

CO-FINANCING AGREEMENT

AGREEMENT dated ^{28-NOV-2023} _____, 2023 between the Agence Française de Développement (“AFD”) and the International Bank for Reconstruction and Development (“IBRD”) and the International Development Association (“IDA”) (collectively, the “World Bank”) (“Co-financing Agreement”).

WHEREAS:

(A) THE UNION OF THE COMOROS (“Recipient”) has requested the World Bank and AFD to assist in financing the operation described in Section 1.02 of this Co-financing Agreement (“Operation”);

(B) the World Bank has agreed to make a grant in an amount equal to seven million and two hundred thousand Special Drawing Rights (SDR 7,200,000, equivalent to ten million Dollars (USD10,000,000)) and a credit in an amount equal to nine million Euros (Euros 9,000,000, equivalent to ten million Dollars (USD10,000,000)) to the Recipient (“World Bank’s Original Financing”), to assist in financing the Operation on the terms and conditions set forth in a financing agreement dated June 7, 2022 between the Recipient and the World Bank (“World Bank’s Financing Agreement”), as well as a grant in the amount of eleven million two hundred thousand Special Drawing Rights (SDR 11,200,000, equivalent to fifteen million Dollars (USD15,000,000)) to the Recipient (“World Bank’s Additional Financing”; together with the World Bank’s Original Financing “World Bank’s Financing”) to assist in financing the Operation on the terms and conditions set forth in an additional financing agreement dated June 21, 2023 between the Recipient and the World Bank (“World Bank’s Additional Financing Agreement”);

(C) AFD has agreed to make a grant to the Recipient in an amount equal to five million Euro (EUR5,000,000) (“AFD’s Financing”) to assist in financing the Operation on the terms and conditions set forth in a grant agreement dated July 31, 2023 between the Recipient and AFD (“AFD’s Financing Agreement”); and

(D) The World Bank and AFD had entered into a co-financing framework agreement (“Framework Agreement”) dated June 13, 2018 setting forth the basis on which they will co-finance the Operation.

NOW THEREFORE, AFD and the World Bank hereby agree as follows:

Article 1 Definitions; Co-financing

Section 1.01. **Definitions.** As used in this Co-financing Agreement, the capitalized terms have the meanings ascribed to them in the Framework Agreement. In addition, the following capitalized terms have the meanings set forth below:

- (a) “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.

- (b) “Annual Work Plan and Budget” means, each, the annual work plan and budget to be prepared on an annual basis by the Project Implementation Unit for the Project.
- (c) “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.
- (d) “GMDSS” means global maritime distress and safety system.
- (e) “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 the World Bank Additional Financing Agreement as approved by the World Bank, 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.
- (f) “Project” means the Operation as described in Section 1.02 here below.
- (g) “Project Implementation Unit” means the implementation unit established by the Recipient within the Ministry of Maritime and Air Transport pursuant to *Arrêté* No. 022-044/MTMA/CAB, dated March 2, 2022.
- (h) “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.
- (i) “SCP” means the Recipient’s *Société Comorienne des Ports* established by Recipient’s Decree N 13-141/PR.
- (j) “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 the World Bank Additional Financing 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.
- (k) “VHF” means very high frequency.

Section 1.02. ***Description of Co-financed Operation.*** AFD and the World Bank intend to co-finance the Operation described below:

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

The project has three components as follows:

Component A. 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.

Component B. Implementation Support and Capacity Building

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;
 - (e) providing Resettlement Costs required for the Project implementation as indicated in the resettlement actions plan.

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 PPPs 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 are particularly faced with will be conducted. Based on the gap analysis, 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*.

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)).

Component C. Contingent emergency response

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

Section 1.03. **Method of Co-financing.** AFD and the World Bank intend to co-finance the Operation as follows: as a Joint Co-financing where each contract under Component A of the Project will be financed 25% out of the proceeds of the AFD Financing and 75% out of the proceeds of the World Bank's Financing (or the different % as adjusted based on the current exchange rates as indicated in the Annual Work Plan and Budget).

Article 2 Framework Agreement; Provision of Services and Fees

Section 2.01. **Framework Agreement Undertakings.** Except as otherwise specifically provided in this Co-financing Agreement, AFD and the World Bank will cooperate with each other in co-financing the Operation in accordance with the applicable provisions of the Framework Agreement.

Section 2.02. **Services.**

- (a) The World Bank will provide all of the Services described in Article 4 of the Framework Agreement in accordance with the provisions of the Framework Agreement.
- (b) The Disbursement Notice provided by the World Bank will be in substantially the form set forth in Attachment 1 to this Co-financing Agreement.

Section 2.03. **Fees.** Notwithstanding the provisions of Article 7 of the Framework Agreement, the Parties have agreed that no Fee will be paid by AFD to the World Bank.

Article 3 Miscellaneous

Section 3.01. **Execution; Effectiveness; Modification.** Upon signature of this Co-financing Agreement by both Parties, it shall enter into force and effect on the later of (a) the date on which the World Bank's Financing Agreement becomes effective in accordance with its terms, or (b) the AFD's Financing Agreement becomes effective in accordance with its terms. It may be modified from time to time by further agreement in writing signed by an authorized representative of each Party.

Section 3.02. **Termination.** This Co-financing Agreement may be terminated at any time upon sixty (60) days' advance notice given in writing by either Party to the other. Upon such notice,

the Parties will consult with a view to agreeing on the most practical arrangements to effect such termination.

Section 3.03. ***Termination for failure to enter into force.*** Notwithstanding the provisions of Sections 3.01. and 3.02. above, this Co-financing Agreement and all obligations of the Parties under it shall terminate if it has not entered into force and effect after six (6) months of its signature, unless the Parties, after consideration of the reasons for the delay, establish a later deadline for the purpose of this Section.

Section 3.04. ***Notices.*** (a) Except as provided in Section 2.02 (b) of this Co-financing Agreement, any notice or request required or permitted to be given or made under this Co-financing Agreement will be in writing, and will be deemed to have been duly given when delivered by hand, mail, facsimile or electronic mail to the Party to which it is required or permitted to be given or made at such Party's address specified below:

For the World Bank:

International Bank for Reconstruction and Development
International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
U.S.A.

Fax number: +1 (202) 477-6391
Tel. number: +1 (202)473-3556

Attention: Country Director, Comoros

For AFD:

Agence Française de Développement
5 rue Roland Barthes
75598 Paris Cedex 12
France

Fax number: +33 1 44 87 99 39
Tel. number: +33 1 53 44 31 31

Attention: Executive Director, Mobilization, Partnerships and Communication

(b) Any notice (including without limitation a Disbursement Notice) or request required or permitted to be given or made under this Co-financing Agreement relating to Disbursement Services will be in writing and will be deemed to have been duly given when delivered by hand, mail, facsimile or electronic mail to the Party to which it is required or permitted to be given or made at such Party's address specified below:

For the World Bank:

International Bank for Reconstruction and Development
International Development Association
1818 H Street, N.W.
Washington, D.C. 20433

U.S.A.

Fax number: +1 (202) 477-6391

Tel. number: +1 (202)473-3556

Attention: Vice President, Operations Policy and Country Services

For AFD:

Agence Française de Développement
Avenue du Général de Gaulle
BP 71 Moroni
Comores

Fax number: + 269 773 35 06

Tel. number: +269 773 29 10

Attention: Director for Comoros

IN WITNESS WHEREOF, the authorized representatives of the Parties have executed this Co-financing Agreement in duplicate in the English language.

**AGENCE FRANÇAISE DE
DÉVELOPPEMENT**

**INTERNATIONAL BANK FOR
RECONSTRUCTION AND
DEVELOPMENT
and
INTERNATIONAL
DEVELOPMENT ASSOCIATION**



Idah Z. Pswarayi-Riddihough

Name: Réjane HUGOUNENQ

Name: Idah Z. Pswarayi-Riddihough

Title: Directrice Agence AFD de Moroni, Comores

Title: Country Director for Mozambique, Madagascar, C

**ATTACHMENT 1:
FORM OF DISBURSEMENT NOTICE – SAMPLE**

Date: _____

Dear Sir/Madam,

This is to confirm that the withdrawal application, a copy of which is attached, is in proper order, that the amount requested is eligible for financing under AFD's Financing Agreement for the Operation noted, and has been approved by the World Bank on [date]. AFD may, if it agrees, proceed to make the disbursement in accordance with the details included below.

If AFD agrees, please proceed with disbursement and confirm the value date, currency paid, amount paid and cost currency details so that we may update our records with the actual payment details.

Please contact [XXXXXX] in case of any questions pertaining to this notice.

Sincerely,
Loan Department
The World Bank

Attachment - Details of Disbursements¹

001 ATTN:
002 AFD
003 _____
004 _____
005 _____
006 _____
007 APPLICATION NO: _____
009 [currency and amount in figures]
010 [amount in words] _____
011 OPERATION REFERENCE: _____
012 [Operation name]_
013 OUR TN: [number]
014 ON THE BASIS OF FOREGOING WE HEREBY NOTIFY YOU
015 THE AMOUNT OF DISBURSEMENT TO BE MADE BY YOU:
017 [currency and amount in figures]
018 [amount in words]
020 PAY TO: [Operation name]
021 [address of Payee]
022 PAYEE ACCOUNT NO: _____
024 PAYEE BANK NAME AND ADDRESS : _____
025 _____
027 INTERMED BANK NAME AND ADDRESS: [_____
028 _____] ,
029 DA- C RECOVERY AMOUNT USD 0.00 (ZERO)
030 WE HEREBY ACKNOWLEDGE RECEIPT OF THE FOLLOWING

¹ All elements of this notice which are known at the time the Co-Financing Agreement is signed should be completed prior to signing of that agreement (e.g., addressee, name of Operation, category details, etc.).

030 REQUEST FOR
031 DISBURSEMENT :
032 CATEGORY DETAILS (CATEGORY, AMOUNT)
033 [xxxxxxx]
034 [xxxxxxx]
035 [xxxxxxx]
036 [xxxxxxx]
037 [xxxxxxx]
038 [xxxxxxx]
039 [xxxxxxx]
040 [xxxxxxx]
041 TOTAL: [currency and amount in figures]
042 PAYMENT REFERENCE: COFN [xxxxxxx]
043 FOR DISBURSEMENT DIVISION,
044 WORLD BANK.
045 NOTE: ALL THE DETAILS STATED ABOVE ARE AS PER THE
046 CURRENT STATUS OF THE APPLICATION