

AFRICAN DEVELOPMENT BANK GROUP



PROJECT : NATIONAL ROAD NETWORK REHABILITATION PROGRAMME - PHASE III: REHABILITATION OF SELECTED SECTIONS OF THE RN2 (OUROVENI-FOUMBOUND), RN21 (DOMONI-MREMANI), AND RN32 (WALLAH- NIOUMACHOUA) ROADS

COUNTRY : UNION OF THE COMOROS

PROJECT APPRAISAL REPORT

March 2022

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RDGE/PICU

March 2022

Translated Document

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CURRENCY EQUIVALENTS

(October 2021)

Local Currency = KMF (Comorian Franc)

UA 1 = KMF 598.602

UA 1 = EUR 1.21675

UA 1 = USD 1.40887

EUR 1 = KMF 491.96795

USD 1 = KMF 424.88093

FISCAL YEAR

1 January - 31 December

WEIGHTS AND MEASURES

1 metric tonne = 2,204 pounds

1 kilogramme (kg) = 2.200 pounds

1 metre (m) = 3.281 feet

1 millimetre (mm) = 0.03937 inch

1 kilometre (km) = 0.621 mile

1 hectare (ha) = 2.471 acres

ACRONYMS AND ABBREVIATIONS

AAC	Comorian Handicraft Association
AADT	Average Annual Daily Traffic
AC	Advance Contracting
ACVPF	Comorian Association of Smoked Fish Vendors
ADF	African Development Fund
AEAFC	Association for the Emancipation and Empowerment of Comorian Women
AfDB	African Development Bank
AGSDS	Accelerated Growth and Sustainable Development Strategy
BDR	Road Databank
CGP	General Commission for Planning
CPIA	Country Policy and Institutional Assessment
CSP	Country Strategy Paper
DGAC	General Directorate of Comorian Handicraft
DGEF	General Directorate of Environment and Forestry
DGRH	General Directorate of Fishery Resources
DGRTR	General Directorate of Roads and Road Transport
EDF	European Development Fund
ERR	Economic Rate of Return
ESIA	Environmental and Social Impact Assessment
ESMP	Environmental and Social Management Plan
EU	European Union
EUR	Euro
FD	Final Design
FNASFUC	National Federation of Midwifery Associations in the Union of the Comoros
FPD	Development Partners Forum
GAP	Global Action Plan
GBV	Gender-Based Violence
GDP	Gross Domestic Product
GEF	Global Environment Fund
GPRSP	Growth and Poverty Reduction Strategy Paper
GTS	Sector Technical Group
HV	Heavy Vehicle
ICT	Information and Communication Technology
Inhab.	Inhabitants
INSEED	National Institute of Statistics and Economic and Demographic Studies
ISS	Integrated Safeguards System
KMF	Comorian Franc
LTS	Long-Term Strategy of the Bank
LV	Light Vehicle
MATUAFTT	Ministry of Regional Development and Town Planning, in charge of Lands and Land Transport
MFB	Ministry of Finance and the Budget
NPS	National Procurement System
NPV	Net Present Value
OpsCOM	Operations Committee
PA	Project Area
PAP	Persons Affected by the Project
PAR	Project Appraisal Report
PASEC	Comoros Energy Sector Support Project
PDN	Project Design Note
PDNTR	National Road Transport Master Plan

PI	Poverty Index
PIU	Project Implementation Unit
PK	Kilometre Point
PRCI	Institutional Capacity Building Project
PRRR	Road Network Rehabilitation Programme
PRSP	Poverty Reduction Strategy Paper
RAP	Resettlement Action Plan
RN	National Road
RNFD	National Women's Development Network
SDP	Port Master Plan
SME	Small and Medium-sized Enterprise
SNER	National Road Maintenance Strategy
TFP	Technical and Financial Partner
TSF	Transition Support Facility
UA	Unit of Account
UNDP	United Nations Development Programme
USD	United States Dollar
VAT	Value Added Tax
Veh/d	Vehicles per day

PROJECT INFORMATION

Client Information

Recipient	:	UNION OF THE COMOROS
Project Name	:	NATIONAL ROAD NETWORK REHABILITATION PROGRAMME, PHASE III - REHABILITATION OF SELECTED SECTIONS OF THE RN2 (OUROVENI-FOUMBOUNI), RN21 (DOMONI-MREMANI), AND RN32 (WALLAH- NIOUMACHOUA) ROADS
Project Area	:	ISLANDS OF GRANDE COMORE, AJOUAN AND MOHÉLI
Executing Agency	:	MINISTRY OF REGIONAL DEVELOPMENT AND TOWN PLANNING, IN CHARGE OF LANDS AND LAND TRANSPORT (MATUAFTT), THROUGH THE GENERAL DIRECTORATE OF ROADS AND ROAD TRANSPORT (DGRTR)

1. Financing Plan

Instrument and source of financing	UA million	KMF million	Relative weight
ADF Grant	10.000	5.986	56.5%
TSF Grant - Pillar I (5 million from ADF-15 +0.338 million from the reallocation of 70% of cancelled resources)	5.338	3196	30.2%
Total ADF and TSF	15.338	9182	86.7%
Counterpart Contribution by the Union of the Comoros	2.350	1.407	13.3%
Grand Total	17.688	10.588	100.0%

2. Key Bank Financial Intervention Information

ADF and TSF Grants	
Currency	Units of Account (UA)
ERR	19.9%
NPV	KMF 102 billion

3. Timeframe – Main Milestones

Milestones	Date
Concept Note Approval	September 2021
Appraisal Mission	October 2021
Project Approval	March 2022
Signing of the Grant Agreements	May 2022
Effectiveness	May 2022
Completion	June 2026
Last Disbursement	December 2026

EXECUTIVE SUMMARY

Project Overview

1. For more than a decade, Comorian roads have undergone little maintenance. As a result, they are in an advanced state of disrepair, which prevents them from effectively contributing to developing the country's economic potential. In order to mitigate this deficit, the Comorian Government adopted a National Road Network Rehabilitation Programme (PRRR) to which the Bank has been providing financial support since 2017. In implementing this Programme which constitutes the backbone of the country's policy for sustainable development of its transport sector, the Bank has contributed to the financing of the project for the rehabilitation of the Moroni-Mitsoudjé (11 km) and Sima-Moya (27 km) road sections, for which works have been completed, as well as rehabilitation of the Mitsoudjé-Panda (16 km) and Panda-Ouoveni road sections for which the procurement process for the works and control and supervision are under way. This Appraisal Report concerns the project for the rehabilitation of three (3) road sections for which the Bank has received a request for financing from the Comorian Government.

2. The project consists of the rehabilitation of 30.2 km of roads on the three islands of the Union of the Comoros, namely: 7.2 km on the Island of Grande Comore, 14 km on the Island of Anjouan, and 9 km on the Island of Mohéli. The project also includes related activities such as (i) strengthening of women's economic empowerment through the provision and installation of equipment to support agricultural and fishery activities and support to young people to improve their employability; (ii) training in the management of commercial and associative activities, and (iii) institutional Support. In addition, the project finances management, including technical and financial audit, support to the Project Executing Unit and Agency and monitoring and evaluation.

3. The overall project cost is estimated at UA 17.688 million, which is the equivalent of KMF 10.588 billion, and will be financed by an ADF Grant, a TSF Pillar I Grant and the Comorian Government's counterpart contribution. The Bank will contribute to the project's financing from ADF-15 and TSF Pillar I resources in the amount of UA 15.388 million, representing 86.7% of the total project cost. The remaining UA 2.350 million accounting for 13.3% of the total project cost will be covered by the counterpart contribution from the Union of the Comoros.

4. The project implementation is expected to cover fifty-two (52) months starting from May 2022.

5. The project objective is to help improve the mobility and transport conditions of people and goods in the project area, made up of all the localities crossed and/or served by the road sections to be rehabilitated, namely: (i) Orovéni-Foumbouni section (7.2 km) of the RN2 road in Grande Comore with 51.5% of the country's population; (ii) Domoni-Mrémani section (14 km) of the RN21 road in Anjouan with 41.2% of the population; and (iii) Wallah-Nioumachoua section (9 km) of the RN32 road in Mohéli with 7.3% of the population. Once completed, this project will contribute to: (i) safeguarding and preserving the national road network by stopping the gradual degradation of the roads concerned and protecting them against flooding; (ii) providing all-weather roads in the project area; (iii) improving traffic conditions, enhancing road safety, and improving the quality of transport services in the project area; (iv) reducing transport costs in the project area; (v) improving the living conditions of the population through improved access to basic services, protection of homes, job creation, reduction of residents' vulnerability to natural disasters, women's empowerment, and capacity building for the project beneficiaries; (vi) the emergence of new commercial, tourist and social opportunities; (vii) opening up production areas and facilitating the evacuation of products to consumption areas and supply of inputs, materials and various products; and (viii) the preservation of the environment and major ecological balances through activities to combat the vulnerability of the islands to climatic hazards. The project roads pass through areas of high agricultural and tourism potential and the completion of the project road will improve access to these agricultural lands and

tourist sites greatly benefiting farmers, local residents, traders, tourism operators, transporters who will have access to an efficient transport corridor, thereby promoting trade and reducing poverty.

6. The project is consistent with the priorities of the Emerging Comoros Plan 2030 (PCE 2030) and the Comoros Interim Development Plan (PDI 2020-2024). Both plans identified infrastructure development as a catalyst for economic growth. The Project also falls within the National Road Transport Master Plan (PDNTR 2015-2025) and the country's Transport Sector Policy (PST 2021-2025). In addition, the project is in line with the Bank's Ten-Year Strategy (2013-2022), particularly with one of its five (5) operational priorities, namely "Infrastructure Development", as well as with two of the Bank's "High 5s", namely "Feed Africa", and "Improve the quality of life for the people of Africa". The Project is identified as priority in the Bank's Country Strategy Paper (CSP 2021-2025), and complies with all applicable Bank policies.

Needs Assessment

7. The road sections under the project are found in areas with high economic and touristic potential and their rehabilitation will open up country's interior regions and foster the growth of economic activities (including agriculture) whose development is hampered in particular by poor transport infrastructure. The project's implementation will improve access to basic social services, facilitate transport, foster trade and job creation for young people and women, improve gender equality, help to mitigate fragility, improve resilience and preserve social cohesion. The Bank's involvement in this project was informed by a feasibility study, an Environmental and Social Impact Assessment and an engineering study of the project road financed by the Government of Comoros.

Value Added for the Bank

8. The Bank's proposed financing of the project will significantly strengthen Government efforts to improve the state of roads and the Bank's previous interventions in the country's road network rehabilitation programme. The Bank's value added stems from its long experience in the successful implementation of road projects in various countries in East Africa and Africa in general. For example, the Bank financed Phases I and II of the Comoros Road network Rehabilitation Programme. The financing of this project, which is Phase III of the said Programme, will consolidate the Bank's position as a partner of choice for the implementation of transport projects in Comoros.

Knowledge Management

9. The monitoring and evaluation of the results, achievements and impacts will allow an evaluation of the project's effectiveness, identify areas for improvement and propose appropriate measures for future projects in the sector as well as in other related sectors. Consequently, the monitoring and evaluation reports of the project's socio-economic impact at project completion, and quarterly project progress reports will contribute to knowledge building for the Bank and member countries in project design. Knowledge will thus be built within the Executing Agency (EA) through, on the one hand, experience garnered during project, and, on the other hand, implementation of the capacity building component under the project.

RESULTS-BASED LOGICAL FRAMEWORK

RESULTS FRAMEWORK

A PROJECT INFORMATION

PROJECT NAME: NATIONAL ROAD NETWORK REHABILITATION PROGRAMME, PHASE III - REHABILITATION OF SELECTED SECTIONS OF THE RN2 (OUROVENI-FOUMBOUNI), RN21 (DOMONI-MREMANI) AND RN32 (WALLAH-NIOUMACHOUA) ROADS

COUNTRY/ REGION : UNION OF THE COMOROS / EAST AFRICA

PROJECT SAP CODE: P-KM-D00-002

PROJECT DEVELOPMENT OBJECTIVE: Improve mobility and transport conditions for people and goods in the project area of the planned development of the RN2, RN21 and RN32 roads

ALIGNMENT INDICATOR(S): *Volume of trade along the rehabilitated roads*

B RESULTS MATRIX

RESULTS CHAIN AND DESCRIPTION OF INDICATORS	CMR/ INDICATOR	UNIT OF MEASURE	BASELINE (2022)	TARGET AT COMPLETION (2026)	MEANS OF VERIFICATION
OUTCOME INDICATOR 1: TRANSPORT COST AND TRAVEL TIME ARE REDUCED ON THE REHABILITATED ROADS					
OUTCOME INDICATOR &.1: Vehicle operating cost (VOC) of light vehicles (LV)	<input type="checkbox"/>	KMF/d	1 000	700	BDR/DGRTR and INSEED reports
OUTCOME INDICATOR &.2: Vehicle operating cost (VOC) of heavy vehicles (HV)	<input type="checkbox"/>	KMF/d	1 500	1 000	BDR/DGRTR and INSEED reports
OUTCOME INDICATOR 1.3: Average travel time on the roads	<input type="checkbox"/>	Minutes (mn)	60	30	BDR/DGRTR and INSEED reports
OUTCOME INDICATOR 1.4 Average Annual Daily Traffic (AADT)	<input type="checkbox"/>	Number of vehicles per day (Veh/d)	4 200	5 360	BDR/DGRTR and INSEED reports
OUTCOME INDICATOR 2: THE LIVING CONDITIONS OF THE PROJECT AREA POPULATION ARE IMPROVED					
OUTCOME 2.1: Average annual income per household	<input type="checkbox"/>	KMF/year	Undefined	20% increase	BDR/DGRTR reports and INSEED surveys
OUTCOME INDICATOR 2.1: Direct jobs	<input checked="" type="checkbox"/>	Number	0	50 jobs (45% for women)	BDR/DGRTR and INSEED reports
OUTCOME INDICATOR 2.2: Indirect jobs	<input checked="" type="checkbox"/>	Number	0	1,150 jobs (45% for women)	BDR/DGRTR and INSEED reports
OUTPUT INDICATOR 1: THE PROJECT ROADS ARE REHABILITATED					
OUTPUT INDICATOR 1.1: Length of road rehabilitated	<input checked="" type="checkbox"/>	Kilometre (km)	In 2021: 0	30.2	BDR/DGRTR and INSEED reports
OUTPUT INDICATOR 2: SUPPORT ACTIVITIES FOR WOMEN'S AND YOUTH EMPOWERMENT ARE CARRIED OUT					
OUTPUT INDICATOR 2.1: Women trained in the management of commercial and association activities	<input type="checkbox"/>	Number	0	800	BDR/DGRTR and INSEED reports

OUTPUT INDICATOR 2.2: Equipped premises and/or equipment provided to women's groups in the agricultural sector	<input type="checkbox"/>	Number	:0	9	
OUTPUT INDICATOR 2.3: Equipped premises and/or equipment provided to women's groups involved in post-capture fishing activities	<input type="checkbox"/>	Number	: 0	9	
OUTPUT INDICATOR 2.4: Young graduates (Engineers or Senior Technicians) placed in the road works company and the consulting firm in charge of road works control and supervision	<input type="checkbox"/>	Number	0	12	
OUTPUT INDICATOR 3: THE EXECUTING AGENCY'S CAPACITY IS BUILT					
OUTPUT INDICATOR 3.1: Key staff of the Executing Agency trained in contract management, procurement, and project administration	<input type="checkbox"/>	Number	0	10 (50% women)	BDR/DGRTR and INSEED reports
OUTPUT INDICATOR 3.2: Key DGEF and Executing Agency staff trained in E&S safeguards and climate risk management	<input type="checkbox"/>	Number	0	10 (50% women)	BDR/DGRTR and INSEED reports
OUTPUT INDICATOR 3.3: People in the project area sensitised on STIs, COVID-19 and other pandemics, food hygiene, gender, and gender-based violence (GBV), environmental protection, and road safety	<input type="checkbox"/>	Number	0	350 000 (50% for women)	Mid-term and final reports of consultants responsible for monitoring and evaluating the project impact

INDICATIVE PROJECT IMPLEMENTATION SCHEDULE

N°	Activities	Period	2022												2023												2024												2025												2026											
			J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D
1	Project Approval and Grant Effectiveness		■																																																											
1.1	Project approval by the Board of Directors		■																																																											
1.2	Signing of Grant Agreements			■																																																										
1.3	Effectiveness of Grant Agreements				■																																																									
2	Publication of the GPN				■																																																									
3	E&S Safeguards measures Implementation		■																																																											
3.1	Procurement		■																																																											
3.2	Execution of services			■																																																										
4	Road works		■																																																											
4.1	Procurement		■																																																											
4.2	Works implementation			■																																																										
5	Superviso of Works		■																																																											
5.1	Procurement		■																																																											
5.2	Execution of services			■																																																										
6	Support for the economic empowrment of women and young people		■																																																											
6.1	Procurement		■																																																											
6.2	Women economic empowerment			■																																																										
6.3	Improvement of youth employability			■																																																										
7	Institutional Support		■																																																											
7.1	Procurement		■																																																											
7.2	Execution of services			■																																																										
8	Awareness raising and technical audits		■																																																											
8.1	Procurement			■																																																										
8.2	Execution of services			■																																																										
9	Monitoring and evaluation of project impact		■																																																											
9.1	Procurement		■																																																											
9.2	Execution of services			■																																																										
10	Audit of project accounts		■																																																											
10.1	Procurement			■																																																										
10.2	Execution of services				■													■														■																														

BANK GROUP MANAGEMENT’S REPORT AND RECOMMENDATION TO THE BOARDS OF DIRECTORS ON AN ADF GRANT AND A TSF GRANT TO THE UNION OF THE COMOROS TO FINANCE THE REHABILITATION PROJECT FOR SELECTED SECTIONS OF THE RN2 (OUROVENI-FOUMBOUNI), RN21 (DOMONI-MREMANI), AND RN32 (WALLAH- NIOUMACHOUA) ROADS.

Management submits this report and recommendations on a proposed ADF Grant of UA 10 million and a TSF - Pillar I Grant of UA 5.338 million (including 5 million from ADF-15 and 0.338 million from the reallocation of 70% of cancelled resources) to the Union of the Comoros to finance the rehabilitation of selected sections of the RN2 (Ouroveni-Foumbouni), RN21 (Domoni-Mremani), and RN32 (Wallah- Nioumachoua) roads under Phase III of the National Road Network Rehabilitation Programme.

I. PROJECT STRATEGIC THRUST AND RATIONALE

1.1. Main Development Constraints

1.1.1 Most of the roads in the country are in an advanced state of degradation due to inadequate road maintenance and the coastal erosion which affect the main road of the Union of the Comoros. As a result, the Comoros' road network barely fulfils its role in supporting the country's economic development and, as a result, contributes to the deterioration of the conditions of safety in the transportation of people and goods. According to empirical data on the condition of the country's roads, the accelerated degradation is expected to worsen in the years to come if nothing is done to preserve the existing road network.

1.1.2 To mitigate these adverse effects, the Comorian Government adopted a National Road Network Rehabilitation Programme (PRRR). This project falls within the Programme. It consists in the rehabilitation of three (3) roads totalling thirty (30) kilometres and two hundred (200) metres, with one section on each of the three (3) islands that make up the Archipelago of the Union of the Comoros. The roads are the Ourovéni-Foumbouni section (7.2 km) of the RN2 road on the Island of Grande Comore, the Domoni-Mrémani section (14 km) of the RN21 road on the Island Anjouan, and the Wallah-Nioumachoua section (9 km) of the RN32 road on the Island of Mohéli. The project area is presented in Annex 2 to this report.

1.2. Project Linkages with Country Strategies and Objectives

1.2.1 The Union of the Comoros has adopted various Strategy Papers and Plans to steer its economic and social development that focuses on infrastructure development. Thus, following the country's Strategy for Accelerated Growth and Sustainable Development (SCA2D, 2018-2021), the Union of Comoros adopted, the Emerging Comoros Plan for 2030 (PCE 2030) and the Comoros Interim Development Plan (PDI 2020-2024) which identify infrastructure development as a catalyst for economic growth.

1.2.2 The project also falls within the National Road Transport Master Plan (PDNTR 2015-2025) in its Components I: "*Safeguard and upgrade the road network*" and III: "*Improve passenger and freight transport systems*", as well as within the Comoros Transport Sector Policy (PST 2021-2025), whose main objective is "*to improve and modernise transport infrastructure so as to offer better service to users at the lowest possible cost and thereby develop trade and tourism within the Archipelago and promote regional integration*".

1.3. Rationale for Bank Intervention

1.3.1 The project road sections are in areas with high economic and tourist potential. Their rehabilitation will open up the country's interior regions and promote the growth of economic activities whose development is inhibited by poor transport infrastructure. The Orovéni-Foumbouni section is a coastal road that runs along the south-west coast of the Island of Grande Comore and is the only access road to Orovéni and Malé beaches, very popular with tourists. The beaches are emblematic sites that attract a considerable number of visitors from all over the world. They also represent an economic potential that will be developed through the project. In addition, the Orovéni-Foumbouni section of the RN2 road serves several villages in Mbadjini region, which is the largest region in the Union of the Comoros. It can also be connected to several regional roads. The rehabilitation of this section will ensure continuity of the transport chain between Moroni, the capital of the Union of the Comoros, and Foumbouni. With Bank financing, the rehabilitation works on the Moroni-Mitsoudjé section have been completed and those on the Mitsoudjé-Orovéni section are being launched. The Domoni-Mrémani section of the RN21 road serves Koni, Chaouéni, Sadapouani, Mramani and Dziani villages in Nyoumakélé region, which is an area with high agricultural production. The Wallah-Nioumachoua section of the RN32 road consists of a coastal road that runs along the south coast of the Island of Mohéli, starting from Wallah 1 village, passing by Wallah 2, and crossing Ndrodroni village to Nioumachoua. This region is the most fertile in the country and most of its agricultural produce is transported to the small port of Howani and taken to the other two islands by small boats. The rationale for the Bank's intervention lies in its contribution to fulfilling the aspirations of Comorians to improve transport services, agricultural productivity and the living standards of the population. This project will open up the interior agricultural production regions, provide an efficient transport system for the supply of inputs, materials, and various products and above all for the transportation of agricultural produce to consumption areas.

1.3.2 The project is consistent with the Bank's Country Strategy Paper (CSP 2021-2025) for the Union of the Comoros. Indeed, CSP 2021-2025 for the Comoros focuses on a single Pillar, namely "*Development of quality and sustainable basic infrastructure in the transport and energy sectors*", which focuses on priority transport sector interventions aimed at "*facilitating access and ensuring better connection of production areas to markets*". This project is fully consistent with: (i) the Bank's Transport Policy in its component relating to improving the service level of transport infrastructure and equipment; (ii) Pillar I of ADF-15 "*Investing in Quality and Sustainable Infrastructure for Economic Transformation*", and (iii) the "*Infrastructure Development*" Pillar of the Bank's Intervention Policy in Island States.

1.3.3 In addition, the project is compatible with the Bank's Ten-Year Strategy (2013-2022): *At the centre of Africa's Transformation* through one of its five (5) strategic priorities known as "High 5s", namely "*Improve the quality of life for the people of Africa*", and through one of its five (5) operational priorities, namely "*Infrastructure Development*". It is also in line with the two objectives of inclusive growth and transition to green growth of the TYS, 2013-2022 as it aims, among other things, to improve connectivity, mitigate environmental pollution and enhance safety for road users. In addition, it is consistent with the African Development Bank's Climate Change and Green Growth Strategic Framework (2021-2030) through its Pillar I "*Adaptation: Building Resilience and Climate Change Adaptation and Reducing Fragility*", as the rehabilitated roads will, for example, ensure the sustainable provision of goods and services in the PIA, and reduce flooding which usually leads to diseases such as malaria and cholera. In addition, the project is consistent with the Bank Group's strategy for Addressing Fragility and Building Resilience in Africa (2022-2026) in particular with priority focus area relating to the building of resilient societies through targeted support to

infrastructure and public services, which will contribute to the promotion of a more resilient economy and society.

1.4. Coordination of Cooperation with Technical and Financial Partners in the Comoros

1.4.1 The Technical and Financial Partners Consultative Framework was created in the Comoros on 23 May 2009 by Presidential Decree. The establishment of the said framework, which includes the formation of Sector Technical Groups (STG) has enabled TFPs to improve and strengthen collaboration among them to render their interventions more efficient. Cooperation is coordinated by the General Planning Commission (CGP), in charge of the development of public investments consistent with sector development strategies and the National Development and Poverty Reduction Plan. In addition to the AfDB Group, the other TFPs active in the Comoros are the World Bank, UNDP, EU, the People's Republic of China, and Arab countries, particularly Saudi Arabia, Qatar, United Arab Emirates, and Oman.

1.4.2 With regard to the transport sector specifically, interventions are coordinated through the Infrastructure Sector Technical Group chaired by the EU, which is the lead agency for the transport sector in the Comoros. It should be noted that despite its withdrawal from the road sub-sector in 2018 due to a change in its intervention priorities in the country, the EU has maintained the Chair of the "Infrastructure" STG comprising the road, port, air, and information and communication technology (ICT) sub-sectors.

II. PROJECT DESCRIPTION

2.1 Project Objectives and Components

2.1.1 The project's specific objective is to improve mobility and transport conditions for people and goods in the project area of the planned development of the RN2, RN21 and RN32 roads. At the sector level, the project aims to: (i) improve traffic flow and service levels on the road sections concerned; (ii) reduce transport costs and facilitate trade in the project area; and (iii) improve access to basic services and the living conditions of the project area population.

2.1.2. To achieve the above objectives, the project has been structured into four (4) major components, namely: (A) Road works; (B) Support for women's and youth economic empowerment; (C) Institutional support; and (D) Project management. The project components are presented in more detail in Table 2.1 below.

Table 2.1 : Project Components

No.	Component	Description
A.	Road works	<p>A1. Rehabilitation of 30.2 km road on the Orovéni-Foumbouni section (7.2 km) of the RN2 road in Grande Comore, the Domoni-Mrémani section (14 km) of the RN21 road in Anjouan, and the Wallah-Nioumachoua section (9 km) of the RN32 road in Mohéli;</p> <p>A2. Works control and supervision;</p> <p>A3. Compensation for persons affected by the project;</p> <p>A4. Sensitisation of the population on STIs, COVID-19, and other pandemics, food hygiene, gender and gender-based violence (GBV), environmental protection, and road safety in the project area.</p>
B.	Support for women's and youth economic empowerment	<p>B1. Supply and installation of equipment for women's associations in the agricultural sector (equipment for storage facilities, multi-service buildings, rehabilitation/development of sheds, latrines, supply of solar lighting systems, tables, chairs, and other equipment);</p> <p>B2. Supply and installation of equipment for women's associations involved in post-harvest fishing activities (supply of ovens, coolers, and freezers; rehabilitation/development of sheds,</p>

		latrines; equipment for storage facilities, multi-service buildings; and supply of solar lighting systems, tables, and chairs); B3. Capacity building (training) in management of commercial and association activities for eight hundred (800) women selected from within the women's associations of the PA over 4 years and according to criteria that will be submitted to the Bank for non-objection prior to the start of this sub-component;; B4. Support for employability of young graduates in the project area: placement of twelve (12) young newly graduated engineers/senior technicians in the road works company and in the consulting firm in charge of control and supervision of the said works.
C.	Institutional support	C1. Capacity building (training) for the Executing Agency (EA) in, procurement, works and services contract management climate risk management and project administration; as well as in environmental and social safeguards (E&S) C2. Supply and installation of various videoconference equipment.
D.	Project management	D1. Operating costs of the Project Executing Agency; D2. ESMP and RAP implementation; D3. Monitoring and evaluation (socio-economic impact of the project, support activities for women's associations, environmental impact, and ESMP and RAP implementation); D4. Preparation and submission of project progress reports to the Bank; and D5. Audits (financial and accounting, procurement, technical and road safety, and environmental and social compliance).

2.2 *Change Theory*

2.2.1 Section 1.3.1 indicates that the proposed project road sections are in areas with high agricultural and tourist potential and are experiencing increased traffic growth. The project will open up the inland agricultural production regions, improve and secure transport conditions for people and goods in the project area, reduce transport costs, as well as facilitate access to basic services and tourist sites, the evacuation of products to consumption areas, and the supply of inputs, materials, and various products.

2.2.2 The change theory for the expected project impacts is presented in detail in Annex V to this report.

2.3 *Technical Solutions Adopted and Alternatives Considered*

2.3.1 The roads to be rehabilitated currently have a severely damaged surface (bank spalling and generalised degradation), an irregular longitudinal profile, lack of sanitation and, non-functional drainage structures, and dilapidated downstream slope protection. In addition, traffic in the Comoros has a small number of heavy vehicles using the national roads. Consequently, it was decided to optimise the rehabilitation works by opting for conventional basic solutions while ensuring the longevity of the structures. To that end, the following technical solutions were selected:

- Sub-base course: Reprofilng / recycling of the old roadway structure which still has good bearing capacity for the sub-base course, with addition of pozzolanic materials, 20 cm thick;
- Base course: Placement of a new crushed gravel layer, GCNT 0/315, 20 cm thick;
- Road surface: Placement of a new bituminous concrete layer, BBSG 010, 5 cm thick.

2.3.2 The technical alternative considered and the reasons for rejecting it are summarised in Table 2.2. below.

Table 2.2: Alternative considered and reasons for rejection

Alternative	Brief Description	Reason for Rejection
Two-layer road surface	Placement of a new two-layer roadway instead of bituminous concrete	The degradation of the project roads is evident in the severe edge spalling. The two-layer solution promotes edge spalling, which progresses rapidly and leads to generalised degradation of the road surface.

2.4 Project Type

2.4.1 The project is an investment operation, which is part of road network rehabilitation programme initiated by the Government of the Union of the Comoros.

2.5 Project Cost Estimates and Financing Arrangements

Cost Estimates

2.5.1 The overall project cost, excluding tax and customs duty, is estimated at UA 17.688 million (equivalent to KMF 10.588 billion) of which the part in foreign currency is UA 12.887 million or 73% of the total, and the part in local currency is UA 4.802 million or 27% of the total. This cost estimate is based on the final design study conducted in April 2021 and reflects the expenditure recently recorded in the Comoros for similar works. It covers expenses for the four (4) project components as described in Table 2.1, as well as provision for physical contingencies (6.79% of base cost) and provision for Price Contingencies (4.02% of base cost). The project costs estimate by component and expenditure category are broken down below in Tables 2.3 and 2.4 respectively. Details of the costs are presented in Annex III to this report.

Table 2.3: Summary Project Cost Estimate by Component

Components	KMF million			UA million		
	F.E.	L.C.	Total	F.E.	L.C.	Total
A Road works	6,848	1,800	8,648	11.439	3.008	14.447
B Support for Women's and Youth Economic Empowerment	64	37	101	0.108	0.062	0.169
C Institutional Support	41	10	51	0.069	0.017	0.086
D Project Management	66	689	755	0.110	1.151	1.261
Base Cost	7,019	2,537	9,555	11.725	4.238	15.963
Physical Contingencies (6.8% of base cost)	477	172	649	0.796	0.288	1.084
Price Contingencies (4.0% of base cost)	282	102	384	0.471	0.170	0.642
Total Cost excl. tax and custom duty	7,777	2,811	10,588	12.993	4.696	17.688

Table 2.4: Summary Project Cost Estimate by Category of Expenditure

Category of Expenditure	KMF million			UA million		
	F.E.	L.C.	Total	F.E.	L.C.	Total
A Goods	106	26	132	0.176	0.044	0.220
B Works	6,441	1,610	8,051	10.760	2.690	13.450
C Services	472	328	801	0.789	0.548	1.338
D Operation	-	482	482	-	0.806	0.806
E Miscellaneous (Implementation of ESMP and RAP)	-	90	90	-	0.150	0.150
Base Cost	7,019	2,537	9,555	11.725	4.238	15.963
Physical Contingencies	477	172	649	0.796	0.288	1.084

Price Contingencies	282	102	384	0.471	0.170	0.642
Total Cost excl. tax and custom duty	7,777	2,811	10,588	12.993	4.696	17.688

Financing Arrangements

2.5.2 The project cost amounting to UA 17.688 million will be financed to the tune of 86.7% by the Bank - i.e. UA 15.338 million including a UA 10 million ADF Grant, a UA 5.338 million TSF Pillar I Grant (including UA 5 million from the ADF15 performance-based allocation and UA 0.338 million from the reallocation of 70% of cancelled resources) and 13.3% by the counterpart funding.

2.5.3 The Bank and the Government of the Union of the Comoros will jointly finance the "Road Works" components, while the other three components, namely, "Support for Women's and Youth Economic Empowerment", "Institutional Support" and "Project Management" will be fully financed by the Bank. The summary Financing Plan as well as the sources of financing by project component and by expenditure category are presented below in Tables 2.5, 2.6 and 2.7 respectively.

Table 2.5: Indicative Project Financing Plan

Financing instrument & source	UA million	KMF million	Relative weight
ADF Grant	10.000	5 986	56.5%
TSF Pillar I Grant (5 million from ADF-15 + 0.338 million from reallocation of 70% of cancelled resources)	5.338	3 196	30.2%
Total ADF and TSF Grants	15.338	9 182	86.7%
Counterpart Funding	2.350	1 407	13.3%
Grand Total	17.688	10 588	100%

Table 2.6 : Sources of Financing by Project Component (UA Million)

Components	ADF Grant			TSF Grant			Union of the Comoros			TOTAL
	F.E.	L.C.	Total	F.E.	L.C.	Total	F.E.	L.C.	Total	
A | Road works	6.502	1.715	8.218	3.251	0.858	4.109	1.686	0.435	2.121	14.447
B | Support for Women's and Youth Economic Empowerment	-	0.023	0.023	0.108	0.038	0.146	-	-	-	0.169
C | Institutional Support	-	-	-	0.069	0.017	0.086	-	-	-	0.086
D | Project Management	0.036	0.748	0.784	0.074	0.403	0.477	-	-	-	1.261
Base Cost	6.538	2.486	9.025	3.501	1.316	4.818	1.686	0.435	2.121	15.963
Physical Contingencies	0.444	0.169	0.613	0.238	0.089	0.327	0.114	0.030	0.144	1.084
Price Contingencies	0.263	0.100	0.363	0.141	0.053	0.194	0.068	0.017	0.085	0.642
Total Cost excl. tax and custom duty	7.245	2.755	10.000	3.880	1.459	5.338	1.868	0.482	2.350	17.688

Table 2.7 : Sources of financing by expenditure category

Expenditure Category	ADF Grant			TSF Grant			Counterpart – Union of the Comoros			TOTAL
	F.E.	L.C.	Total	F.E.	L.C.	Total	F.E.	L.C.	Total	
A Goods	-	-	-	0.176	0.044	0.220	-	-	-	0.220.
B Works	6.049	1.512	7.562	3.025	0.756	3.781	1.686	0.421	2.107	13.450.
B Services	0.489	0.347	0.836	0.300	0.188	0.488	-	0.013	0.013	1.338.
D Operation	-	0.537	0.537	-	0.269	0.269	-	-	-	0.806.
E Miscellaneous (Implementation of ESMP and RAP)	-	0.090	0.090	-	0.060	0.060	-	-	-	0.150
Base Cost	6.538.	2.486	9.025	3.501	1.316	4.818	1.686	0.435	2.121	15.963
Physical Contingencies	0.444.	0.169	0.613	0.238	0.089	0.327	0.114	0.030	0.144	1.084
Price Contingencies	0.263.	0.100	0.363	0.141	0.053	0.194	0.068	0.017	0.085	0.642
Total Cost excl. tax and custom duty	7.245.	2.755	10.000	3.880	1.459	5.338	1.868	0.482	2.350	17.688

Expenditure Schedule by Expenditure Category

2.5.4 The project will be implemented over fifty-two (52) months beginning from May 2022. Table 2.8 below presents the expenditure schedule by category of expenditure.

Table 2.8 : Indicative Project Expenditure Schedule by Category of Expenditure (UA Million)

Category of Expenditure	2022 (5%)	2023 (20%)	2024 (30%)	2025 (30%)	2026 (15%)	TOTAL
A Goods	0.011	0.044	0.066	0.066	0.033	0.220.
B Works	0.672	2.690	4.035	4.035	2.017	13.450.
C Services	0.067	0.268	0.401	0.401	0.201	1.338.
D Operation	0.040	0.161	0.242	0.242	0.121	0.806.
E Miscellaneous (Implementation of ESMP and RAP)	0.007	0.030	0.045	0.045	0.022	0.150
Base Cost	0.798	3.193	4.789	4.789	2.394	15.963
Physical Contingencies	0.054	0.217	0.325	0.325	0.163	1.084
Price Contingencies	0.032	0.128	0.192	0.192	0.096	0.642
Total Cost excl. tax and custom duty	0.884	3.538	5.306	5.306	2.653	17.688
Total Relative Weight	5.0%	20.0%	30.0%	30.0%	15.0%	100%

2.6 Project Area and Beneficiaries

2.6.1 The project area (PA) is spread over the three islands making up the Comoros Archipelago. It comprises all the localities crossed and/or served by: (i) the 7.2 km Orovéni-Foumbouni section of the RN2 road on the Island of Grande Comore (51.5% of the country's population); (ii) the 14 km Domoni-Mrémani section of the RN21 road on the Island of Anjouan (41.2% of the population), and (iii) the 9 km Wallah-Nioumachoua section of the RN32 road on the Island of Mohéli (7.3% of the population). Based on recent data from the National Institute of Statistics and Economic and Demographic Studies (INSEED), the total population of the extended project area is estimated at 894,677 inhabitants (49.6% women and 50.4% men).

2.6.2 The project area has immense potential for an agrarian economy as well as for the fisheries sector, and there is a great need to develop the tourism industry creating economic opportunities for the residents of the area. The direct project beneficiaries are: (i) people and entities working in the fisheries and agricultural sectors who are currently experiencing difficulties in transporting their products to consumption areas and/or in obtaining inputs; (ii) women and young people in the project area who will benefit from the activities under the "Support for women's and youth economic empowerment" component to facilitate their social inclusion and improve their living conditions; (iii) the population in the various urban centres crossed by the road sections to be rehabilitated and in the regions surrounding the said urban centres, particularly road users, people who will be protected

against climatic hazards along the planned roads, as well as construction companies, consulting firms, individual consultants and other service providers who will be mobilised for the project.

2.7 *Participatory Approach for Project Identification, Design, and Implementation*

2.7.1 In compliance with Bank policy and Union of the Comoros regulations, this project was designed and prepared using a participatory approach in which various stakeholders were consulted. The stakeholders include: (i) the population; (ii) the technical services of the Ministries concerned (General Directorate of Roads and Road Transport (DGRTR), General Directorate of Fishery Resources (DGRH), and General Directorate of Comorian Handicraft (DGAC); (ii) the National Institute of Statistics and Economic and Demographic Studies (INSEED); (iii) social partners (Comorian Handicraft Association, National Federation of Midwifery Associations in the Comoros (ACVPPF), Comorian Association of Smoked Fish Vendors (ACVPPF), National Women's Development Network (RNFD), and Comorian Association for Women's Emancipation and Empowerment (FNASFUC); and (iv) the main TFPs involved in the transport sector in the Comoros (EU, UNDP); World Bank.

2.7.2 The views of the various stakeholders helped to fine-tune the project design and define its scope and the content of the project components. Consultations will be maintained during project implementation.

2.8 *Bank Group Experience and Lessons reflected in Project Design*

2.8.1 As of 28 February 2022, the Bank's current portfolio in the UoC comprises four (4) operations with a total commitment of UA 60.39 million, dominated by the transport sector (38%), followed by energy (37%), and multi-sector (25%). The portfolio's contribution to the Bank's High 5s is as follows: (i) Light up and Power Africa: (37%); (ii) Integrate Africa: (38%); and (iv) Improve the quality of life for the people of Africa: (25%). Based on the SAP rating of projects, the performance of the Comoros portfolio is deemed satisfactory with an overall rating of 3.3 (on a scale of 1 to 4). The average age of the active projects in the portfolio is estimated at 3.0 years with a cumulative disbursement rate of 52.09%. The Bank's active portfolio in Comoros is presented in detail in Annex VI of the report.

2.8.2 The project design has drawn heavily on the Bank's experience in implementing infrastructure operations on the African continent, in general, and in the Comoros, in particular. To that end, the following major lessons informed the formulation and design of the project: (i) ensuring adequate project quality at entry (Q@E) before approval of their financing to anticipate implementation problems (delays, cost overruns, contractual disputes, etc.); (ii) need to support institutional reforms and build the operational capacities of project executing agencies (EAs) to ensure implementation of financed projects in accordance with a well-established regulatory and institutional planning and management framework, and to improve the quality of monitoring and management of project implementation while facilitating achievement of expected outcomes; (iii) systematically include a "Monitoring and Evaluation" sub-component in the design of operations so as to facilitate assessment of the impact of Bank interventions on the country's development.

2.8.3 It should be noted that the project design is based on the detailed preliminary design studies carried out in April 2021. The project includes capacity building actions and an institutional support component and provides for collaboration with INSEED regarding monitoring and evaluation. In addition, emphasis has been placed on the operationalisation of the Road Fund reforms. Moreover, the causes of the disputes that arose during the implementation of the previous phases of the Comoros Road Network Rehabilitation Programme (PRRR) were considered in the formulation of procurement terms and conditions in this project. Accordingly, the project provides for: (i) training sessions in contract management for key EA staff; (ii) the recruitment of a Procurement Officer who will be a

full EA staff member. In addition, it is expected that the technical variants should be minimised taking into account the experience gained during phase I.

2.9 Key Performance Indicators

2.9.1 To facilitate assessment of the project's socio-economic impact in the Union of the Comoros, the following performance indicators have been selected: (i) concerning alignment: (i) roads built or rehabilitated; (ii) Persons with improved access to transport (ii) with regard to outcomes: the average annual daily traffic (AADT), the operating cost (VOC) of light vehicles (LV), the operating cost of heavy vehicles (HV), and the average travel time on the rehabilitated roads, increase in average annual income per household, increase in domestic trade; and (iii) with respect to outputs: the length of rehabilitated roads, number of local direct and indirect jobs created, number of people sensitised on preventive measures against STIs, COVID-19 and other pandemics, food hygiene, gender and gender-based violence (GBV), environmental protection, occupational safety and road safety in the project area, number of women trained in the management of commercial and association activities, the equipped premises and/or equipment provided to women's groups in the agricultural sector, the equipped premises and/or equipment provided to women's groups involved in post-harvest fishing activities, key staff of the Executing Agency trained in contract management, procurement, and project administration, as well as key staff of DGEF and the Executing Agency trained in environmental and social safeguards (E&S), and climate risk management.

2.9.2 It should also be noted that with respect to the monitoring of project implementation, particular attention will be paid to implementation indicators such as: (i) the timeframe for fulfilling the conditions precedent to the disbursement; (ii) the duration of the procurement process; and (iii) the trend of the disbursement rate.

III. PROJECT FEASIBILITY

3.1 Project Economic Performance

3.1.1 The planned development works concern three road sections with a total length of 30.2 km, namely the Orovéni-Foumbouni section (7.2 km) of the RN2 in Grande Comore, the Domoni-Mrémani section (14 km) of the RN21 in Anjouan and the Wallah-Nioumachoua section (9 km) of the RN32 in Mohéli. To verify the project's economic performance, the three sections were considered to be homogeneous in terms of traffic.

3.1.2 For each of these road sections, the economic evaluation was carried out by the HDM IV model on the basis of the cost/benefit analysis between the situations without and with project, over a period of 20 years and a discount rate of 12%. To take into account the range of origins and destinations of vehicles using the three road sections, vehicle operating costs were calculated on the basis of average prices of inputs identified in the Comoros Islands. Due to the levels of development adopted, the residual values of the investments at the end of the above-mentioned period are respectively 37% for the two road sections, namely RN 2 and RN23, and 39% for RN32.

3.1.3 A cost-benefit analysis conducted under the above conditions, considering a 20-year period and a discount rate of 12%, gave an economic rate of return (ERR) of 19.9% for the asphalt concrete variant. The economic assessment is summarised in Table 3.1 below.

Table 3.1: Summary table of the project's economic viability study

Description	ERR	NPV (KMF Billion)
Baseline scenario	19.9%	102
Assumption 1: 20% decrease in cumulative benefits	17.3%	80
Assumption 2: 20% increase in investment cost	16.5%	57
Assumption 3: 20% increase in investment cost and 20% decrease in cumulative benefits	14.2%	38

3.1.4 The above parameters indicate that the worst case scenario consisting of a simultaneous 20% increase in project cost and 20% reduction in benefits, gave an ERR of 14.2% with a positive NPV of KMF 38 billion. This project is therefore economically viable for the community, given that the ERR is higher than the 12% value estimated for the opportunity cost of capital.

3.2 Environmental and Social Impacts

Environment

3.2.1 **E&S Safeguards Categorisation and Documents:** The project has been classified in Category 2 in accordance with the Integrated Safeguards System (ISS) of the Bank and the Union of the Comoros. The project involves the rehabilitation of existing road sections and will economically affect only four (4) people. An Environmental and Social Impact Assessment (ESIA) and a Resettlement Action Plan (RAP) have been prepared to address the potential environmental and social impacts of the project. These E&S safeguards documents were validated on 4 November 2021 and published in the country on 5 November 2021 and were published on the Bank's website.

3.2.2 **Public Consultation:** Public consultations were held for the project beneficiaries and people affected by the project (PAP) in March and April 2021 in localities bordering the RN2, RN21 and RN32 roads. The local authorities, namely mayors, prefects, local chiefs of region, as well as institutional officials of the project stakeholders, were also consulted over the same period.

3.2.3 **Socio-economic Benefits:** The project's anticipated socio-economic benefits will derive from the expected increase in economic activities and will result in higher levels of household income, thus reducing poverty levels. Most importantly, women's access to, and use of, education and health services will thus improve their overall welfare. In addition, improving the transport system and accessibility will reduce travel time, improve comfort and safety and reduce the costs associated with an increase in the number of public service vehicles.

3.2.4 **Main Risks and Impacts:** The potential negative project impacts on the environment concern: (i) soil degradation on borrow pits, deposits, and quarries; (ii) air pollution from dust and machine discharges, as well as soil and water pollution from accidental discharges of hydrocarbons or other polluting materials; (iii) the loss of some trees; (iv) disruption of the mobility of people and economic activities; (v) increase in sexually transmitted diseases (STD/HIV) in the project area; (vi) increase in cases of gender-based violence (GBV); (vii) social conflicts due to the presence of migrant workers; (viii) work-related accidents during execution of the works; (ix) decrease and/or loss of income; and (x) loss of property (fruit trees and part of the fence of a house). In all, four (4) people will be affected by the project implementation, with mainly economic losses.

3.2.5 **Measurement of Impacts/Risks Management:** The Environmental and Social Management Plan (ESMP) includes impact management measures, some of which are: (i) priority to local labour in the recruitment of workers; (ii) sensitisation of local communities on STD prevention; (iii) preparation of a gender-based action plan; (iv) site hygiene, health and safety plan; (v) the Code

of Conduct; (vi) tree planting; (vii) provision of personal protective equipment; (viii) waste management in compliance with national regulations and the Resettlement Action Plan (RAP) will adequately address all project risks and impacts, including resources for compensation mobilised from the counterpart contribution.

3.2.6 Cost of Implementing E&S Safeguards Measures: The ESMP implementation is estimated at USD 161,760 and the RAP implementation, including costs related to the complaints management mechanism and implementation monitoring, is estimated at USD 33,000. These costs, as well as those related to conducting annual E&S compliance audits and supporting DGEF (required in the legal framework) in monitoring safeguard instruments, are detailed in the project costs table (Annex III).

3.2.7 Institutional Arrangements: The project coordination unit includes an Environmental and Social Safeguards Specialist, who will be reappointed as the project's E&S Specialist. It will not be necessary to recruit a Social Development Specialist, given the very low number of people affected by the project (PAP) and the E&S Specialist's solid experience in PAP resettlement.

Climate Change

3.2.8 Like many other countries, the Comoros Archipelago needs to deal with the effects of climate change. According to data from the National Adaptation Programme of the Comoros (NAPA), the country has recorded an annual temperature increase of about one (1) degree Celsius and a shortening of the rainy season from six (6) to two (2) months over the past thirty (30) years. In addition, the frequency of cyclones has increased over the same period, generating considerable economic and human costs. It should also be noted that according to forecasts by the Intergovernmental Panel on Climate Change (IPCC), the sea level has risen by about 4 mm per year over the past few decades. As a result, 90% of the beaches have disappeared in Grande Comore over the past 20 years, increasing the island's vulnerability to rise in sea level. Over the same period, the extraction of sand, gravel and coral has been massive and has led to significant coastal erosion. Consequently, the project road sections in coastal areas will be highly exposed to natural hazards such as landslides, coastal erosion, flooding, volcanic eruptions, rise in sea level, marine submersions, storm swells, etc. The project is therefore classified in Category 1 in accordance with the climate risk assessment based on the Bank's Climate Safeguards System (CSS). The Intended Nationally Determined Contribution (INDC) of the Union of the Comoros is guided by the desire to pursue the objective of having a building standards system that takes climate change into account. Furthermore, there will be capacity building activities in climate risk management for road workers.

3.2.9 To mitigate the impacts of natural hazards and climate change on the roads to be rehabilitated, measures and works will be financed to build the climate resilience of the roads concerned. These include: (i) preventing water from flooding the project roads by constructing new transverse structures (box culverts); (ii) construction of drainage structures (surface gutters, gutters) at the foot of slopes along the roads that will be rehabilitated, and (iii) planting of 90 feet of eucapsytus for green gas emissions. These actions contributed to the project's alignment with the Bank's Climate Change and Green Growth Strategic Framework (2021 - 2030).

Gender

3.2.10 The Comorian Constitution guarantees gender equality, and significant efforts are being made in the country to guarantee women's rights. To that end, the Union of the Comoros established a National Solidarity, Social Protection and Gender Promotion Commission in the 2000s. Then, a National Gender Equity and Equality Policy (PNEEG) was adopted in 2007 and revised in 2017 to include "gender-based violence (GBV)". In accordance with this framework document, and with the support of TFPs (AfDB, UNDP, etc.), the country is implementing its "Gender and Economy" Strategy by carrying out activities to ensure economic empowerment for women and girls. It should

be noted, however, that despite these efforts, the problem of gender inequality persists in the Comoros and women's participation in political and economic decision-making remains limited, due mainly to difficulties in accelerating the implementation of the Gender Strategy.

3.2.11 To help strengthen household resilience and taking into account the needs expressed by women's groups during the preparation and appraisal missions, a component entitled "Support for women's and youth economic empowerment" has been included in this project. The activities to be carried out under this component focus on capacity building for women's associations, including the training of at least 800 women in the management of commercial and associative activities, as well as support for women's groups working in the agriculture and fisheries sectors to develop related value chains. In addition to capacity building, the said activities include: (i) the supply and installation of equipment for women's associations in the agricultural sector (equipment of storage facilities, multi-service buildings, rehabilitation/development of sheds, latrines; supply of solar lighting systems, tables, chairs and other equipment); and (ii) the supply and installation of equipment for women's associations involved in post-capture fishing activities (supply of ovens, coolers and freezers; rehabilitation/development of sheds, latrines; equipment of storage facilities, multi-service buildings; and supply of solar lighting systems, tables and chairs).

3.2.12 This project is classified in Category 2 in accordance with the Bank's Gender Marker System (GMS). By strengthening women's economic empowerment through income-generating activities, it will have a considerable impact on the quality of life of women and their families. Its implementation will therefore contribute to strengthening women's decision-making power and help them fight against social inequalities.

Fragility and Resilience

3.2.13 The Union of the Comoros has enormous untapped potential for economic growth, but the domestic market remains extremely fragmented due to lack of transport infrastructure and services on the various islands of the Archipelago and the poor connection of the islands to each other. The market fragmentation partially leads to social and regional inequalities that affect about 40% of the Comorian population who live below the national poverty line. Indeed, the trend towards high poverty seems to be localised in areas with poor connectivity, hence a significant correlation between the incidence of poverty and transport links in the Comoros.

3.2.14 Project activities to expand the agriculture, fisheries, and tourism sectors are essential for reducing the country's fragility and stimulating inclusive growth. The activities will help to reduce social and regional inequalities within and between the islands. In addition, the activities for vulnerable groups (women and young people) will contribute to private sector development, particularly in tourism and agribusiness. Consequently, through investments to rehabilitate road sections, the project will improve social cohesion, the nutritional health of mothers and children, and agricultural and fisheries production, thereby strengthening the livelihoods of vulnerable people.

Social and Youth Employment

3.2.15 The new activities and investment growth resulting from the growth of economic activity inherent in any infrastructure development project will in turn generate opportunities for social inclusion, increased incomes, and poverty reduction under this project. Mobility and access to basic services will be greatly improved in the project area. The entire unemployed population in the project area will benefit from direct and indirect jobs expected from this project. In total, 1,200 jobs of which 20% for women.

3.2.16 The "support for women's and economic empowerment" component also includes specific activities for young people. Under this component, efforts will be made to improve the employability of young graduates in the project area by placing, through professional internships, young graduate

engineers and senior technicians in the rehabilitation works company and in the consulting firm responsible for controlling and supervising them. The internships will be provided throughout the works and will enable a dozen (12) graduates to upgrade their skills in: (i) infrastructure project implementation techniques; (ii) works planning and execution methods; (iii) techniques and methods for sizing structures; and (iv) works control and supervision tools.

Road Safety

3.2.17 In the Comoros, most houses are immediately adjacent to road pavements with no buffer space of shoulders and pavements. This is a major safety problem, especially for rehabilitated roads where speeds are higher than before (no-project situation).

3.2.18 In order to improve road safety on the sections concerned by this project, the following measures have been planned (i) road safety awareness campaigns for users and local populations; (ii) consideration, in the execution of the works, of the regulations and technical standards relating to signalling as well as to the geometric characteristics of the roads (slopes, inclines, etc.), and (iii) a road safety audit of the sections to be rehabilitated.

IV. PROJECT IMPLEMENTATION AND MONITORING AND EVALUATION

4.1 Implementation Arrangements

Executing Agency

4.1.1 As in the first two phases of the Road Network Rehabilitation Programme (PRRR), the Executing Agency for this phase will be the Ministry of Regional Development and Town Planning, in charge of Lands and Land Transport (MATUAFTT) through the General Directorate of Roads and Road Transport (DGRTR). Similarly, for the purposes of day-to-day monitoring of the funded activities, the Project Implementation Unit (PIU), established within DGRTR during the previous PRRR phases, will be maintained and strengthened during this phase.

4.1.2 The PIU will comprise: (i) a Coordinator (Civil Engineer); (ii) three Civil Engineers (Site Managers); (iii) an Administrative and Financial Officer; (iv) an Accounting Officer; (v) a Procurement Officer; (vi) a Capacity Building Officer (in charge of coordinating the activities of the "Support for women's and youth economic empowerment" and "Institutional Support" components); (vii) a Monitoring and Evaluation Officer; (viii) an Environmentalist; and (ix) six (6) administrative staff. The Unit will also have sector experts (individual consultants) to assist in monitoring the funded activities. The road works will be carried out by a competent civil engineering company and the supervision and control of the works will be carried out by competent consulting firms.

4.1.3 Furthermore, the Steering Committee established during the first two phases of the project and chaired by the General Planning Commission (CGP) will also be responsible for the overall coordination of this phase. The said Committee will comprise representatives of the main stakeholders, namely: the CGP, the Ministry of Finance, MATUAFTT; the Women's Development Network, the Mayors of the project area, the Prefects of the project area.

Procurement Arrangements

4.1.4 Goods, works, non-consulting services, and consulting services financed by the Bank under this project will be procured in accordance with the Procurement Policy for Bank Group-Funded Operations (October 2015) and the relevant provisions in the Financing Agreement. Specifically, procurement will be carried out in accordance with the Bank's Procurement Methods and Procedures (PMP): The Bank's standard procurement methods and procedures (PMP), based on the relevant Standard Bidding Documents (SBDs), will be used for all goods, works and consultancy services

contracts, as deemed most appropriate for the overall activities and in this case where the Recipient's SPM is not used in view of the identified high risks that impede the effective implementation of project activities.

4.1.5 The risks and procurement capacity at country, sector, and project levels, as well as the procurement capacity of the Executing Agency (EA), were assessed and the results used to guide decisions on the choice of procurement system for given activities or set of similar activities under the project. The procurement arrangements, including the Procurement Risk and Capacity Assessment (PRCA), are presented in detail in Technical Annex B.5.

Financial Management Arrangements and Audit

4.1.6 The designated Executing Agency for the project implementation will be MATUAFTT through DGRTR. The PIU will operate under DGRTR coordination. It will comprise DGRTR staff and independent sector experts recruited to monitor donor-funded projects. It has already managed the previous PRRR phases and therefore has demonstrated experience in managing projects financed by the Bank and other donors. This means that PIU is familiar with the Bank's financial management rules and disbursement procedures.

4.1.7 The existing financial management system in the Executing Agency (EA) was deemed generally unsatisfactory, and its overall fiduciary risk substantial. The assessment identified a number of issues in the financial management system that the EA will need to address; in particular: (i) the lack of job descriptions for all staff; (ii) the lack of a training plan for its staff, particularly those working on donor-funded projects; (iii) the lack of a formal budget schedule that would enable the AWPB to be validated by the authorised bodies before the start of the fiscal year during which it will be executed; (iv) the failure to submit some AWPBs for the Bank's no-objection; (v) the lack of an annotated budget monitoring system to track budget variances and re-assess the initial assumptions; (vi) the lack of an accounting software for monitoring projects financed by donors; (vii) the lack of quarterly financial monitoring reports contrary to the financing agreements; (viii) the lack of a fixed asset register and tables for monitoring fuel, missions, and maintenance activities; (ix) inadequate distribution of financial tasks; and (x) the lack of secure cabinets for storing supporting documents. Accordingly, corrective measures are proposed for the project implementation and are presented in detail in Technical Annex B.4.

4.1.8 **Budgeting:** For the project implementation, the Annual Work Plan and Budget (AWPB) for year N will be prepared and validated in year N-1 by the appropriate entities to be executed in year N. The project will define a clear budget schedule to comply with this requirement.

4.1.9 **Accounting and Reporting:** Regarding the project accounting management, the PIU will have an Administrative and Financial Officer and an Accounting Officer, under the operational and line supervision of the Project Coordinator and the General Directorate of Roads and Road Transport (DGRTR). The PIU will finalise the procurement of TOMPRO software, and will configure it to meet the specific needs of each project to be managed. The procurement of the software will be accompanied by the procurement of adequate computer equipment and basic training on how to use it given by the consultant. Finally, as regards financial reporting, in addition to the production of audited annual financial statements, the PIU will be responsible for producing quarterly financial reports to be submitted to the Bank within 45 days following the end of the quarter.

4.1.10 **Internal Control:** The Executing Agency (EA) has a Project Implementation Manual that was prepared during the previous phases of the project and which has yet to be validated by both MATUAFTT and the Bank. The said Manual will be revised to reflect the specificities of the new project, as well as the operation of the accounting and project management software. In the absence of a department for internal control within the EA, compliance with the procedures will be ensured

by the Administrative and Financial Officer, the Coordinator, and the Project Monitoring and Evaluation Officer.

4.1.11 **External Audit:** The project will be audited on an annual basis by an external auditor recruited on the basis of ToRs submitted to the Bank for prior approval. The duration of the audit contract will not exceed three (3) fiscal years, and the audit reports will be submitted to the Bank no later than six months following the end of the fiscal year concerned. The possibility of pooling audit services in the sector could be considered to build on the experience of the auditors and avoid delays in the submission of audit reports to the Bank. In addition, the first and last audits may cover a maximum period of 18 months, depending on whether the first disbursement occurs in the second half of the start-up year or whether the closing date is in the first half of the closing year. The cost of the audit will be covered by the project.

Disbursement Arrangements

4.1.12 The disbursement methods used in the previous phases will be maintained in this phase. They are in particular: (i) the direct payment method for expenses related to services provided by firms (construction company, works control firms, auditing firms, and other consultants) and suppliers; (ii) the revolving capital method or special account to cover operating expenses. This method will require the opening of a bank account with a commercial bank acceptable to the Bank or with the Central Bank of the Comoros; and (iii) the reimbursement method for expenditures incurred by the Comorian Government in the event of advance contracting with the Bank's prior approval. In addition, the Comorian Government will disburse a counterpart contribution to supplement the Bank's financing. The resources will be deposited in a separate account opened with the same commercial bank as for the special account or with the Central Bank of the Comoros. The project's bank accounts will be managed on the basis of regular monthly reconciliation statements and quarterly reconciliation statements for the special account.

4.2 *Monitoring and Evaluation of the Project Socio-economic Impact*

4.2.1 DGRTR and the works control and supervision consulting firm will monitor the project implementation. The consulting firm will produce monthly and quarterly progress reports on the project implementation, while DGRTR will submit quarterly reports on the project implementation to the Bank.

4.2.2 The National Institute of Statistics and Economic and Demographic Studies (INSEED) will monitor and assess the socio-economic impact of the project. To that end, DGRTR will sign a contract with INSEED, and ensure that the services also cover the E&S and gender components. INSEED will collect baseline data prior to construction to help measure the socio-economic impact of the project. In addition, DGRTR will ensure that civil society is involved in the monitoring and assessment of the project's socio-economic impact.

4.2.3 In addition to supporting the implementation and assessing project performance during supervision missions including the mid-term review, the Bank will monitor project implementation through quarterly activity which will be submitted to the Bank by the DGRTR. A project completion report will be prepared jointly by the Bank and the Executing Agency to take stock of achievements under the project.

4.3 *Governance*

4.3.1 According to the 2020 Transparency International ranking based on the Corruption Perceptions Index, the Union of the Comoros is ranked 160th out of 180 selected countries with a score of 21/100. In the same ranking for the 54 African countries, the Comoros ranks 44th. Furthermore, according to the 2020 Doing Business ranking for 190 selected economies, the country

ranks 158th in the ease of doing business index and 162nd in investor protection. The Union of Comoros will therefore need to make efforts to improve its governance and business climate.

4.3.2 In efforts to reduce the risks of poor governance in the implementation of this project, particularly with regard to the use of allocated resources and procurement, the following measures have been taken: (i) training of key staff of the Executing Agency in the Bank's fiduciary rules and procedures; (ii) updating of the Executing Agency's administrative, accounting and financial procedures manual prior to project start-up; (iii) prior review and approval by the Bank of all proposed project procurements; iv) efficient supervision arrangements for road construction through separation of the roles of Engineer and Employer, and (v) competitive selection of an independent audit firm to conduct the accounting and financial audit of the project to ensure that the funds granted are used efficiently and for the planned purposes.

4.4 Sustainability

4.4.1 The Union of the Comoros has a Road Maintenance Fund (FER) responsible for financing routine maintenance of the country's road network. The Fund was transformed on 31 January 2019 by Decree No. 19-025/PR into a 2nd generation Road Fund with two windows, one for road maintenance and the other for investment. Periodic maintenance has been carried out with grants from TFPs, particularly the EU and Arab countries; but since 2021 FER has taken over the funding. FER's funding comes mainly from fuel taxes. It should also be mentioned that FER's current revenue allow it to finance only 60% of the country's road network maintenance needs. This largely accounts for the advanced state of disrepair of the country's road network. The project's sustainability will, therefore, hinge on the ability of the Project Executing Agency to ensure timely maintenance of the project road. Thus, the Bank, in collaboration with development partners active in the sector, will ensure the development of: (i) a road database (RDB) for better programming of road maintenance operations; and (ii) a database of Comoros road units.

4.4.2. To address the problems faced by FER and help preserve the country's road network, the Comorian Government committed to gradually: (i) increase its subsidies to FER or raise fuel taxes to cover 100% of road maintenance needs within five years; (ii) accelerate its decentralisation policy to hand over responsibility for road maintenance to local authorities by giving them more powers and resources; and (iii) encourage the private sector to invest in the road sector. In addition, the Bank, in collaboration with TFPs active in the sector, will support the Government in the development of a road database for better programming of road network maintenance operations.

4.5 Risk Management

The major risks that could hamper proper project implementation and achievement of its objectives are presented in the matrix below, along with the related mitigation measures.

Table 4.1: Potential Risks and Mitigation Measures Matrix

RISK CATEGORY	RISK DESCRIPTION	RATING	MITIGATION MEASURES	RISK PILOT
Political and governance context of the country	Unsustainable investment due to malfunction or lack of implementation of road maintenance programmes and road network preservation measures	Average	<ul style="list-style-type: none"> - Operationalisation of FER and granting financial resources to enable it to carry out routine and periodic maintenance programmes. - Implementation of measures and/or recommendations for 	- The Ministry of Regional Development and Town Planning, in charge of Lands and Land Transport (MATUAFTT)

			preservation of the road network.	
Political and governance context of the country	Delays in clearing rights-of-way for the project roads	Weak	- Maintaining the project roads in their current rights-of-way, thereby avoiding lengthy expropriation and property demolition processes.	- MATUAFTT
Fiduciary and value for money	Increase in the cost of the proposed works over the related estimated budget	Average	- Anticipation of increase in the cost of the works thanks to provision for physical and price Contingencies. - Use of competition for award of the works contract. - Use of the results of the detailed technical and economic studies as basis for estimating the budget for the various project components.	- MATUAFTT - The Bank (AfDB)
Health	Delays in the execution of project works due to the spread of the Coronavirus disease (COVID-19) on the construction sites	Average	- Requirement of vaccination against COVID-19 for all persons on the construction sites. - Implementation and strict compliance with barrier measures on construction sites.	- MATUAFTT - Department of Public Health - Works contractor - Consulting firm in charge of works control and supervision
Capacity of the executing entity	Inadequate capacity of the Executing Agency as regards project management and high mobility of PIU staff	Average	- Bank financing of a Project Coordinator experienced in project management and three Civil Engineers to supervise the works, one on each of the three project sites. - Bank financing of a Consulting Firm to be in charge of works control and supervision.	- MATUAFTT - The Bank (AfDB)
Capacity of the executing entity	Excessive time for procurement processes and/or delays in procurement by the Executing Agency	Average	- Recruitment of a Procurement Expert by the Executing Agency. - Training and technical assistance in procurement to Executing Agency staff, as well as possibility for the Agency to use its national procurement system for low value procurements.	- Project Implementation Unit (PIU). - The Bank (AfDB).

Risks related to climate vulnerability	Category 1 of the Bank's CSS. Road sections in coastal areas are highly exposed to natural hazards such as landslides, coastal erosion, flooding, volcanic eruptions, sea level rise, sea surges and storm surges, etc.	Average	<ul style="list-style-type: none"> -The waterproofing of roads to be rehabilitated by the construction of new cross structures (gutters); - The construction of drainage works (surface gullies, gutters) at the foot of the slopes along the roads to be rehabilitated; - Planting of trees for the emission of green gas; - Training of key personnel of the DGEF and the Executing Agency in E&S safeguard and climate risk management. 	<ul style="list-style-type: none"> -Project Implementation Unit (PIU) - Bank (AfDB)
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4.6 Knowledge Building

4.6.1 The monitoring and evaluation mechanisms for the project implementation will facilitate documentation of the lessons learned from the project implementation as well as its outcomes, outputs, and impacts. Monitoring and evaluation of results, outputs and impacts will make it possible to analyse the project, identify areas for improvement and propose measures to mitigate the deficit. This will be useful for future projects in the sector and other related sectors. Accordingly, the monitoring and evaluation reports on the project's socio-economic impact at the end of the project, and the Executing Agency's quarterly reports will contribute to knowledge building and inform the Bank and member countries in the design of future projects. Knowledge will also be built within the Executing Agency (EA) through implementation of the capacity building component of the project.

4.6.2 The project beneficiaries will assess the project impact on their living conditions, and thereby provide information on their appreciation of the project outcomes and their degree of satisfaction with what they expected from it.

V. LEGAL INSTRUMENT

5.1 Financing Instrument

The legal instruments for this Project will be (i) an ADF Grant agreement between the African Development Fund (the "Fund") and the Union of the Comoros (the "Recipient") for a Grant in the amount of ten million units of account (UA 10,000,000); and (ii) an TSF Grant agreement between the Fund and the Recipient for a Grant to the tune of five million, three hundred and thirty-eight thousand and four hundreds units of account (UA 5,338,400).

5.2 Conditions for Bank Intervention

5.2.1 Conditions precedent to effectiveness of the grants

Effectiveness of the Grants shall be subject to signature of the related Agreements by the Fund and the Recipient.

5.2.2 Conditions precedent to first disbursement of grants

In addition to effectiveness of the grants, the disbursement of the project resources shall be subject to the Recipient fulfilling, to the satisfaction of the Fund, the following conditions:

(1) Provide the Fund with satisfactory evidence of: (i) the recruitment of a Procurement Specialist, and (ii) the appointment of an accountant, as implementing staff, with qualifications and experience acceptable to the Fund.

5.2.3 Conditions precedent to disbursements for works involving resettlement

Subject to the effectiveness of the agreements, the Fund's obligation to disburse Grants for works involving resettlement is subject to compliance by the Recipient with the following additional conditions

- a) Submission of a works and compensation schedule prepared in accordance with the Bank's Resettlement Action Plan (RAP) and safeguard policies, in a form and on terms satisfactory to the Fund, with detailed information on: (i) each section of civil works under the project, and (ii) the schedule for compensation and/or resettlement of all project-affected persons (PAPs) for each section
- b) Submission of satisfactory evidence that all Project-Affected Persons (PAPs) in respect of civil works in a given section have been compensated and/or resettled in accordance with the Environmental and Social Management Plan (ESMP), RAP and agreed schedule of works and compensation, and the Bank's safeguard policies, prior to the commencement of civil works in that section, and in any event prior to the actual resettlement of PAPs and/or the repossession of land and related property; or
- c) In lieu of paragraphs (a) and (b) above, the submission of satisfactory evidence that the resources allocated for the compensation and/or resettlement of PAPs have been deposited in a dedicated account in a bank acceptable to the Fund or remitted to a trusted third party acceptable to the Fund, where the Recipient can demonstrate to the satisfaction of the Fund that the compensation and/or resettlement in accordance with paragraphs (a) and (b) above could not be carried out in whole or in part, for the following reasons (i) identification of the PAPs by the Recipient is not feasible or possible; (ii) ongoing litigation involving the PAPs and/or affecting compensation and/or resettlement; or (iii) any other reason beyond the control of the Recipient, as discussed and agreed with the Fund.

5.2.4 Other Conditions

In addition, the Recipient shall, to the satisfaction of the Fund/

- (a) Provide to the Fund (i) no later than six (6) months from the date of the Agreement, or such later date as may be acceptable to the Fund, proof of mobilisation of UA 587,465 equivalent to three hundred and fifty-one million six hundred and fifty-eight Comorian francs (KMF 351,658,000); (ii) ensure that the amount of UA 587,465 equivalent to three hundred and fifty-one million six hundred and fifty-eight thousand Comorian francs (KMF 351,685,000) is included in the national budget in accordance with the applicable public financial management law as a counterpart (the "Counterpart") to participate in the costs of the Project for each of the three consecutive years following the year of commencement of the Project.

5.2.5 Undertakings

The Recipient undertakes, to the satisfaction of the Fund, to: (i) implement the Project, ESMP and RAP, and have them implemented by its contractors in accordance with: (a) the Bank's rules and procedures; (b) national law; and (c) the ESMP and RAP recommendations, requirements and procedures; (ii) not start work on any affected area without full compensation to the affected persons

in that area; (iii) submit to the Fund semi-annual reports on the ESMP and RAP implementation, including any deficiencies and corrective actions taken or to be taken; and (iv) submit to the Fund any documents reasonably required for monitoring the project implementation; and (v) increase FER revenue for road maintenance to cover 100% of the road maintenance needs by the project completion date.

5.3 Compliance with Bank Policies

This project complies with all applicable Bank policies.

VI. RECOMMENDATION

Management recommends that the Boards of Directors approve, for the Union of the Comoros:

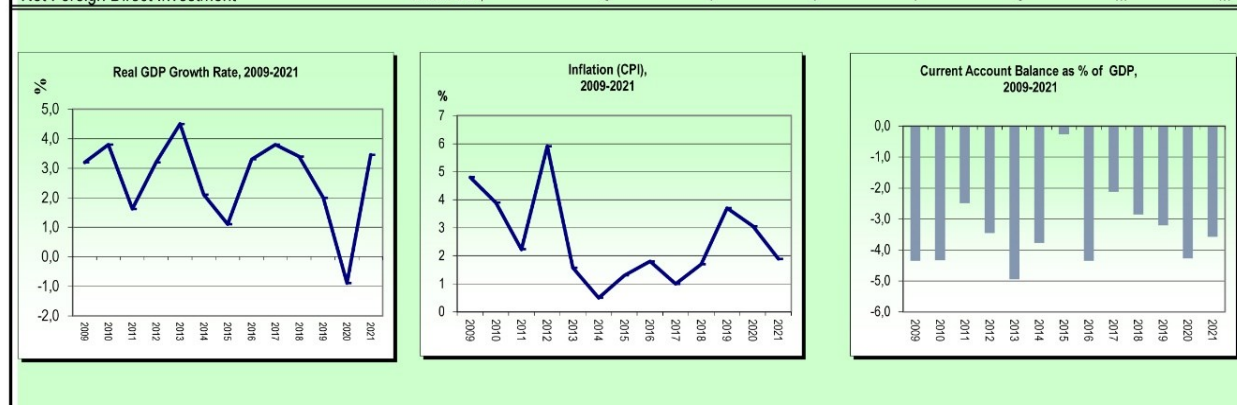
- i. an ADF Grant of ten million Units of Account (UA 10,000,000) and
- ii. a TSF Grant of five million three hundred and thirty-eight thousand four hundred Units of Account (UA 5,338,400);

to finance this project under the terms and conditions set out in this report.

ANNEX I: COMPARATIVE SOCIO-ECONOMIC INDICATORS OF THE COMOROS

Comoros Selected Macroeconomic Indicators

Indicators	Unit	2010	2016	2017	2018	2019	2020 (e)	2021 (p)
National Accounts								
GNI at Current Prices	Million US \$	952	1 050	1 042	1 149	1 208	...	...
GNI per Capita	US\$	1 380	1 320	1 280	1 380	1 420	...	...
GDP at Current Prices	Million US \$	907	1 013	1 077	1 179	1 166	1 196	1 324
GDP at 2010 Constant prices	Million US \$	907	1 060	1 100	1 138	1 160	1 150	1 190
Real GDP Growth Rate	%	3,8	3,3	3,8	3,4	2,0	-0,9	3,5
Real per Capita GDP Growth Rate	%	1,3	0,9	1,5	1,1	-0,2	-3,0	1,3
Gross Domestic Investment	% GDP	18,2	12,6	13,4	15,0	15,9	16,2	16,7
Public Investment	% GDP	15,0	4,4	3,4	4,1	3,9	3,9	3,9
Private Investment	% GDP	3,1	8,1	10,0	10,9	12,0	12,3	12,7
Gross National Savings	% GDP	9,0	8,2	9,9	8,9	8,2	9,3	...
Prices and Money								
Inflation (CPI)	%	3,9	1,8	1,0	1,7	3,7	3,1	1,9
Exchange Rate (Annual Average)	local currency/US\$	370,8	444,6	435,6	416,4	439,4	438,8	418,9
Monetary Growth (M2)	%	19,5	10,2	1,7	8,7	5,7	0,0	...
Money and Quasi Money as % of GDP	%	28,2	37,0	36,1	37,5	38,0	37,1	...
Government Finance								
Total Revenue and Grants	% GDP	17,5	14,2	23,3	18,9	14,0	13,9	13,8
Total Expenditure and Net Lending	% GDP	13,3	18,6	23,8	19,6	16,0	17,5	16,3
Overall Deficit (-) / Surplus (+)	% GDP	4,2	-4,4	-0,5	-0,7	-2,1	-3,6	-2,4
External Sector								
Exports Volume Growth (Goods)	%	20,3	31,5	-1,0	2,9	4,7	-0,7	5,5
Imports Volume Growth (Goods)	%	0,6	11,6	12,3	11,0	1,0	4,6	-12,2
Terms of Trade Growth	%	9,0	55,1	27,8	2,4	-8,1	6,7	-10,6
Current Account Balance	Million US \$	-39	-44	-23	-34	-37	-51	-47
Current Account Balance	% GDP	-4,3	-4,3	-2,1	-2,9	-3,2	-4,3	-3,6
External Reserves	months of imports	6,4	7,1	8,2	6,8	6,8	8,5	...
Debt and Financial Flows								
Debt Service	% exports	11,3	2,9	2,9	3,3	7,7	4,5	6,9
External Debt	% GDP	29,4	15,6	17,8	18,9	23,5	29,8	31,2
Net Total Financial Flows	Million US \$	73	30	69	87	78	...	...
Net Official Development Assistance	Million US \$	70	54	67	91	78	...	...
Net Foreign Direct Investment	Million US \$	8	4	4	7	8	...	...

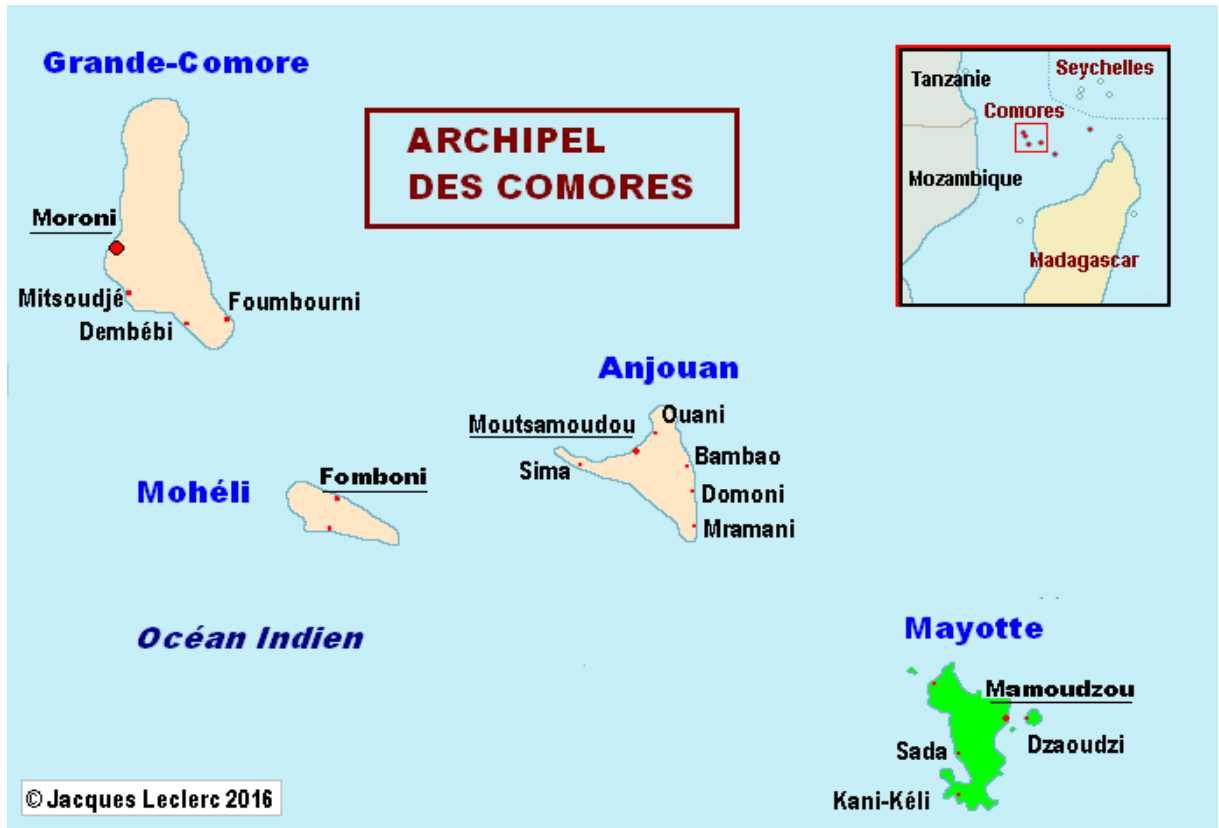


Source : AfDB Statistics Department: African; IMF: World Economic Outlook, October 2020 and International Financial Statistics, December 2020; AfDB Statistics Department: Development Data Portal Database, December 2020. United Nations: OECD, Reporting System Division.

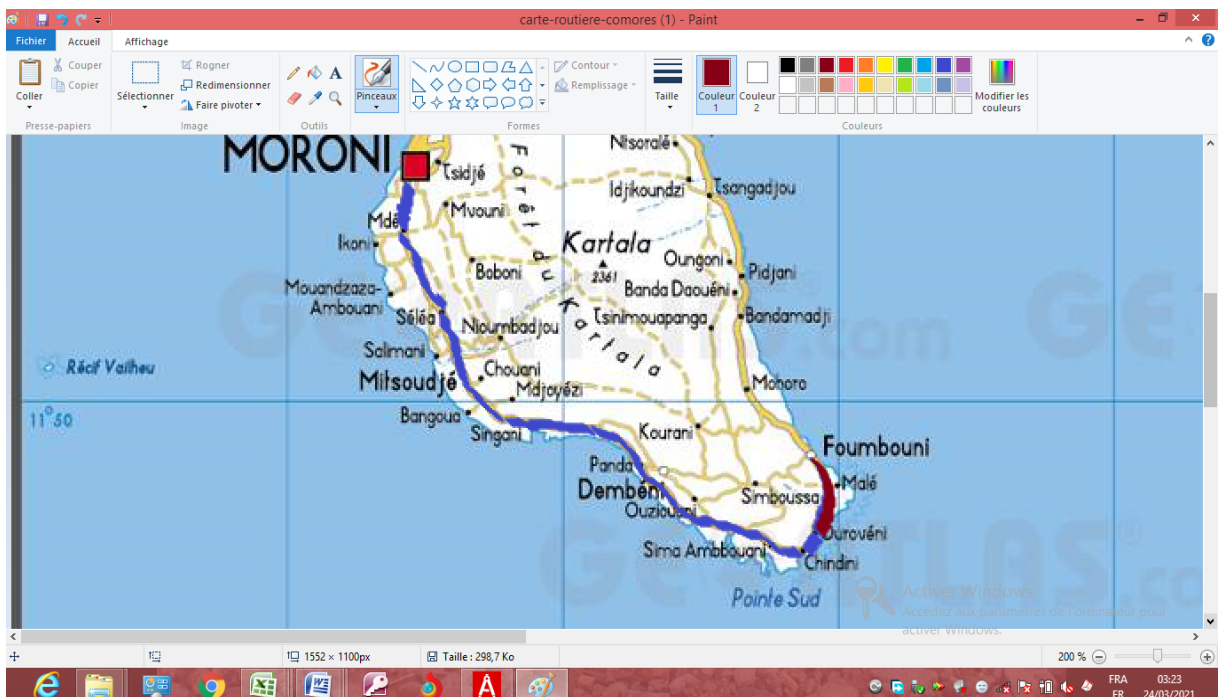
Notes: ... Data Not Available (e) Estimations (p) Projections

Last Update: February 2021

ANNEX II: MAP OF PROJECT AREA - 1/2

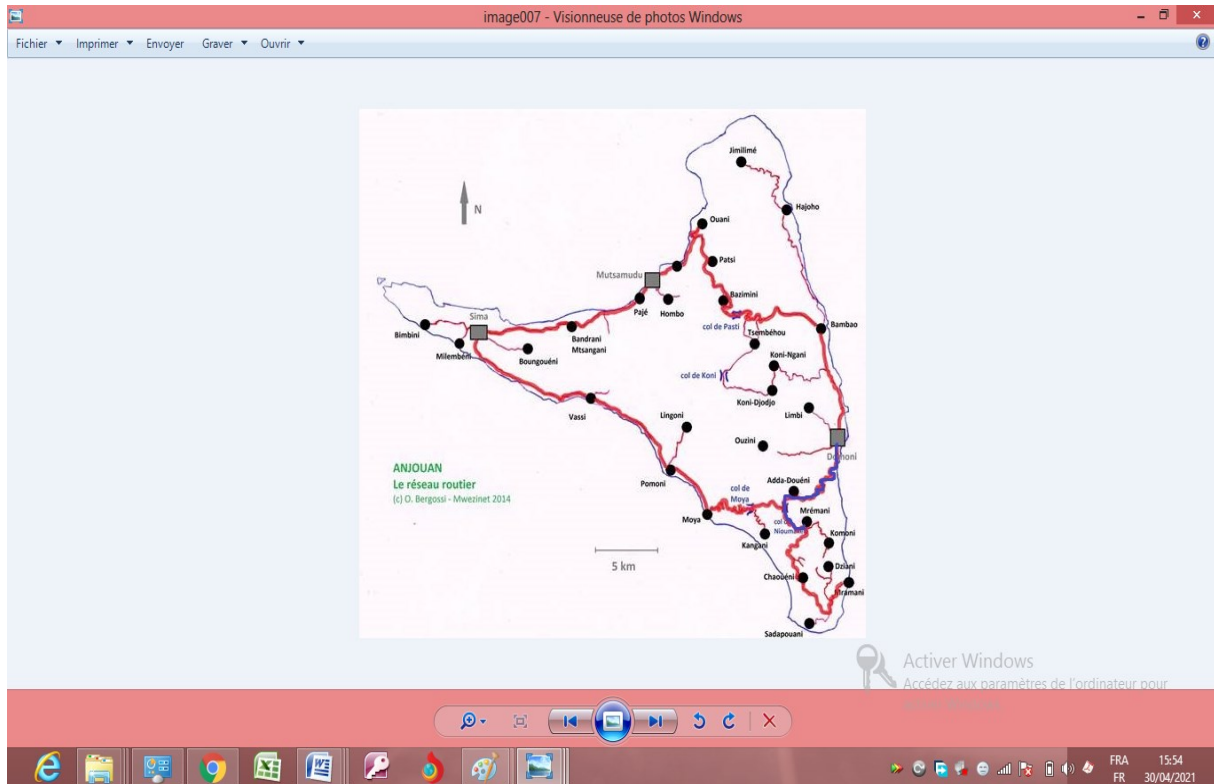


Ourovéni - Fombouni section of the RN2 road (Grande Comore)

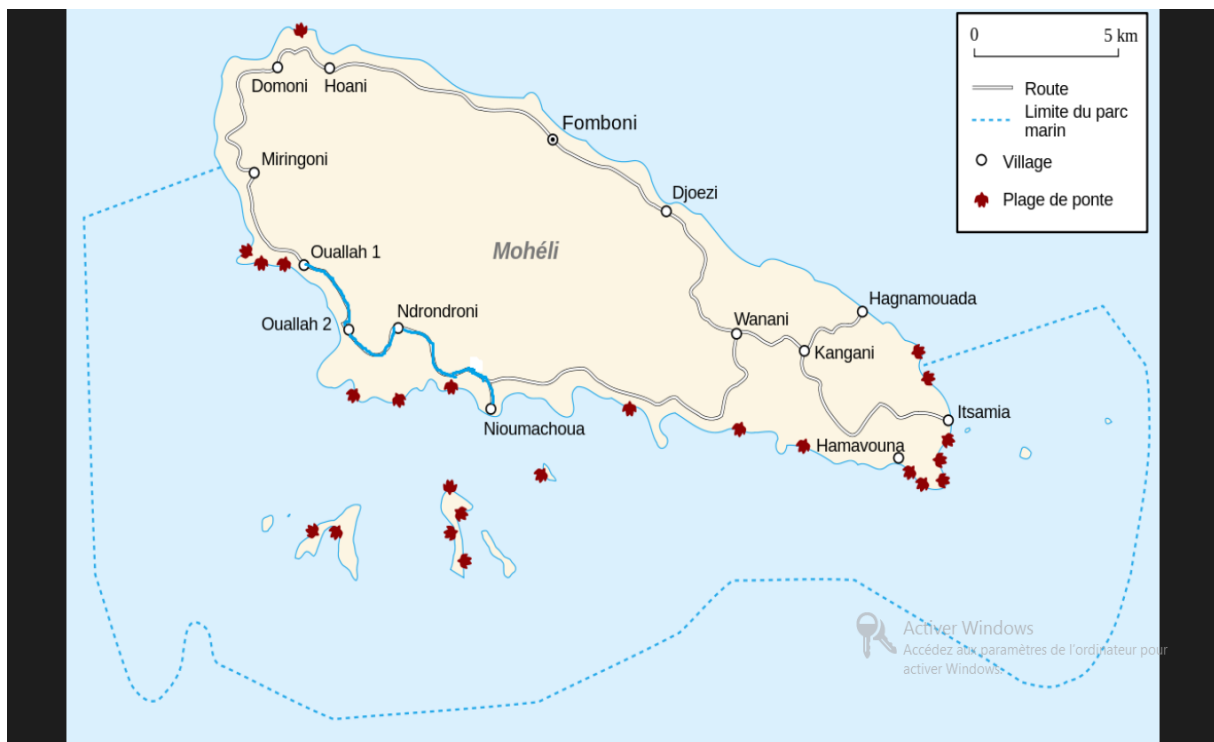


ANNEX II: MAP OF PROJECT AREA 2/2

Domoni-Mrémani section of the RN21 road (Island of Anjouan)



Wallah-Nioumachoua section of the RN32 road (Island of Mohéli)



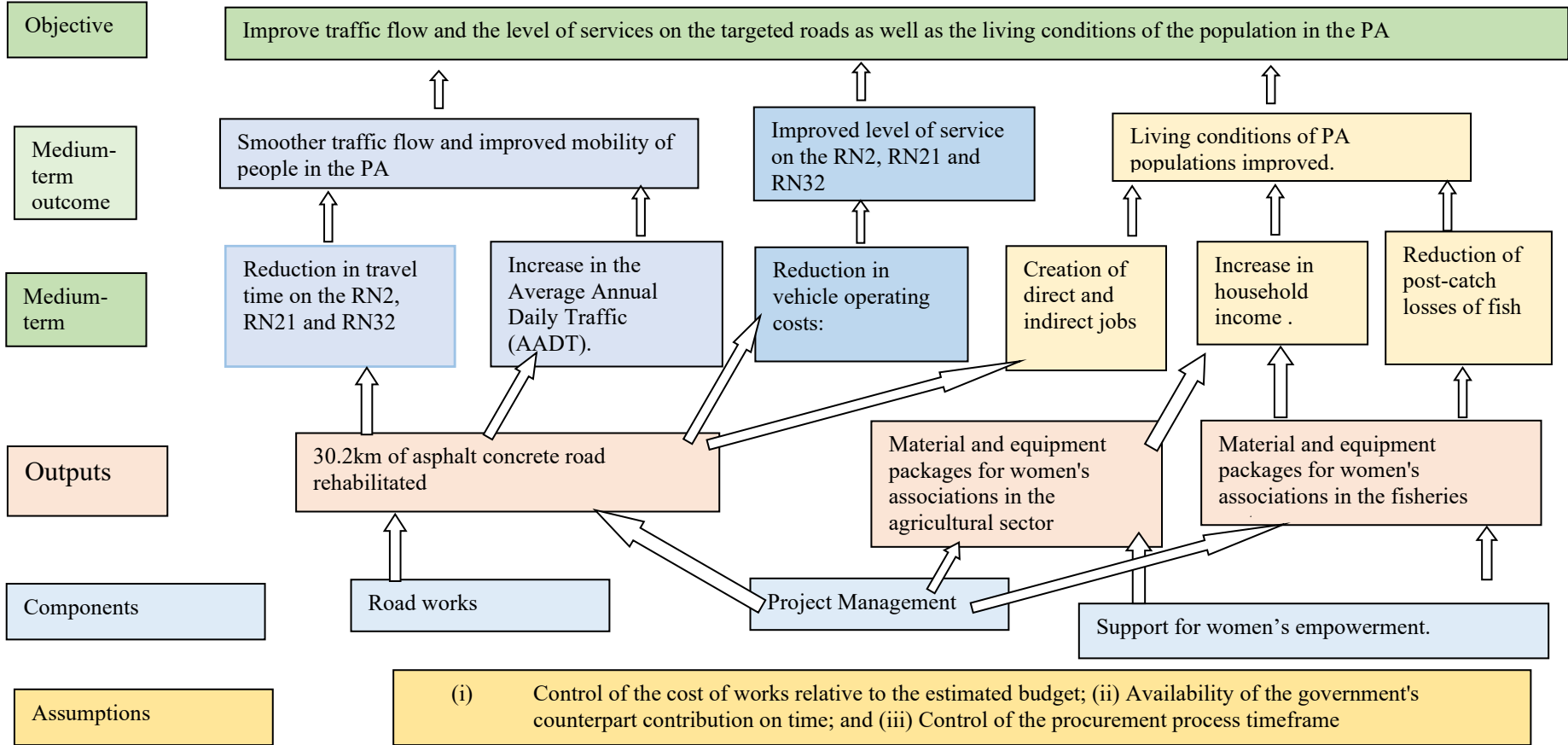
ANNEX III: DETAILED PROJECT COST

N°	Activity	Amount in KMF	Amount in UC (1UC=598,602 KMF)	ADF Grant ('000 UA) 2/3	TSF Grant ('000 UA) 1/3	GVT ('000 UA)
1	Works					
1.1	RN 2 road between Ouroveni and Foubouni in Ngazidja	1,812,240,000	3,027,454	1,702.09	851.04	474.33
1.2	RN32 road between Wallah and Nioumachoua in Moheli	2,471,280,300	4,128,420	2,321.07	1,160.53	646.82
1.3	RN21 road between Domoni and Mrémani in Anjouan	3,767,400,000	6,293,664	3,538.40	1,769.20	986.06
1.4	Works control and supervision	508,483,899	849,452	566.30	283.15	
1.5	Implementation of ESMP and Resettlement Plan "Compensation of project-affected persons"	80,509,203	134,495	89.66	44.83	
1.6	Raising awareness among the PA population on environmental protection, control of STDs including HIV, control of COVID-19, road safety and family planning, including GBV prevention	8,050,920	13,450			13.45
	Total costs works	8,647,964,322	14,446,935,23	8,217.52	4,108.76	2,120.66
2	Support for women's and youth empowerment					
2.1	Support to women's associations in the agricultural sector through the supply and installation of equipment (equipment of storage facilities, multi-service buildings, rehabilitation/fitting out of sheds, latrines; supply of solar lighting systems, tables, chairs and other equipment).	40,254,602	67,248		67.25	
2.2	Support to women's associations involved in post-catch fisheries activities through the supply and installation of equipment (supply of ovens, coolers and freezers; rehabilitation or fitting out of sheds, latrines; equipping of conservation premises, multi-service buildings; supply of solar lighting systems, tables and chairs).	40,254,602	67,248		67.25	
2.3	Capacity building (training) in management of commercial and associative activities for eight (800) women selected within the women's associations of the PA over 4 years and according to criteria that will be submitted to the Bank's non-objection prior to the start of this sub-component	20,743,241	34,653	23.10	11.55	
2.4	Support for the employability of young graduates in the PA: placement of twelve (12) young engineers/senior technicians, newly graduated, in the company awarded the road works and in the consulting firm in charge of the control and supervision of the said works (Memo: to be inserted in the Tender Documents)		-		-	
	Total appuis à l'autonomisation	101,252,444	169,148	23.10	146.05	-
3	Institutional Support and Capacity Building					
3.1	Supply and installation of videoconference equipment	51,455,000	85,959		85.96	
3.2	Capacity building (training) in procurement, financial management, environmental and social safeguards (E&S) for DGRTR(AE) and PIU (activity will be carried out by the Bank)		-		-	
	Total Institutional support	51,455,000	85,959	-	85.96	-
4	Project Management					
4.1	Financial and accounting audit	33,775,000	56,423		56.42	
4.2	Procurement audit	8,050,920	13,450		13.45	
4.3	Technical and road safety audit	24,152,761	40,349	26.90	13.45	
4.4	Environmental compliance audit	16,101,841	26,899	17.93	8.97	
4.5	Monitoring and evaluation of environmental impact	100,786,411	168,370	112.25	56.12	
4.6	Monitoring and evaluation and control of Resettlement Plan and ESMP implementation	80,509,203	134,495	89.66	44.83	
4.7	Organisation of project activities launch and validation workshop	9,017,031	15,063		15.06	
4.8	Operating costs	482,404,000	805,884	537.26	268.63	
	Total Project Management	754,797,166	1,260,933	784.00	476.94	-
A	Base Cost	9,555,468,933	15,962,975	9,024.62	4,817.70	2,120.66
B	Physical contingencies for works (6.789% of A)	648,720,786	1,083,726	612.68	327.07	143.97
C	Price Contingencies for works (4.019% of A)	384,034,296	641,552	362.70	193.62	85.23
	Total Project Cost	10,588,224,015	17,688,254	10,000.00	5,338.40	2,349.86

ANNEX IV: MAIN RELATED PROJECTS FINANCED BY THE BANK AND OTHER DEVELOPMENT PARTNERS IN THE COMOROS

SOURCE OF FINANCING	Approval Date	Amount
AFRICAN DEVELOPMENT BANK GROUP		
		(UA Million)
<p>1) Road Network Rehabilitation Project, Phase II: Rehabilitation of Moroni-Ourovéni section of the RN2 road</p> <ul style="list-style-type: none"> ● African Development Fund ● Transition Support Facility ● Transition Support Facility 	<p>10/12/2019</p> <p>10/12/2019</p> <p>10/12/2019</p>	<p>8.04</p> <p>8.04</p> <p>6.97</p>
<p>2) Road Network Rehabilitation Project, Phase I: Rehabilitation of Moroni-Mitsoudjé-Panda section of the RN2 road and Sima-Moya section (27 km) of the RN23 road</p> <ul style="list-style-type: none"> ● African Development Fund ● African Development Fund 	<p>17/04/2017</p> <p>23/01/2017</p>	<p>2.70</p> <p>12.47</p>
SAUDI ARABIAN DEVELOPMENT FUND (SDF)		
		(KMF Billion)
<p>1) Rehabilitation of the RN1 road (Hahaya-Mitsamihouli-Galawa section) and the RR205 road (Dindri-Mchakojou section), and construction of the Mchakojou-Lingoni road</p>	<p>07/01/2015</p>	<p>11.04</p>
EUROPEAN UNION (EU)		
		(EUR Million)
<p>1) Support Programme for Sustainable Development of the Transport Sector I (PADDST I)</p> <p>2) Support Programme for Sustainable Development of the Transport Sector II (PADDST II)</p>	<p>31/03/2010</p> <p>17/05/2013</p>	<p>16.60</p> <p>10.40</p>

ANNEX V: CHANGE THEORY



ANNEX VI: BANK'S ACTIVE PORTFOLIO IN THE UNION OF THE COMOROS AS AT 28 FEBRUARY 2022

No.	Project	Instrument	Date approved	Closing date	Age (years)	Net amount USDM	Net amount (UA Million)	Disbursement rate (%)	PER
1	Road Network - Rehabilitation Project	ADF-Supplementary Loan	10-Dec-2019	31-Dec-2023	2.2	11.55	8.04	24.7	NPPP
		TSF - loan (Pillar I)	17 - Jul. 2020	31-Dec-2023	1.6	11.55	8.04	34.1	
		TSF- Grant (Pillar I)	17 - Jul. 2020	31-Dec-2023	1.6	10.00	6.97	-	
2	Energy Sector Support Project (PASES)	TSF (Pillar I)	11-Sep-2013	31-Jan-2022	2.8	11.49	8.00	84.7	NPPP
		ADF (Grant)			6.4	7.73	5.38	70.9	
		ADF-Supplementary Grant	21 May -2019	31-Jan-2022	1.3	9.99	6.96	0.5	
3	Energy Production, Transmission & Distribution Master Plan	TSF (Pillar III)	30-Sep-2015	31-Dec-2021	1.3	2.87	2.00	41.3	NPPP
4	COVID-19 Crisis Response Budget Support Programme for the Union of the Comoros :	ADF Grant	9-Nov-2020	31-Dec-2021	2.2	7.18	5.00	100.0	NPPP
		TSF (Pillar I)- Grant	9-Nov-2020	31-Dec-2021	1.6	9.84	6.85	100.0	
		TSF (Pillar I) - Loan	9-Nov-2020	31-Dec-2021	1.6	4.52	3.15	100.0	
AVERAGE TOTAL					3.0	119.39	83.14	52,09%	

ANNEX VII: PROJECT MONITORING PLAN

Alignment Indicators			
Indicator name	Definition / Description	Source	Baselines and targets (if possible)
Roads built or rehabilitated	Length of built or rehabilitated roads	Reports of the Control and Supervision Consultant	Target: 30.2km
People with improved access to transport	Number of people with improved access to transport	Reports of the Control and Supervision Consultant / INSEED	Target: 894,677

B. Outcome and output indicators (performance indicators)						
Indicator name	Definition / Description	Collection method	Collection Responsibility	Reporting Frequency	Outcome Planning	
					At mid-term (2024)	At project completion (2026)
Average Annual Daily Traffic (AADT)	Average number of vehicles per day on project roads (veh/d)	On-site data collection and surveys	BDR /DGRTR / INSEED / Consultant to be recruited	Once	4,200	5,360
Vehicle operating expenses (VOE) HDV	Operating and maintenance costs of light vehicles (KMF/d)	On-site data collection and surveys	BDR /DGRTR / INSEED / Consultant to be recruited	Once	1,000	700
Vehicle operating cost (VOCs0 for HGV	Maintenance and operating costs of heavy goods vehicles (KMF/d)	On-site data collection and surveys	BDR /DGRTR / INSEED / Consultant to be recruited	Once	1,500	1,000
Average travel time on roads	Average origin-destination time on project roads	On-site data collection and surveys	BDR /DGRTR / INSEED / Consultant to be recruited	Quarterly	45	30
Length of roads rehabilitated	Number of kilometres (km) of improved roads	Report of the works control and supervision consultant	BDR /DGRTR / INSEED / Consultant to be recruited	Quarterly	15	30.2
Direct and indirect jobs created	Number of jobs created (of which 45% for women)	Report of the works control and supervision consultant	BDR /DGRTR / INSEED / Consultant to be recruited	Quarterly	700	1,200
Improvement in household income	Increase in average annual household income (percent)	On-site data collection and surveys	BDR /DGRTR / INSEED / Consultant to be recruited	Quarterly	10	20
Improvement of trade	Increase in trade volume (tonnes/year)	On-site data collection and surveys	BDR /DGRTR / INSEED / Consultant to be recruited	Quarterly	5,100,000	5,560,000
Awareness raising on STDs, VCT-19, other pandemics, gender, gender-based violence	Sensitisation campaign to raise the awareness of the population in general and road users in particular	Mid-term reports /Project impact monitoring and evaluation Consultant	BDR /DGRTR / INSEED / Consultant to be recruited	Quarterly	175,000	350,000

B. Outcome and output indicators (performance indicators)						
Indicator name	Definition / Description	Collection method	Collection Responsibility	Reporting Frequency	Outcome Planning	
					At mid-term (2024)	At project completion (2026)
(GBV), environmental protection and road safety						
Women trained in management of commercial and associative activities	Number of women trained in commercial and associative activities management as part of capacity building activities	Report of the works control and supervision consultant	DGRTR/INSEED / Capacity Building Officer / Consultant to be recruited	Quarterly	400	800
Premises equipped and/or equipment provided to women's groups in the agricultural sector	Number of equipped premises and/or equipment provided to women's associations in the agricultural sector	Report of the works monitoring consultant	DGRTR/INSEED / Capacity Building Officer / Consultant to be recruited	Quarterly	4	9
Premises equipped and/or equipment provided for women's groups involved in post-catch fisheries activities	Number of Premises equipped and/or equipment provided for women's groups involved in post-catch fisheries activities	Report of the works control and supervision consultant	DGRTR/INSEED / Capacity Building Officer / Consultant to be recruited	Quarterly	4	9
Young graduates (engineers or senior technicians) working for the Contractor awarded the road works contract and the consulting firm in charge of the control and monitoring of the said works	Support for the employability of young graduates in the PA: integration of twelve (12) young engineers/senior technicians, newly graduated, in the company awarded the road works contract and in the consulting firm in charge of the control and monitoring of the said works.	Report of the works control and supervision consultant	DGRTR/INSEED / Capacity Building Officer / Consultant to be recruited	Quarterly	6	12
Key staff of the Executing Agency trained in contract management, procurement, and project administration	Number of workers in the Executing Agency trained in contract management, procurement, and project administration	Report of the works control and supervision consultant	DGRTR/PIU/ Consultant to be recruited	Quarterly	20	20
Key DGEF and Executing Agency staff trained in E&S safeguards and climate risk management	Number of DGEF and Executing Agency staff trained in E&S safeguards and climate risk management	Report of the works control and supervision consultant	DGRTR/DGEF/PIU/ Consultant to be recruited	Quarterly	20	20
Works progress reports	Number of progress reports produced	Report of the works control and supervision consultant	DGRTR/PIU/ Consultant to be recruited	Quarterly	9	15
Monitoring and evaluation reports	Number of monitoring and evaluation reports produced	Report of the works control and supervision consultant	DGRTR/INSEED/ Consultant to be recruited	Quarterly	9	15
Project accounts audit report	Number of audit reports produced	Report of the works control and supervision consultant	DGRTR/Consultant to be recruited	Annually	2	5

ANNEX VIII: ENVIRONMENTAL AND SOCIAL COMPLIANCE NOTE (ESCON)

A. Basic Information¹

Project Title: Road rehabilitation project: RN2 between Ouroveni and Fomboni in Grande Comore, RN32 - Wallah and Nimachoua in Mohéli and RN21 - Domoni and Mrémani in Anjouan		Project "SAP code": P-KM-D00-002
Country: Comoros	Lending Instrument²: DI <input checked="" type="checkbox"/> FI <input type="checkbox"/> CL <input type="checkbox"/> BS <input type="checkbox"/> GU <input type="checkbox"/> RPA <input type="checkbox"/> EF <input type="checkbox"/> RBF <input type="checkbox"/>	
Project Sector: TRANSPORT	Task Team Leader: Pamphile CODO & Gérard NIMPA	
Appraisal date: 4 th october 2021	Estimated Approval Date: 31 March 2022	
Environmental Safeguards Officer: Joselyne Lisbeth GODONOU		
Social Safeguards Officer: XXXXXXXXX		
Environmental and Social Category: 2	Categorization date: 6/8/2021	Operation type: SO <input checked="" type="checkbox"/> NSO <input type="checkbox"/> PBO <input type="checkbox"/>
Is this project processed under rapid responses to crises and emergencies?		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Is this project processed under a waiver to the Integrated Safeguards System?		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>

B. Disclosure and Compliance Monitoring

B.1 Mandatory disclosure

Environmental Assessment/Framework/System: 01 Environmental and Social Impact Assessment (ESIA) including 03 ESMP		
Was/Were the document (s) disclosed <i>prior to appraisal</i> ?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/> NA <input type="checkbox"/>
Date of "in-country" disclosure by the borrower/client	04/11/2021	
Date of receipt, by the Bank, of the authorization to disclose	05/11/2021	
Date of disclosure by the Bank	05/11/2021	
Resettlement Action Plan/Framework/Others (specify: 01 Resettlement Action Plan (RAP))		
Was/Were the document (s) disclosed <i>prior to appraisal</i> ?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/> NA <input type="checkbox"/>
Date of "in-country" disclosure by the borrower/client	04/11/2021	
Date of receipt, by the Bank, of the authorization to disclose	05/11/2021	
Date of disclosure by the Bank	05/11/2021	
Vulnerable Peoples Plan/Framework/Others (specify:)		
Was the document disclosed <i>prior to appraisal</i> ?	Yes <input type="checkbox"/>	No <input type="checkbox"/> NA <input checked="" type="checkbox"/>
Date of "in-country" disclosure by the borrower/client	[Date]	
Date of receipt, by the Bank, of the authorization to disclose	[Date]	
Date of disclosure by the Bank	[Date]	
If in-country disclosure of any of the above documents is not expected, as per the country's legislation, please explain why: NA.		

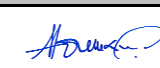

B.2. Compliance monitoring indicators

Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	NA <input type="checkbox"/>
Have costs related to environmental and social measures, including for the running of the grievance redress mechanism, been included in the project cost?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	NA <input type="checkbox"/>
Is the total amount for the full implementation for the Resettlement of affected people, as integrated in the project costs, effectively mobilized and secured?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	NA <input type="checkbox"/>
Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	NA <input type="checkbox"/>
Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	NA <input type="checkbox"/>

C. Clearance

Is the project compliant to the Bank's environmental and social safeguards requirements, and to be submitted to the Board?

Yes No

<i>Prepared by:</i>	<i>Name</i>	<i>Signature</i>	<i>Date</i>
Environmental Safeguards Officer:	Joselyne Lisbeth GODONOU		12/11/2021
Social Safeguards Officer:	XXXXXXXXXX		12/11/2021
Task Team Leader:	Pamphile CODO & Gérard NIMPA		
<i>Submitted by:</i>			
Sector Director:	Mike SALAWOU		11/03/2022
<i>Cleared by:</i>			
Director SNSC:	Maman-Sani ISSA		14/03/2022

¹ Note: This ESCON shall be appended to project appraisal reports/documents before Senior Management and/or Board approvals.

² DI=Direct Investment; FI=Financial Intermediary; CL=Corporate Loan; BS=Budget Support; GU=Guarantee; RPA=Risk Purchase Agreement; EF=Equity Financing; RBF=Results Based Financing.

ANNEX IX: NOTE ON PROJECT FRAGILITY AND RESILIENCE

I. Introduction

Like many other countries, the Comoros Archipelago is at the forefront of the major global challenges that shape the 21st century. From climate change to migration, socio-economic inequality to various pandemics, and youth employment to terrorism, the country remains the theatre of all these problems require solutions from public authorities. Faced with rapid deterioration of the people's living conditions following the COVID-19 pandemic, the Union of the Comoros is experiencing increasing vulnerability in various forms and seems to be ill-prepared to deal with the threats it faces.

A myriad of fragility risks exposes the country to several fragility factors that hamper the country's efforts to develop its capacity and perform its essential duties (provide basic services such as public health, water, sanitation, electricity, etc.) and guarantee the standards and fundamental rights of the population.

The variability of risks and diversity of fragility factors generally stem from a combination of exogenous and endogenous factors. For the Comoros, the external risks concern severe climatic conditions and community conflicts that can lead to unregulated migration due to social tensions or famine, for example, while the internal risks concern institutional capacity and regional disparities. The fragility of transport sector governance is therefore rarely the outcome of a single monolithic root cause but rather a combination of facts converging to manifest fragility.

II. Overview of the resilience and fragility of the Comoros Islands

An analysis of data collected in 2020 to assess the resilience and fragility of the Comoros presents a country profile marked by stronger resilience to defend the country's borders and moderately maintain public law and order, and by strong pressure with impunity for high-ranking State officials, which weakens citizens' confidence in institutions responsible for restoring social justice. The country profile also shows the country's weak capacity to strengthen judicial institutions, which are important in the fight against crime and for public stability. In addition, the number of cross-border crimes is on the decline and offers the country an opportunity to increase tourist flows despite the COVID-19 pandemic situation. Furthermore, the weight of polarisation based on group identity according to the islands, as well as marginalisation of women and young people on each island, weaken civil society organisations and make inter- and intra-community trade difficult because of inadequate road network for the mobility of people and goods.

III. Aspects of fragility targeted by the project

The scope and nature of fragility varies according to the sector addressed by the project and the proposed activities for its components. Accordingly, the fragility factors of this project are analysed in terms of the following challenges: (i) sustainable job creation in urban and rural areas is one of the main development challenges; (ii) fragmentation of the economic market due to poor road network connectivity; (iii) regional inequalities are still high; (iv) vulnerability to climatic hazards; and (v) gender inequality. The selection of factors is partly motivated by their linkages to social development and economic inclusion, which in extreme forms are considered as key outcomes or manifestations of fragility. The selection of the five fragility factors is described in more detail below.

Creating sustainable jobs in urban and rural areas is one of the main development challenges:

The population of the Comoros continues to grow at 2.9% per year, and its structure reflects the dominance of young people in the age pyramid. About 70% of the population still lives in rural areas despite the country's high urbanisation, as is the case for small island States. This upward demographic trend weakens the economy's capacity to provide jobs that meet labour market demand,

particularly at a time when the COVID-19 has slowed down the global economy with the drop in commodity prices, international tourism, and remittances from the Comorian diaspora.

Fragmentation of the economic market due to poor road network connectivity: The geographic dispersal of key sectors of the Comorian economy due to insularity means that service sector activities largely concentrated in the capital are physically disconnected from rural economies with high agricultural potential where export and food crops are difficult to transport to Moroni, the capital. Worse still, the tourism potential on the Island of Mohéli is not fully exploited due to lack of active and efficient connectivity.

Regional inequalities are still high: Market fragmentation has weakened the country's economic and social inclusion to the point that inequalities have increased between the islands. The poverty rate in Mohéli is over 50% whereas it is relatively low in the capital city of Moroni. This is even reflected in the country's Gini index, which has risen from 42 to 45 in ten years. Furthermore, it is estimated that 40% of the population live below the national poverty line. This exclusion is also reflected in the limited access to basic public services such as water and sanitation, electricity, and telecommunication services (internet, mobile telephony), the cost of which is affordable only for a small proportion of the population.

Vulnerability to climatic hazards: The insularity of the Comoros exposes it to various climatic hazards and natural disasters. The recurrence of tropical cyclones, rising sea levels, floods and landslides are natural disasters that regularly affect thousands of people whenever they occur. The country is also exposed to volcanic eruptions and earthquakes. All these events damage transport connectivity, including the existing infrastructure that is already in poor condition.

Gender inequality: Women are still under-represented in most areas of national life. They represent only 3% at the political level and 37% in the workforce. A similar disparity is also noted among salaried workers, where women account for only 13% compared to 87% for men. In the transport and communications sectors, women account for 0.5% of the workforce, while men account for 6.5%.

IV. Opportunity for the project to build social and economic resilience

Many of the project beneficiaries are primarily exposed to structural and organisational vulnerability and are literally at risk of not maintaining and potentially improving delivery of their basic functions before, during and after exposure to the consequences of poor road network connectivity. Indeed, the multi-sector nature of the project with the single ultimate objective of improving the living conditions of the population as one of the Bank's operational priorities, offers the country a major opportunity to shape social and economic resilience in the project areas to overcome the socio-economic challenges facing the country. Since the direct project beneficiaries are the entire population, they will, as regards economic and social inclusion, enjoy greater mobility of people and goods. Social cohesion, basic services including critical infrastructure, capacity building for social networks, and social support for women and young people will promote strong cooperation between the public and private sectors and strengthen the country's sources of economic and social resilience. The project will focus on well-targeted institutional capacity building activities for the transport sector and increased women's involvement in agricultural investments.

V. Conclusion and recommendation

The integrated approach, with stronger emphasis on related activities and good governance of the transport sector, reflects the Comorian Government's desire to address the various economic and social vulnerabilities worsened by exclusion. While reinforcing transport infrastructure and strengthening women's economic empowerment, capacity building in the road transport sector will reduce disparities in connectivity and improve the livelihood base of the population, particularly for the most vulnerable people. The Bank will, in a more inclusive manner, help improve the people's

quality of life and promote resilient institutions through inclusive and equitable access to employment, basic services and income benefits from economic opportunities. Furthermore, capacity building for stakeholders and institutional beneficiaries will strengthen the capacity of the Technical Ministry in charge of transport infrastructure to overcome fragility factors with effective resilience to various pressures.