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Project Information Document (PID)

Appraisal Stage | Date Prepared/Updated: 07-Feb-2024 | Report No: PIDIA00352

BASIC INFORMATION

A. Basic Project Data



Project Beneficiary(ies) Comoros	Region EASTERN AND SOUTHERN AFRICA	Operation ID P179109	Operation Name Comoros Interisland Connectivity Project SOP2
Financing Instrument Investment Project Financing (IPF)	Estimated Appraisal Date 25-Jan-2024	Estimated Approval Date 20-Mar-2024	Practice Area (Lead) Transport
Borrower(s) The Union of Comoros	Implementing Agency Ministry of Maritime and Air Transport		

Proposed Development Objective(s)

The Project Development Objective (PDO) is to improve maritime transport resilience, connectivity and safety between the islands.

Components

- Improvement of Climate Resilience and Capacity of Port Infrastructure
- Maritime safety and safe passenger boat program
- Implementation support and capacity building
- Contingent emergency response

PROJECT FINANCING DATA (US\$, Millions)

Maximizing Finance for Development

Is this an MFD-Enabling Project (MFD-EP)?	Yes
Is this project Private Capital Enabling (PCE)?	No

SUMMARY

Total Operation Cost	48.00
Total Financing	48.00
of which IBRD/IDA	5.00
Financing Gap	0.00

DETAILS

World Bank Group Financing

International Development Association (IDA)	5.00
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IDA Grant	5.00
Non-World Bank Group Financing	
Other Sources	43.00
African Development Bank	28.00
Islamic Development Bank	15.00

Environmental And Social Risk Classification

High

Decision

The review did authorize the team to appraise and negotiate

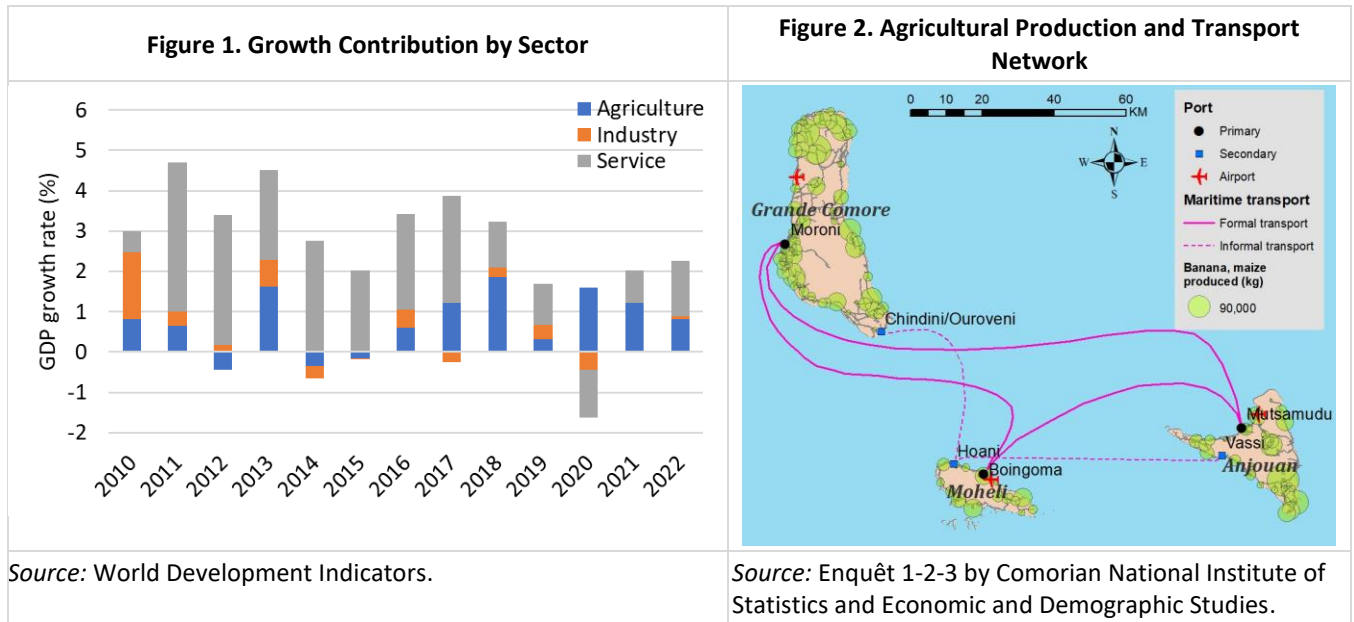
B. Introduction and Context

Country Context

1. **Over the last decade, despite various recent external shocks, the Union of the Comoros (Comoros) was growing steadily at an average growth rate of about 2.5 percent, reaching US\$1,485 per capita in 2022.**¹ The Comoros is an archipelago in the Indian Ocean with a total population of about 837,000. The Comorian economy is historically dependent on agriculture but has been driven more by the service sector in recent years (figure 1). Significant economic diversity exists among the islands. While Grand Comore, with half of the total population, is highly urbanized around the capital, Moroni, the other two islands, Anjouan and Moheli, are more rural-based economies with high agricultural and touristic potential (figure 2). Agriculture employs about 60 percent of the total population, generating about 30 percent of gross domestic product (GDP), and earning about 80 percent of the country’s foreign exchange (vanilla, ylang ylang, and cloves).² The latest development vision by the Government, Plan Comores Emergent 2020–30, envisages potential growth in not only agrobusiness but also coastal tourism and fishery as the blue economy. The service sector is growing around Moroni. However, the national markets remain fragmented because of poor connectivity among and within the islands.

¹ According to World Development Indicators (as of October 2023).

² Food and Agricultural Organization Corporate Statistical Database (FAOSTAT) and World Development Indicators data for 2019.



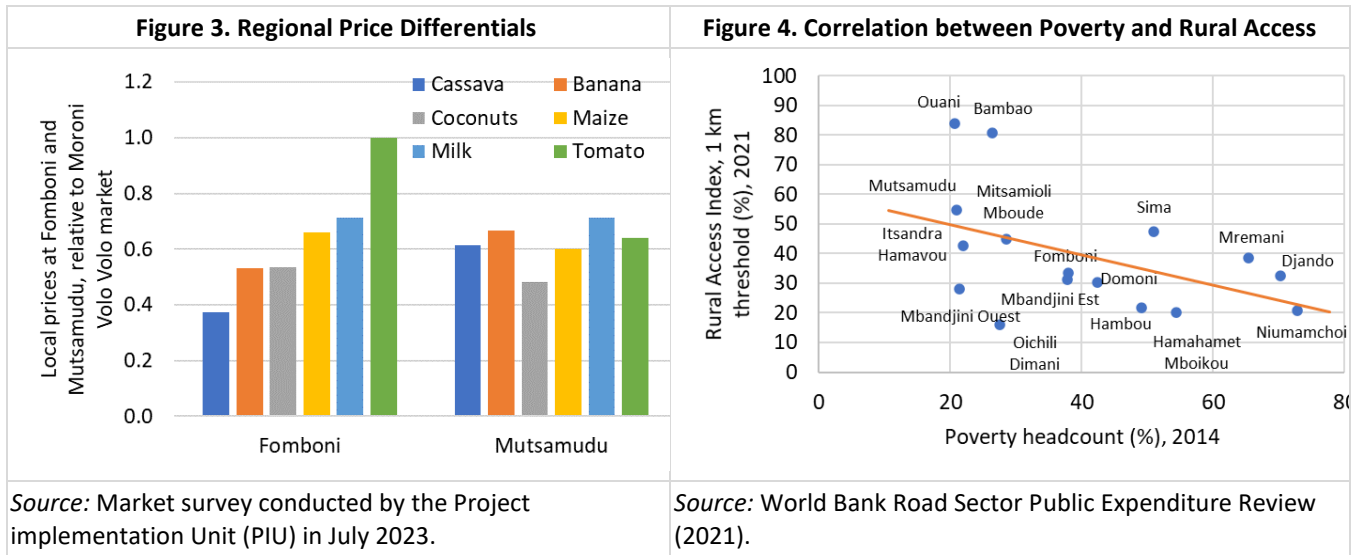
2. **The recent global crises revealed the country’s high vulnerability to external shocks, reconfirming the importance of efficient international trade and connectivity as well as inclusive growth for sustainable growth.** The Comoros imports many commodities, including food and oil products, construction materials and consumer goods. Because of high international commodity prices, inflation picked up to 12.4 percent in 2022, though it is expected to reduce and stabilize in 2024.³ Despite the country’s agricultural potential, domestic food prices particularly increased. Consumer prices of vegetables, for instance, doubled over 2021-23.⁴ The price differentials remain significant among the islands, indicating untapped efficiency gains from the domestic market integration. Food products are about 40 percent more expensive in Moroni than in Fomboni and Mutsamudu (figure 3). The poor tend to suffer more from external shocks. About 79 percent of the total population faces moderate to severe food insecurity.⁵ In the Comoros, poverty is persistently high in remote rural areas (figure 4). About 44.8 percent of Comorians still lived below the national poverty line in 2020,⁶ compared with 43.2 percent in 2014. Moheli is one of the poorest regions with a poverty rate of 38 percent.

³ International Monetary Fund. 2023. *Union of The Comoros: Request for a Four-Year Arrangement under the Extended Credit Facility – Press Release; Staff Report; Staff Supplement; and Statement by the Executive Director for the Union of the Comoros*. IMF Country Report No. 23/215.

⁴ According to the Consumer Price Index (July 2023) published by the National Institute of Statistics and Economic and Demographic.

⁵ FAOSTAT. SDG Indicator 2.1.2 Prevalence of Moderate or Severe Food Insecurity in the Population.

⁶ World Bank. 2021. *Poverty and Equity Assessment Report*. Comoros.



3. **Access to jobs is limited, particularly for youth and women.** Unemployment rate was 9.4 percent in 2021, doubled from 5 percent in the early 2010s. Youth unemployment is high at 22 percent. **There is significant gender inequality in the Comoros.** Female unemployment stood at 12.1 percent compared to 7.9 percent for males. The gender inequality has widened over the last two decades. The FY20-FY24 Country Partnership Framework (CPF) highlights the complexity of gender issues.⁷ The traditional system tends to exclude women from formal decision-making processes. Heads of villages are male. Women account for 16.7 percent of parliamentary seats. High-level job opportunities are also limited for women. Only one-fourth of managerial positions are filled by women.⁸

4. **The Comoros is highly vulnerable to natural hazards and climate change impacts,** ranked 157 out of 185 countries,⁹ indicating the country’s high exposure, sensitivity, and low ability to adapt to the negative climate impacts. The climate and disaster risk screening confirmed high tropical cyclone and coastal flooding risks, while landslides, extreme heat, volcanic eruptions, and earthquakes present moderate risk.¹⁰ It is projected that temperature will increase between 0.8°C and 2.1°C by 2060 and between 1.2°C and 3.6°C by 2090, raising the risk of extreme heat, with precipitation intensified in the rainy season, raising the risk of floods. The sea level could increase by 20 cm by 2050, raising the risk of high storm surges and coastal inundation.¹¹ The project will integrate climate resilience consideration, including hard and soft measures, such as climate resilient port protection, to reduce the project risk to a low level of residual risk.

⁷ World Bank. 2020. *FY20-FY24 Country Partnership Framework for the Union of Comoros. Report No. 145699-KM.* Approved by the World Bank Board of Executive Directors on June 17, 2020.

⁸ UN Women Data Hub.

⁹ According to the ND-GAIN country index. See University of Notre Dame, “Rankings,” Notre Dame Global Adaptation Initiative (ND-GAIN), University of Notre Dame. Accessed October 12, 2023. <https://gain.nd.edu/our-work/country-index/rankings/>

¹⁰ Think Hazard. Accessed October 22, 2023. <https://thinkhazard.org/en/report/58-comoros>

¹¹ Ministry of Production, Environment, Energy, Industry and Handcraft. 2015. “Contributions Prévues Déterminées au Niveau National de l’Union des Comores.”



Sectoral and Institutional Context

5. The Connectivity Index¹² shows nearly no improvement for two decades and indicates a downward trend after the COVID-19 crisis (figure 5). Still, the demand for trade and maritime transport remains strong and continues growing. The Comoros imported about 510,000 tons of goods and exported about 14 tons of commodities in 2021 (figure 6). During the last 10 years, the total trade volume increased on average by 5.5 percent per year, much higher than the average GDP growth rate (2.5 percent) or the average population growth (2.3 percent).

6. **The port sector is among the most important growth constraints.** Each island has a primary port: Port Moroni on Grand Comore, Port Boingoma on Moheli, and Port Mutsamudu on Anjouan. The port of Boingoma, which has a 70-meter wharf with a 2.4-meter depth that is only accessible to small vessels (up to 4,000 tons), is most constrained from both capacity and climate resilience points of view. The port handled only about 16,300 tons of cargo in 2022.¹³ All exports and imports must be transited at other primary ports Moroni or Mutsamudu,¹⁴ with all cargos offloaded and reloaded onto smaller vessels, which add to unnecessary costs and times. Freight charges and port fees at Port Boingoma are among the highest in the region.¹⁵ While freight handling charges are KMF 4,000 or US\$10 per ton, port fees (including docking and wharfage) are KMF 84,000 per vessel, which adds another US\$1.50 to US\$2.00 per ton. Two freight vessels serve Moheli per week, one each from Moroni and Mutsamudu, whereas seven operate between Moroni and Mutsamudu daily.

7. **The current linear design of Port Boingoma without protection is highly vulnerable to climate events.** Tropical Cyclone Kenneth hit the country on April 24, 2019, directly affecting more than 345,000 people and causing damage, losses, and needs for recovery estimated at over US\$450 million. Transport infrastructure was also damaged, including Port Boingoma and about 90 km of roads (10 percent of the total road network), leaving many remote villages disconnected. Port Boingoma was further degraded by Cyclone Cheneso in January 2023 and remains inaccessible for an average of two working days per week due to weather conditions. The damaged port infrastructure affects interisland connectivity, exacerbating marginalization of communities and hampering recovery efforts. The Comoros Interisland Connectivity Project, the first phase of a Series of Projects (SOP1) (P173114), approved in May 2022, aims at rebuilding climate resilience at Port Boingoma by designing and constructing breakwater and protection. To ensure long-term climate

¹² The Liner Shipping Connectivity Index is a global indicator that measures how well countries are connected to global liner shipping networks. It is calculated based on liner shipping traffic between countries and normalized to the best-connected country.

¹³ Including 2,700 tons of cement, 3,800 tons of consumer goods, 120 tons of agricultural products, and 5,800 tons of oil products.

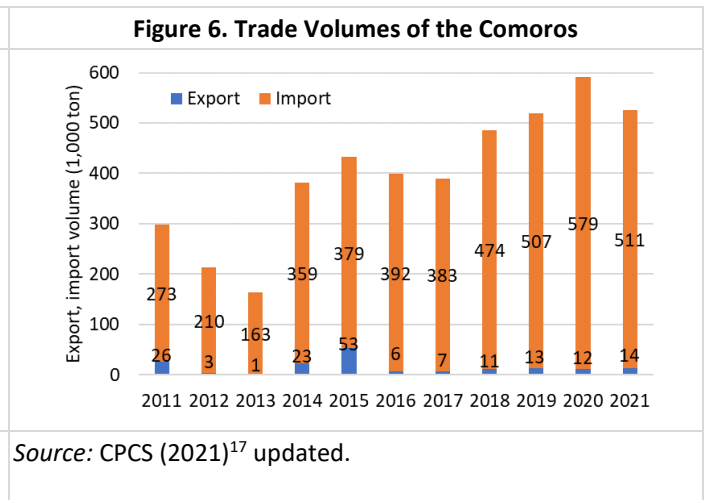
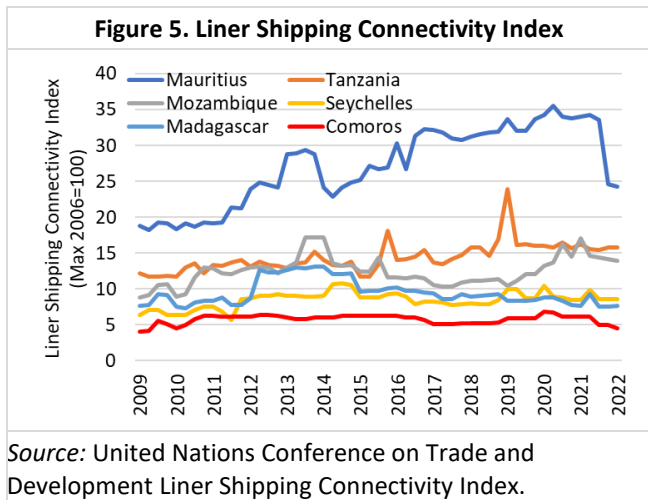
¹⁴ The ports of Moroni and Mutsamudu also have capacity constraints. Port Moroni has a depth of 4.5 meters and a wharf length of 80 meters, handling 60 percent of the country's total cargo (that is, 300,000 tons per year). Currently, most vessels anchor in the harbor and unload to a barge, causing extra handling costs and vessel congestion. To directly accommodate standard commercial vessels and containers (630 twenty-foot-equivalent units [TEUs]), at least a 120-meter wharf is required with a depth of 6.5 meters. Mutsamudu Port is the only deep seaport in the Comoros, with a 170-meter wharf and approximately 9-meter depth, which is allowed to call large container ships with a capacity of about 1,000 TEUs. Still, there is a potential need for dredging and additional quays to accept even larger ships.

¹⁵ Port costs are US\$6.00 to US\$6.50 per ton in the region, for example, Toamasina and Mahajanga, Madagascar, and Maputo, Mozambique. See World Bank. 2019. "Port Development and Competition in East and Southern Africa: Prospects and Challenges." World Bank; Gwilliam, K. 2011. "Africa's Transport Infrastructure: Mainstreaming Maintenance and Management." World Bank.



resilience and accommodate foreseen traffic growth, additional investment is needed for adding an additional quay and enlarging a protected bay area. These remaining gaps will be financed by this proposed project among other components.

8. **The Comoros has active collaboration with the private sector for port operations; however, the institutional framework remains unharmonized with the Government’s supervision capacity limited.** Port Moroni has already been under 10-year concessions and was renewed with Moroni Terminal (76.5 percent owned by Bolloré Africa Logistics) in June 2022. Port Mutsamudu is also under a lease contract with Anjouan Stevedoring Company for another 10 years starting from September 2022. Port Boingoma used to be managed by the regional government and is now under the responsibility of a National Port Authority (*Société Comorienne des Ports, SCP*), which was established in 2013 and operationalized in late 2020, through consolidating the regional port authorities, the Comoros Port Authority (*Autorité Portuaire des Comores, APC*), which supervised Port Moroni, and the Public Establishment of the Port of Mutsamudu (*Etablissement Public du Port Autonome de Mutsamudu, EPPAM*), which supervised Port Mutsamudu. The SCP is now a single national port authority but its regulatory capacity remains limited. Because of the history, the concession frameworks are not harmonized, although governed by the Public Procurement Law.¹⁶ The ongoing SOP1 supports the capacity building to fully operationalize the SCP to supervise port operations, including public-private partnership (PPP).



9. **People’s connectivity among the islands is severely constrained.** Because of the lack of port and ferry capacity, the formal passenger operations by ferry shrunk from 72,000 in 2015 to 31,000 in 2022 (figure 7). Out of five private operators running ferry services among the islands, only one company is currently operating between Moroni and Mutsamudu once a week. Current Port Boingoma is hardly accessible by ferry. In parallel to the proposed project, the French Development Agency (*Agence Française de Développement, AFD*) is supporting the Comorian Government to purchase ferries (with a capacity of 100–200 passengers), which are expected to be called at Port Boingoma after the infrastructure is rehabilitated and extended.

¹⁶ The Law on Public Procurement and Delegation of Public Services (n°11-027/AU).

¹⁷ CPCS. 2021. *Prefeasibility Study: Comoros Inter-Island Connectivity Improvement Project: Final Report.*



10. **Maritime transport safety is of particular concern in the Comoros.** Because of unreliable ferry services, many local people use ‘informal’ interisland transport services by small flat-bottomed fishing boats.¹⁸ Over 100,000 passengers are estimated to cross the Indian Ocean that way every year.¹⁹ These informal operations may be convenient but more dangerous than ferries. By small boat, it takes about 1.5 hours between Grande Comore and Moheli and 2.5 hours between Moheli and Anjouan (compared to 8 hours by ferry between Grande Comore and Anjouan). Small boat is also cheaper than ferry.²⁰ However, it is not originally designed for passenger services. Significant casualties are recorded every year (figure 8). Passengers prefer to use small boats because of efficiency and low prices (figure 9). Ferry users, especially female passengers, are more concerned about maritime safety (figure 10). The female ridership currently accounts for 45 percent of total demand in this market. Women are considered disproportionately affected by the unsafe and unreliable small boat operations because of their household responsibilities and time constraints. Women’s voices may not be reflected effectively in safety and security regulations because the maritime transport sector is dominated by males, as in many parts of the world.

11. **The Government is making efforts to address the maritime safety issues; however, the current institutional framework remains incomplete with the limited implementation capacity.** The ANAM under the Ministry of Maritime and Air Transport (*Ministère des Transports Maritimes et Aériens*, MTMA) is the main authority to implement and promote the national maritime and port policies. The Comoros subscribes to major International Maritime Organisation (IMO) treaties and conventions on maritime transport, including the Safety of Life at Sea convention. The required standards are transcribed in the Comorian Merchant Marine Code (*Code de la Marine Marchande Comorienne*, CMMC). However, several texts to implement them are still missing, such as environmental and safety regulations. The implementation capacity is also insufficient. For safety reasons, the Government has already prohibited passenger operations by informal small boats,²¹ but the policy is not strongly enforced because there is no alternative transport means. The Government’s coordination mechanism is also weak with other relevant ministries and entities, such as the Ministry of Environment, the Directorate of Police and National Security (*Direction de la Police et de la Sureté Nationale*, DPSN) and the Coast Guard.²²

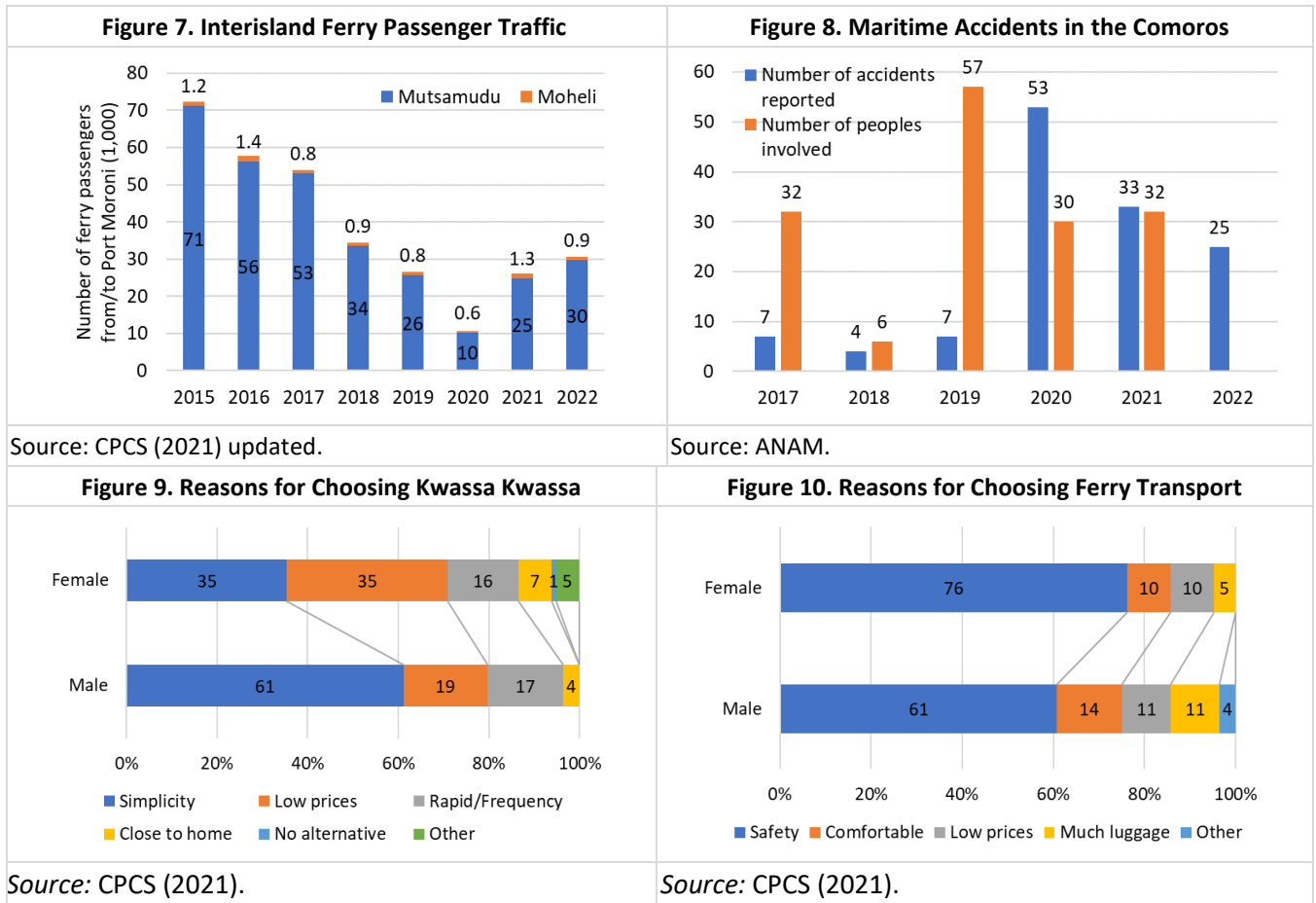
¹⁸ It is a fast fishing boat, 6 to 10 meters long and about 1 to 2 meters wide, flat-bottomed, and equipped with one or two engines, called *kwassa kwassa* or COMA4 referred to as a boat model commonly used.

¹⁹ CPCS. 2021. *Prefeasibility Study: Comoros Inter-Island Connectivity Improvement Project: Final Report*.

²⁰ *Kwassa kwassa* costs KMF 15,000–22,500 or US\$30–50, compared to KMF 17,500–22,500 or US\$40–50 for ferry.

²¹ Anjouan Governor Arrêté No. 20-050/Gouv/I.A.N. dated August 22, 2020.

²² Different agencies play different roles. DPSN verifies the presence of all safety equipment at sea (life jackets, return fuel, and GPS, among others). The Coast Guard monitors weather conditions and conducts maritime search and rescue operations.



C. Proposed Development Objective(s)

Development Objective(s) (From PAD)

The Project Development Objective (PDO) is to improve maritime transport resilience, connectivity and safety between the islands.

Key Results

12. The PDO indicators for the project are the following:
 - Reduction in the number of days each year when Port Boingoma is nonoperational due to weather conditions
 - Increased maritime connectivity in terms of volume of freight handled at climate resilient Port Boingoma



- Number of people that benefit from improved access to sustainable transport infrastructure and services
 - Female share in maritime transport ridership by new boats, percentage change
 - Reduction in the number of maritime transport accidents on a yearly basis
13. Intermediate indicators include the following:
- Port Boingoma is rehabilitated and expanded with climate resilient design built in
 - Number of domestic ferry passengers on an annual basis
 - Number of secondary ports developed for climate resilience and safety
 - Number of properly designed passenger boats introduced under the pilot program
 - Establishment of a safety committee including female representatives
 - Share of female members in leadership positions in a safety committee
 - Satisfaction rating by project beneficiaries
 - Percentage of complaints responded and/or resolved within the stipulated standard for response times

D. Project Description

Component 1. Improvement of Climate Resilience and Capacity of Port Infrastructure (US\$33 million equivalent by co-financing)

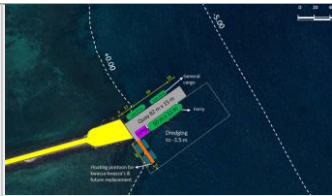
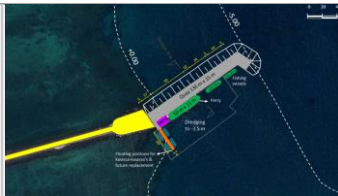
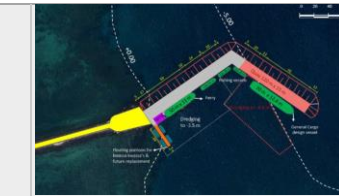
14. **To complement SOP1, this component supports increasing climate resilience and port capacity through constructing additional quays and other port infrastructure at Boingoma.** SOP1 finances breakwater and protection to increase port resilience and prevent further damage of the substructure. Building upon these, this component supports investment in reconstructing and extending quays and developing other port infrastructure at Boingoma. By enlarging a sheltered harbor area by the extended quays, the port's climate resilience is intended to be increased further while accommodating other economic activities, such as fishery and passenger services, in the port area. The following key functionalities will be financed by the project:

- A new 136-meter long quay in the extension of the current quay to accommodate ferries and fishery vessels within the port protected area
- A new 136-meter quay constructed at an angle to the roll-on/roll-off/passenger (RoPax) and fishing berths, extending in a southeast direction, with a 5.5-meter draft to accommodate commercial cargo ships and to provide further protection against climate conditions for a sheltered harbor
- An area for cargo handling and fishery activities,
- Warehouses, administrative buildings, and access roads, integrating energy efficiency considerations and built considering climate change risks.



15. **The port design was prepared to maximize climate resilience and accommodate the long-term port demand.** The current linear design of the port makes it vulnerable to ocean waves and weather conditions, which are expected to deteriorate further with climate change. The prefeasibility study compared three options: (a) modest investment but limited functionality without protection, (b) medium investment and progressive capacity addition with partial protection, and (c) full investment to maximize climate resilience and support potential growth by extended L-shaped quays (see table 1). To ensure climate resilience and avoid unnecessary adjustment costs in the future, option (c) was selected despite its significant upfront investment cost, including an additional cost of US\$36.6 million for resilience (including breakwater and the second part of the quay). This option will help open the whole Moheli economy.

Table 1. Comparison of Investment Options for Port Boingoma

	Option (a): Modest Investment	Option (b): Medium and Progressive	Option (c): Full investment and Resilience
Layout			
Estimated cost (US\$ million)	6.8	15.9	63.3
Of which:			
Breakwater, demolition	—	4.4	30.0 (SOP1, AF)
Additional L-shaped quay	—	—	6.6 (SOP2)
Existing quay, warehouse	6.8	11.5	26.7 (SOP2)
Advantages/ disadvantages	<ul style="list-style-type: none"> • Low initial investment • No space for fishery or passenger transport • High vulnerability to waves 	<ul style="list-style-type: none"> • Partly resilient against waves • Progressive expansion depending on traffic growth • High adjustment costs 	<ul style="list-style-type: none"> • Large initial investment • Maximum safety and climate resilience • No future adaptation cost

Component 2. Maritime safety and safe passenger boat program (US\$3 million equivalent from IDA grant; US\$10 million equivalent by cofinancing)

16. **Maritime transport safety centers in the proposed project.** Poor maritime safety has already affected the society negatively, causing a number of maritime accidents involving informal small passenger boats. As experienced in similar projects in other countries,²³ a multidimensional approach is needed to improve maritime safety: infrastructure improvement (Subcomponent 2.1), safe fleet (Subcomponent 2.2), and institutional framework (Component 3).

Subcomponent 2.1. Improvement of port infrastructure at selected secondary ports (US\$1 million equivalent from IDA grant; US\$10 million equivalent by cofinancing)

17. **This subcomponent finances construction of resilient landing infrastructure at selected landing sites or secondary ports.** By installing proper infrastructure to landing sites, the safety and environmental risks are expected to

²³ For instance, see India: West Bengal Inland Water Transport, Logistics and Spatial Development Project (P166020).



be minimized for passengers to board and disembark, especially for women, who often carry children and bags and wear clothes that make them difficult to balance on unequipped beaches. Based on a multicriteria analysis,²⁴ two priority landing sites are identified: Ouroveni in Grande Comore and Vassi in Anjouan. Chindini and Ouroveni are complementary and close to each other. Although the current traffic is concentrated on Chindini, the investment cost is much higher, including breakwater. For Anjouan, Vassi is priority, while other beaches, such as Dodin, are close to the populated areas. There is no physical space for port development. For Moheli, Hoani is a de facto landing site, but the new Port Boingoma can accommodate passenger boats as well.

18. The project will equip the selected sites with a minimum but sufficient landing platform, integrating energy efficiency:

- A simple and light deck supported by piles with a width of about 3 meters to link the deeper water areas to the shoreline (length will vary across the sites, depending on coastal conditions).
- A multipurpose building for housing weather and navigation communication equipment, for the port and maritime safety authorities (SCP and ANAM) to manage the landing sites, a waiting area for passengers with gender-specific sanitation facilities, and a small retail area. The building integrates energy efficiency considerations, is electrified, and connected to the grid.
- Waste disposal facilities for vessel oil and a fuel station.
- A parking lot for approximately 20 vehicles (about 25 × 25 meters), with solar-powered lighting.
- Lighting system, solar powered, for early departures and late arrivals (for safe pedestrian circulation).

Subcomponent 2.2. Pilot program of new passenger boats (US\$2 million equivalent from IDA grant)

19. **The project will support the purchase of properly designed passenger boats (V-hull) to improve maritime safety.** Current informal small passenger boats are flat bottom vessels and not designed for passenger transport.²⁵ Properly designed V-hull shape-vessels are needed. This pilot program will support introducing a few safer passenger boats in the market, using energy efficient technology available in the market, but not replacing the entire *kwassa* fleet.²⁶ It aims at demonstrating socioeconomic benefits from safer and more efficient and reliable boats, encouraging other operators to renew their boats as well. The feasibility study shows that many people, particularly female users, are concerned about maritime safety and prefer to ride safer vessels. The new fleet with a capacity of 20-30 passengers per vessel will also be

²⁴ At least 12 beaches are used for kwassa kwassa operations: Chindini, Ouroveni (high tide), and Ouroveni (low tide) in Grande Comore; Hoani, Mbatse, Itsamia, Ouallah, and Fomboni in Moheli; and Bimbini, Moya, Vassi, and Dodin in Anjouan. The selection was made based on criteria: (a) environmental impact, (b) local needs, (c) availability of beach areas, (d) maritime safety, (e) accessibility to passengers, (f) proximity between the islands, and (g) estimated costs.

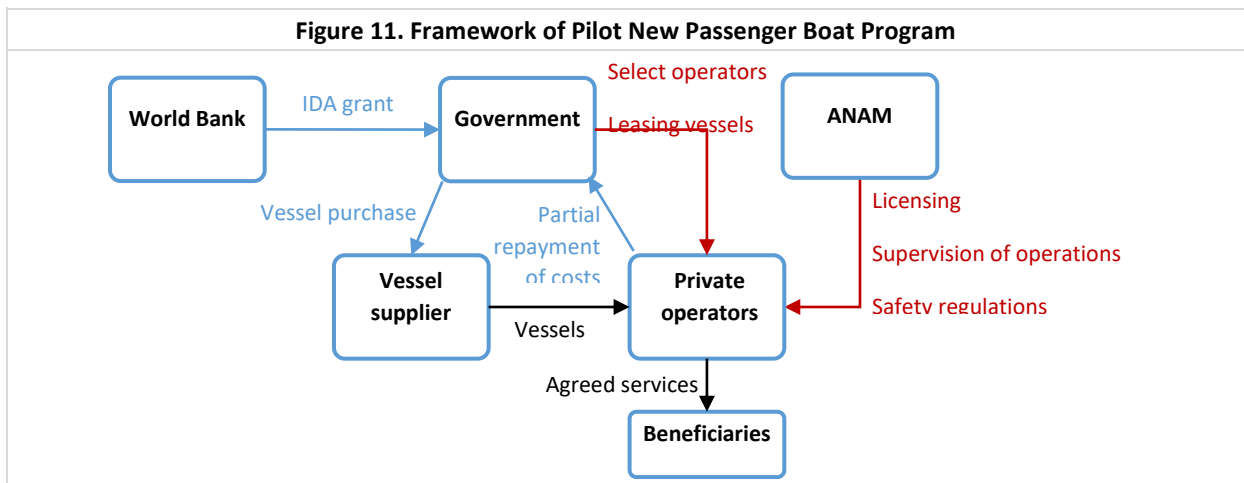
²⁵ Kwassa kwassa vessels are only granted a certificate of seaworthiness to navigate for fishing activities. A temporary operating permit for passenger services is issued as long as minimum safety requirements (for example, cellphones, life jackets, and additional fuel) are met.

²⁶ While a preliminary feasibility study estimated that about 45 kwassa kwassa boats are operating in the country, a supplementary study in November 2022 identifies a total of 62 kwassa boats, out of which 55 are active. The vast majority operate between Hoani and Chindini/Ouroveni (20 kwassa) and between Ouroveni and Dodin, Anjouan, via Fomboni (20 kwassa).



beneficial to operators and owners because it will be more energy efficient (on a per passenger basis) than the currently used small fishery boats which normally accommodates a maximum of 12 passengers.

20. **The new passenger boat program will be implemented under a PPP framework.** Given the thin financial market in the Comoros, local investors or operators cannot afford new vessels. The financial payback period is estimated at 6.2 years. By using PPP mechanisms, such as leasing, the project will support the private sector to purchase new boats.²⁷ The Government will purchase, own, and lease passenger vessels to private operators to operate for a given period (for example, 5 to 10 years), at the end of which the latter purchase the boats at their remaining value (figure 11). To ensure the sustainability and efficiency of service provision, the operators will be selected through a transparent, competitive process based on multiple technical and financial criteria, with particular focus on local job creation, especially for former kwassa operators, to mitigate potential social impacts of the new program. The selected operators will be obliged and supervised to deliver the agreed level of services while complying with affordability, safety and environmental regulations and other operational requirements. ANAM, as a maritime administration and safety agency, will provide operational licenses and monitor the operators’ performance based on the agreements, including safety, operational, and gender-based violence (GBV)/sexual harassment (SH) regulations. A detailed implementation manual, in addition to the overall Project Implementation Manual (PIM), and bidding documents were prepared. An additional monitoring mechanism will be established to ensure service quality and affordability during the implementation period.



Component 3. Implementation support and capacity building (US\$2 million equivalent from IDA grant)

21. **This component finances the costs of preparing and implementing the project, including the following:**

- Operating costs of the PIU

²⁷ The feasibility study compares different approaches, such as management contract and concessions and recommends leasing given the country context. In similar maritime transport projects, for instance, India: West Bengal Inland Water Transport, Logistics and Spatial Development Project (P166020), three approaches are examined: subsidy to vessel purchase, direct loans to vessel operators, and financial backstop through commercial banks. There are pros and cons from the administrative and sustainability points of view. The optimal choice depends on depth of financial markets and the size of demand.



- Fiduciary activities
- Public procurement activities
- Environmental and social studies and supervision and implementation of relevant activities
- Other technical studies related to the project and in the relevant transport subsectors
- Monitoring and evaluation and impact evaluation activities

22. **The component will also support technical assistance** focused on the following areas:

- **Technical assistance for maritime safety**, for ANAM to update maritime laws, codes, legal provision and regulations (such as CMMC), integrates international conventions; implements the updated maritime regulations (including training); and confirms and implement coordination mechanisms among other ministries and governmental agencies.
- **Support to local community activities and small business development**, financing (i) needs assessment for local business development (sustainable fishery, eco-tourism and agrobusinesses) at local communities affected by the project, with particular focus on vulnerable groups, such as low-income households, women and youth, (ii) vocational training to generate sustainable fishing and other maritime jobs in the islands, including tourism, in collaboration with the National Fishery and Marchant Sailor School (*Ecole Nationale de la Pêche et de la Marine Marchande*, ENPMM), and (iii) local pollution protection measures at the landing sites.
- **Empowerment of women.** A safety committee with a quota for female membership majority will be established, to enhance women's voice and tackle maritime safety issues that limit women's agency in mobility. The members will be trained to acquire knowledge on maritime safety and monitoring, including maritime communications tools, verification of safety norms, rescue protocols, basic swimming skills, and so on. Under the citizen engagement, female passengers, traders, and wives of small passenger boat operators will be consulted to identify their potential needs, which will be implemented under the above local community support under the committee's guidance. The committee will also contribute to ensuring and improving new passenger services from a gender perspective. The project will monitor the female ridership.

Component 4: Contingent emergency response (US\$0 million)

23. This component will allow for rapid reallocation of credit and grant uncommitted funds in an eligible emergency as defined in the World Bank Operational Policy 8.00.²⁸ An annex (CERC²⁹ Annex) will be included in the PIM to guide activation and implementation of the CERC. For the CERC to be activated and financing to be provided, the Government will need to (a) submit a request letter for CERC activation and the evidence required to determine eligibility of the emergency, as defined in the CERC Annex; (b) provide an emergency action plan, including emergency expenditures to be financed; and (c) meet environmental and social requirements agreed to in the Emergency Action Plan and Environmental and Social Commitment Plan (ESCP).

²⁸ An eligible emergency is defined as 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. Such events include a disease outbreak.

²⁹ CERC = Contingent Emergency Response Component.



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

24. **Environmental and Social Risks:** The project’s Environmental and Social Risk Classification (ESRC) is High, reflecting a High environmental risk classification and Substantial social risk classification. More information on the risk classifications and the eight of ten Environmental and Social Standards (ESSs) which apply to the project can be found in the Appraisal-Environmental and Social Risk Summary (A-ESRS). All ten ESSs apply with exception of ESS 7 and ESS9 which are not relevant to the project.

25. **The environment risk is assessed High** related to activities to enhance the port capacity of Port Boingoma and installing proper infrastructure at selected secondary ports. Key environmental risks and impacts related to the improvement of the existing Boingoma Port infrastructure in Moheli Island and secondary ports in the three islands include perturbation of marine habitat and potential damage to marine biotopes during dredging, port waste and pollution control, pollution from the dredged material, occupational and community health and safety issues, and potential increase in road or traffic-related accidents especially during construction and transportation of dredged material. The infrastructure improvement in the Boingoma Port will likely involve heavy civil works, with noise, vibration, dust, traffic, and possible community safety concerns. Potential impacts to biodiversity may arise because the port site is in the protected area of Moheli. The Domoni quarry site activities, which are considered Substantial risk, could generate occupational and community health and safety issues and potentially increase road or traffic-related accidents during construction and transportation with noise, vibration, dust, traffic, and possible community safety concerns. During the operation of the port and improved landing sites, environmental risks may include storm-water runoff, handling or storage of hazardous cargo and its movement through populated areas, health, and safety and security issues in the port areas.

26. **The social risk is assessed Substantial**, due to likely labor influx, some resettlement, and traffic safety risks from construction activities. Port infrastructure improvements and quarrying and transport of materials for Port Boingoma (and other ports as needed) will require laborers. While most labor will be hired locally for civil works, there will be some labor influx from outside Comoros or between the three islands. Further, the risk of poor working conditions that are not in line with ESS2 and Comorian labor laws also require mitigation measures. Risks related to labor include use of child labor, forced/bonded labor and discrimination in hiring unless specific measures are in place to check these practices. Other risks related to infrastructure building and port improvements are community health and safety risks during infrastructure construction, through increased traffic, movement of machinery and materials etc. This can lead to impacts on health through emissions, increased noise and road accidents.

27. **The SEA/SH risk is assessed as substantial**, mainly linked to labor influx and large civil works. In particular, labor influx can create situations that contribute an increased risk in SEA/SH. The project’s SEA/SH Risk Assessment prepared under SOP1 and updated for SOP2 has identified several measures to ensure that SEA/SH risk is mitigated and that there are protocols in place in case of such incidents.



28. **Environmental and Social Framework (ESF) instruments.** Environmental and Social Impact Assessments (ESIA)/ Environmental and Social Management Plan (ESMP) for the port of Boingoma and an Environmental and Social Management Framework (ESMF) for the construction of secondary ports were prepared and disclosed by the client, both in January 2022, along with a Resettlement Policy Framework (RPF). A supplementary ESIA with its ESMP for the borrow pits in Domoni was prepared for review and approval by the World Bank and disclosed before the launching of the construction of Port Boingoma and Domoni quarry site activities. The Project's SOP1 Stakeholder Engagement Plan (SEP) was updated to include SOP2 activities and redisclosed on February 6, 2024. Labor Management Procedures (LMP) and GBV Action Plan were also updated and would be disclosed. Before the start of civil works, the contractor will prepare the Contractor Environmental and Social Management Plan (C-ESMP) for the construction of Port Boingoma and the Domoni quarry site. AdditionalESIAs/ESMPs, C-ESMPs and Resettlement Actin Plan (RAP) (if needed) will be prepared for the secondary port sites. While the pilot program of new passenger boats under SOP2 does not intend to replace the whole fleet of current small passenger boats, a social assessment will be carried out before works begin on secondary ports to identify opportunities for providing support to local community activities and small business development, with particular focus on vulnerable groups, such as low-income households, women and youth, and informal boat operators and crews that may be affected by the arrival of the new larger passenger boats.

29. **Borrower capacity and commitment.** The project's PIU includes a social specialist, an environmental specialist and a GBV and Gender specialist who oversee the implementation of risk management aspects under SOP1 and SOP2. The Social and Environmental Specialists received their first ESF training session in 2022. The World Bank team provides further ESF training and support consistent with ESCP, ESMF and ESIA recommendations.

Note: To view the Environmental and Social Risks and Impacts, please refer to the Appraisal Stage ESRS Document.

E. Implementation

Institutional and Implementation Arrangements

30. **Implementation agencies.** The proposed SOP2 will follow the implementation arrangements established under SOP1 (figure 12). The MTMA, in charge of maritime transport policies, has overall responsibility for project implementation. In SOP1, a PIU was created by ministerial arrêté³⁰ to conduct day-to-day project management, including, procurement, disbursement, accounting, financial and technical reporting, social and environmental management, communication, and monitoring and evaluation. The same PIU continues working on SOP2.

31. The project Steering Committee,³¹ chaired by the general secretary of the MTMA with the membership of other representatives from relevant ministries will continue supervising the PIU's activities for SOP2, providing overall strategic guidance and ensuring consistency for the multisectoral activities. It facilitates collaboration with other relevant ministries and agencies, for instance, the Coast Guard, which is responsible for the action of the state at sea under the Ministry of Defense, and the Ministry of Agriculture, Fishery, Environment, Tourism, and Artisans for maritime safety and fishery development as well as environmental issues. The Steering Committee reviews and approves the PIU's annual workplan and budget.

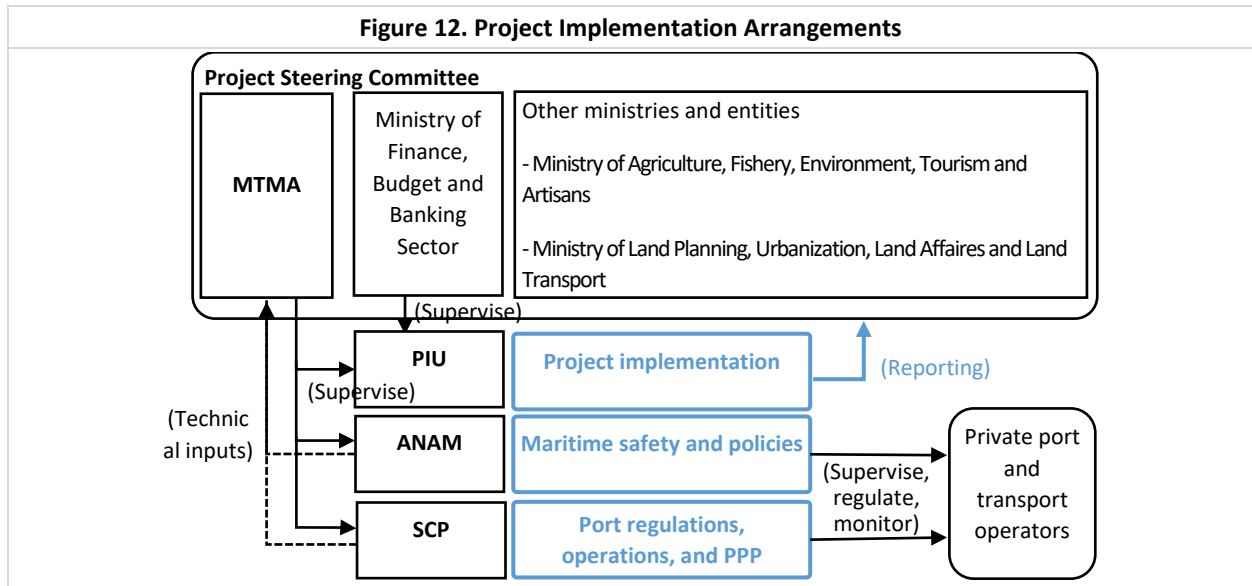
³⁰ Arrêté is a ministerial decree in the Comoros. Arrêté No. 022-004/MTMA/CAB, dated March 2, 2022.

³¹ Based on Arrêté No.22-018/MTMA/CAB, dated May 24, 2022.



32. The MTMA provides technical inputs to the project, coordinating government entities, including two national agencies in the maritime sector, ANAM and SCP, both of which are under the MTMA. ANAM is responsible for overseeing maritime security and affairs, protecting the maritime environment, contributing to maritime regulations for ports and interisland transportation, and ensuring compliance with national and international maritime rules.³² The SCP is a public establishment of industrial and commercial nature created in December 2013, under the technical supervision of the MTMA and the financial supervision of the Ministry of Finance, Budget, and Banking Sector. The SCP is responsible for managing port operations within the PPP framework.

Figure 12. Project Implementation Arrangements



CONTACT POINT

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Borrower/Client/Recipient

The Union of Comoros

Implementing Agencies

³² All of ANAM’s missions, organization, and operations are established in Decree n°16-019 of January 20, 2010.



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