or not such person must move to another location; or (v) loss on non-land assets such as trade activities and, “Affected Persons”, means more than one such Affected Person.
3. “Anti-Corruption Guidelines” means, for purposes of paragraph 5 of the Appendix to the General Conditions, the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006 and revised in January 2011 and as of July 1, 2016.
4. “Basis Adjustment to the Service Charge” means the Association’s standard basis adjustment to the Service Charge for credits in the currency of denomination of the Credit, in effect at 12:01 a.m. Washington, D.C. time, on the date on which the Credit is approved by the Executive Directors of the Association, and expressed either as a positive or negative percentage per annum.
5. “Category” means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.
6. “Co-financier” means the French Development Agency.
7. “Co-financing” means, for the purposed of paragraph 14 of the Appendix to the General Conditions, an amount equivalent to five million Euro, to be provided by the Co-financier to assist in financing the Project.
8. “Co-financing Agreement” means the agreement to be entered into between the Recipient and the Co-financier providing for the Co-financing.
9. “CERC Manual” means the manual referred to in Section E of Schedule 2 to this Agreement, as such manual may be updated from time to time with the agreement of the Association, and which is an integral part of the Operational Manual.

10. “Contingent Emergency Response Part” means any activity or activities to be carried out under Part 3 of the Project to respond to an Eligible Crisis or Emergency.
11. “Environmental and Social Commitment Plan” or “ESCP” means the environmental and social commitment plan for the Project, dated April 25, 2023, as the same may be amended from time to time in accordance with the provisions thereof, which sets out the material measures and actions that the Recipient shall carry out or cause to be carried out to address the potential environmental and social risks and impacts of the Project, including the timeframes of the actions and measures, institutional, staffing, training, monitoring and reporting arrangements, and any environmental and social instruments to be prepared thereunder.
12. “Environmental and Social Standards” or “ESSs” means, collectively: (i) “Environmental and Social Standard 1: Assessment and Management of Environmental and Social Risks and Impacts”; (ii) “Environmental and Social Standard 2: Labor and Working Conditions”; (iii) “Environmental and Social Standard 3: Resource Efficiency and Pollution Prevention and Management”; (iv) “Environmental and Social Standard 4: Community Health and Safety”; (v) “Environmental and Social Standard 5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement”; (vi) “Environmental and Social Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources”; (vii) “Environmental and Social Standard 7: Indigenous Peoples/Sub-Saharan Historically Underserved Traditional Local Communities”; (viii) “Environmental and Social Standard 8: Cultural Heritage”; (ix) “Environmental and Social Standard 9: Financial Intermediaries”; (x) “Environmental and Social Standard 10: Stakeholder Engagement and Information Disclosure”; effective on October 1, 2018, as published by the Association.
13. “Emergency Expenditures” means any of the eligible expenditures set forth in the CERC Manual referred to in Section E of Schedule 2 to this Agreement and required for the Contingent Emergency Response Part.
14. “Emergency Action Plan” means the plan referred to in Section E, detailing the activities, budget, implementation plan, and monitoring and evaluation arrangements, to respond to the Eligible Crisis or Emergency.
15. “Eligible Crisis or Emergency” means an event that has caused, or is likely to imminently cause, a major adverse economic and/or social impact to the Recipient, associated with a natural or man-made crisis or disaster.
16. “General Conditions” means the “International Development Association General Conditions for IDA Financing, Investment Project Financing”, dated December 14, 2018 (revised on August 1, 2020, April 1, 2021, and January 1, 2022)

17. “GMDSS” means global maritime distress and safety system.
18. “Ministry of Maritime and Air Transport” (*Ministère des Transports Maritimes et Aériens* or “MTMA”) means the Recipient’s ministry responsible for policy in relation maritime matters, or any successor thereto.
19. “Original Financing Agreement” means the financing agreement for the Comoros Interisland Connectivity Project between the Recipient and the Association, dated June 7, 2022 (Credit No. 7086-KM and Grant No. E0190-KM) and restructured with the amendment letter dated December 12, 2022.
20. “Original Project” means the Project activities as described in Schedule 1 to the Original Financing Agreement.
21. “Operating Costs” means the incremental operating costs under the Project, based on the annual work plans and budgets referred to in Section I.C of Schedule 2 to this Agreement as approved by the Association, and incurred by the Recipient for purposes of Project management, implementation, and monitoring and evaluation, including costs related to audits, office equipment and supplies, vehicle operation and maintenance, shipping costs, office rentals, communication and insurance costs, public awareness-related media expenses, office administration costs, bank charges, utilities, transport costs, travel, *per diem* and supervision costs, and salaries of contracted employees, but excluding salaries of officials of the Recipient’s civil service.
22. “Personal Data” means any information relating to an identified or identifiable individual. An identifiable individual is one who can be identified by reasonable means, directly or indirectly, by reference to an attribute or combination of attributes within the data, or combination of the data with other available information. Attributes that can be used to identify an identifiable individual include, but are not limited to, name, identification number, location data, online identifier, metadata and factors specific to the physical, physiological, genetic, mental, economic, cultural or social identity of an individual.
23. “Preparation Advance” means the advance referred to in Section 2.07 (a) of the General Conditions, granted by the Association to the Recipient pursuant to the letter agreement signed on behalf of the Association on 9 December 2020 and on behalf of the Recipient on 9 December, 2020.
24. “Procurement Regulations” means, for purposes of paragraph 85 of the Appendix to the General Conditions, the “World Bank Procurement Regulations for IPF Borrowers”, dated November 2020.
25. “Project Implementation Manual” or “PIM” means the Project’s implementation manual referred to in Section I.B of Schedule 2 to this Agreement.

26. “Project Implementation Unit” means the established by the Recipient within the Ministry of Maritime and Air Transport pursuant to *Arrêté* No. 022-044/MTMA/CAB, dated March 2, 2022.
27. “PSC” means the Project Steering Committee referred to in Section I.A.3 of Schedule 2 to this Agreement established by Recipient’s Ministerial Arrête No. 22-018/MTMA/CAB, dated May 24, 2022.
28. “Resettlement Costs” means the expenditures incurred for cash compensation and/or other assistance paid for involuntary resettlement, such as costs related to moving, compensation for assets, compensation to farmers, special assistance to vulnerable Affected Persons, and for loss of livelihoods, as set forth in the relevant site-specific resettlement action plan, acceptable to the Association.
29. “SCP” means the Recipient’s *Société Comorienne des Ports* established by Recipient’s Decree N 13-141/PR.
30. “Signature Date” means the later of the two dates on which the Recipient and the Association signed this Agreement and such definition applies to all references to “the date of the Financing Agreement” in the General Conditions.
31. “Training” means the costs of training under the Project, based on the annual work plans and budgets referred to in Section I.C of Schedule 2 to this Agreement, as approved by the Association, and attributable to seminars, workshops, and study tours, along with domestic and international travel and subsistence allowances for training participants, services of trainers, rental of training facilities, preparation and reproduction of training materials, and other activities directly related to course preparation and implementation.
32. “VHF” means very high frequency.