

## Project Completion Note

### Sultanate of Oman: Duqm Port Commercial Terminal and Operational Zone Development Project

#### 1. Project Information

Project ID:	000013	Investment Number:	L000013A
Member:	Sultanate of Oman	Region:	Western Asia
Sector:	Transport	Sub-sector:	Port
Financing Type:	<input checked="" type="checkbox"/> Loan <input type="checkbox"/> Guarantee	E&S category:	B
Co-financier(s):	N/A		
Borrower:	Public Authority for Special Economic Zones & Free Zones (OPAZ) of the Sultanate of Oman (formerly Special Economic Zone Authority of Duqm, SEZAD)		
Guarantor:	Sultanate of Oman		
Implementing Agency:	Project Implementation Unit (PIU) of OPAZ		
Project Team Leader(s):	Edwin Yuen, Senior Private Sector Operations Specialist Ex-PTLs: Shakeel Khan, Principal Investment Operations Specialist; Roberto Salgado, Investment Specialist		
Project Team Members:	Komron Rajabiyon, Investment Associate Yi Geng, Senior Financial Management Specialist Chitambala John Sikazwe, Senior Procurement Specialist Chongwu Sun, Senior Environment and Social Development Consultant Susrutha Goonasekera, Senior Social Development Specialist Liu Yang, Counsel		
Lender's Advisor/Engineer:	Royal Haskoning – Khatib & Alami and Partners JV (RHKA)		
Site Visits by AIIB:	May 25-30, 2017 March 25-28, 2018 September 27-28, 2022		

#### 2. Project Summary and Objectives

The objective of the Project is to help Duqm Port capture its full economic potential through improved transport efficiency, strengthened logistics services, facilitated mineral exports, and reduced supply chain delivery time and costs for the wide spectrum of industries in the new Duqm Special Economic Zone (SEZ) and broaden international hinterland.

The Project comprises the construction of the required infrastructure for the commercial terminal including port access roads, cargo storage, terminal buildings, and Operational Zone's facilities buildings. The detailed design for the Project has been completed by a joint venture of international and national

consulting firms, which was the construction supervision consultant. The following is the summary of activities under the Project:

1. Construction of Port Related Infrastructure. It includes the following four main works:
  - a) Road and paving works, including the construction of 3km of 2-lane dual carriageway internal roads connecting all the terminal buildings and parking areas; container and cargo stacking yard, parking areas, and a helipad.
  - b) Other infrastructure works, including construction of potable water network to serve the commercial berth buildings and ships; a firefighting network; storm water and sewerage network; installation of electrical, telecommunications, and street and yard lighting cables; and construction of fencing and gates.
  - c) Construction of terminal building and operational zone, comprising of administration building, training and amenities centers, emergency and firefighting center, electrical service buildings, multipurpose terminal; container terminal, dry bulk terminal, workshop and maintenance building, gate house, and electrical service building.
  - d) Installation of a crane beam supported on piles, and its tracks.
2. Construction Supervision. It included (a) carrying out of construction oversight and supervision to ensure compliance of works with contractual specifications, environmental safeguards requirement and budget; and (b) strengthening of the capacity of OPAZ's staff in contract management through on-the-job trainings.
3. Project Management. Provision of technical advisory services and logistical support for the management of the Project, and for the strengthening of OPAZ's procurement procedures.

### 3. Key Dates

Approval:	December 8, 2016	Signing:	January 16, 2017
Effective:	February 24, 2017	Restructured (if any):	N/A
Orig. Closing:	June 30, 2021	Rev. Closing (if any):	March 31, 2022

#### 4. Disbursement Summary (USD million)

a) Committed:	265.00	b) Cancelled (if any):	0.00
c) Disbursed:	245.55	d) Last disbursement: (amount /date)	29.61 / June 30, 2022
e) Undisbursed (if any):	19.45	f) Disbursement Ratio (%) <sup>1</sup> :	92.6%

#### 5. Estimated and Actual Costs

Item	Estimated Costs (USD million)	Actual Costs (USD million)	Financing Allocation			
			AIIB Original Commitment (USD million) and Share (%)	AIIB Actual Commitment (USD million) and Share (%)	Borrower's Original Budget (USD million) and Share (%)	Borrower's Actual Costs (USD million) and Share (%)
<b>A. Base Cost</b>						
<i>Component 1</i> Construction of Port Related Infrastructure	287.93	270.03 <sup>2</sup>	244.74 (85%)	229.52 (85%)	43.19 (15%)	40.504 (15%)
<i>Component 2</i> Supervision Consultants	4.70	6.31	0 (0%)	0 (0%)	4.70 (100%)	6.305 (100%)
<i>Component 3</i> Project Management	2.50	0.59	0 (0%)	0 (0%)	2.50 (100%)	0.59 (100%)
<i>Total Base Cost</i>	295.13	276.93	244.74 (83%)	229.53 (83%)	50.39 (17%)	47.4 (17%)
<b>B. Contingencies</b>	37.94	0	0 (0%)	0 (0%)	37.94 (100%)	0 (0%)
<b>C. Fees capitalized including Front- End Fees, Interest During Construction etc.</b>	20.26	16.03	20.26 (100%)	16.03 (100%)	0 (0%)	0 (0%)
<b>Total (A+B+C)</b>	353.33	292.95	265.00 (75%)	245.56 (84%)	88.33 (25%)	47.4 (16%)

The Actual Costs are lowered for two reasons: (i) the successful bid offer lower costs than estimated and (ii) the contingency utilized is lowered. This results in underutilization of the AIIB loan. The Borrower has confirmed there are no suitable alternative use of the surplus, as such surplus has been cancelled upon closing.

<sup>1</sup> Disbursement Ratio is defined as the volume (i.e., the dollar amount) of total disbursed amount as a percentage of the net committed volume, i.e.,  $f = c / (a - b)$

<sup>2</sup> This includes the OMR12 million claim settlement.

## **6. Project Implementation, including major changes to the original Objective, Project Design, and Indicators**

### Background

Duqm Port was AIIB's first port project and second stand-alone financing among seven projects approved in the Bank's first year of operation. Oman was one of the Bank's first founding members and its first high income member to receive AIIB support. The construction of multimodal port facilities at Duqm is (together with the construction of the Duqm Oil Refinery), the first stage in the establishment of the Special Economic Zone (SEZ).

When AIIB entered the Project, Duqm Port execution arrangements had been completed and the construction contractor, Serka-MSF (Contractor), selected. The Contractor was a new entrant in the Duqm SEZ, formed as a joint venture of lead contractor Serka Taahut Insaat, a subsidiary of Adali Holdings from Turkey, and MSF Engenharia from Portugal.

The high degree of the project readiness reflected the high quality of client staff and consultants. This allowed AIIB to review all elements of the tender process in completed form. AIIB's procurement review found all to be fully satisfactory. Advanced readiness also provided a platform to establish the Duqm Port Loan with a high degree of transparency on construction arrangements. This avoided potential for long delay between loan signing on December 8, 2016 and first disbursement on March 28, 2017.

### Implementation

The Contractor entered into a construction contract with SEZAD for the construction of the Works (Contract No. C66/2016). The Works comprise the construction of roads, infrastructure and buildings at the Commercial Terminal and Operation Zone Areas (Component 1) at Duqm Port. The Contract gave a commencement date of 1 December 2016, with an original Time for Completion of 30 calendar months (913 days) including mobilization, producing an original planned completion date of 1 June 2019. The original Contract Value is OMR107,333,716 (USD279,067,662). The Conditions of Contract are based on "Sultanate of Oman, Standard Documents for Building & Civil Engineering Works (Fourth Arabic Edition), September 1999". The Project was split into three phases with a series of sectional completion areas to manage the interface between SEZAD's ongoing operations and construction of the permanent works.

Oman has developed strong management capacity through significant international presence in the oil and gas financing market. Its Duqm Port Project

was well planned and prepared, with robust projected financial returns indicated. SEZAD had established an effective Project Implementation Unit of project staff with strong professional backgrounds and able to conduct international operations in English. The Duqm Port construction supervision consultant, RHKA, had a strong and long track record of involvement in developing the Duqm SEZ.

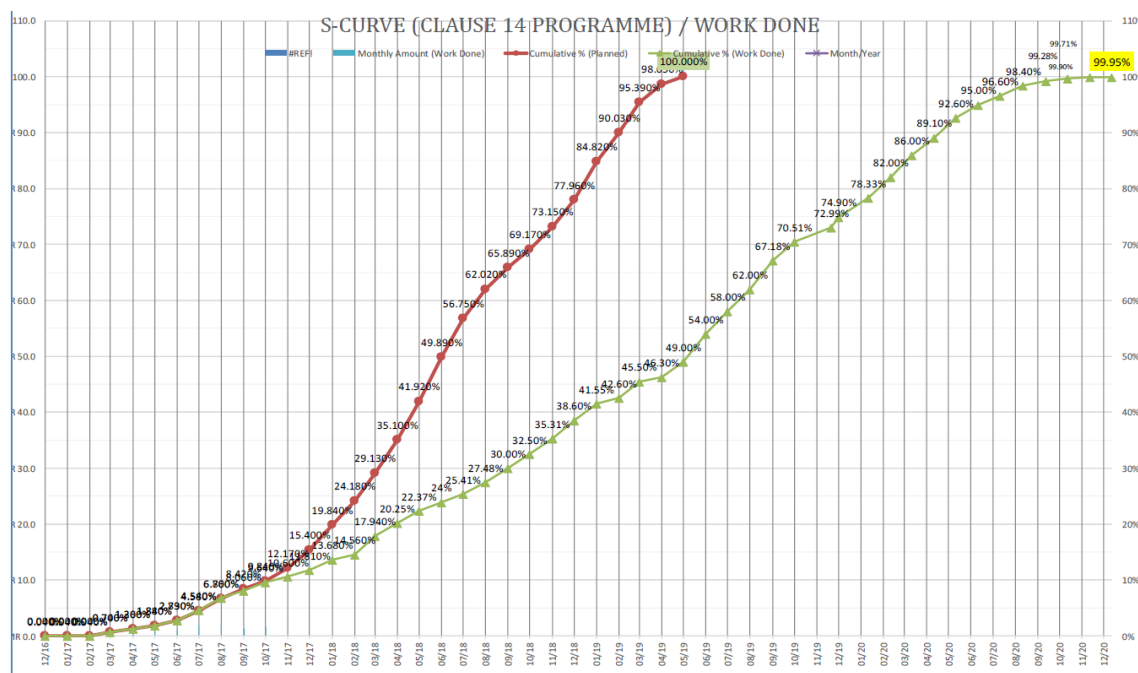
The AIIB project design team included covenants in the Project Loan Agreement for timely creation of (i) a Project Implementation Unit with agreed Terms of Reference, and (ii) Project Implementation Review Committee (PIRC) and (iii) Project Steering Committee (PSC) to ensure smooth implementation of Project matters. Both committees worked consistently and effectively to track project progress, highlight and resolve issues, keep AIIB informed in a timely way, and provide a high degree of transparency in the construction process.

### Risks

Construction risk was considered as one of the main issues for the Duqm Port Project. By the time AIIB had been invited to consider the Loan, the Contractor had been identified and the terms of the construction contract agreed. In addition to the construction process, AIIB required SEZAD to ensure compliance with the AIIB approved Construction Environmental Management Plan (CEMP) and the Consultation and Disclosure Plan.

Duqm Port was exposed to interface risks from an early stage of construction. The most significant issue was “unplanned early operations of the Port of Duqm Company (PODC)” within the construction site that initially delayed the project construction. In addition to initial delays caused by PODC, the Duqm Port suffered construction delays for reasons including (i) occurrence of sinkholes within the reclamation site, (ii) issues relating to vibro-compaction works, (iii) PODC requested change orders, (iv) Extension of Time (EOT) claims by the contractors due to Hikaa Cyclone in September 2019 and Kyarr Cyclone in October 2019 and (v) COVID-19 global pandemic and associated lags in completion of works. Factor (v) has caused significant extension of time and additional costs to the Contractor. In result, the Contractor submitted additional claim which was approved by the Employer, Engineer, and the Bank in amount of OMR12,000,000 (USD 31,200,000). The Contractor underlined that no further claims related to the Project will be submitted in the future and this last claim closed all outstanding liabilities. The final project completion report for Phase 1 has been submitted by the Consultant on January 19, 2020 and Completion Certificate for Phase 2 were submitted by the Consultant on April 23, 2020.

Due to the abovementioned reasons, Duqm Port construction was delayed by 18 months from its originally scheduled completion date. Construction reporting suggests that approximately six-months of this delay was attributable to impact from the COVID-19 pandemic. However, commencement of full operations and the ramp-up period have been delayed by approximately 12-18 months. Below S-curve demonstrates the actual work progress vis-à-vis initial work program.



This has resulted in the extension of the Loan Closing Date upon the request of OPAZ (SEZAD) from the original June 30, 2021 to March 31, 2022, which was approved by the Bank under the non-material change procedure.

### Amendments

OPAZ's (SEZAD) request to amend Section V, item (b) of the Loan Agreement from single 10-year business plan to two 5-year business plans (i) one for 2021-2026 submitted to AIIB on December 30, 2020, and (ii) second for 2026-2030 to be forwarded to AIIB before December 31, 2025 was approved by the Bank. Except fulfilling a legal undertaking under the Loan Agreement, i.e. submission of 5-year business plan by December 31, 2025, the proposed change does not have any impact to final-stage realization, completion or closing of the Project. It also does not affect the repayment schedules as the Project is backed by the Guarantee from the Sultanate of Oman. The first 5-year business plan was duly submitted to the Bank. During the mission in September 2022, the Project Team reaffirmed OPAZ obligation to submit the remaining business plan for 2026-2030 as per the agreed new timetable as well as other project indicators reporting according to the Results Framework.

Components	Physical Progress	Environmental & Social Compliance	Procurement	Financial Management
Component 1: Construction of Port Related Infrastructure USD 244.74 million	Roads and Buildings Infrastructure works have been completed and certified by Supervision Consultant. Crane Rail and Track Works has been completed except commissioning due to unavailability of STS Cranes. All the tests, according to the International Standards, were satisfactory. Physical progress reported till the end of December-2020 is 99.98%..	The Project was assigned a Category B in accordance with Bank's Environmental and Social Policy (ESP). Since the construction occurring on reclaimed land, there was no land acquisition, resettlement, or marine works. Irreversible or cumulative impacts were limited to the Project area and hence, could be successfully managed. The CEMP was prepared by the client's environmental consultant to meet ESP requirements and Final Environmental Permit issue by Omani authorities. Environmental management and monitoring have been conducted during construction period and the reports have been provided in line with the project legal agreement.	The procurement process for the Project is compliant with the AIIB Procurement Policy and was implemented in accordance with the Procurement Instructions to Recipients.	The Project has been continuously maintaining a project financial management system acceptable to the Bank, the required Interim financial report and audit reports were timely provided with due quality.
Component 2: Supervision Consultants USD 0 million	Not financed by AIIB, funded by the Borrower	N/A	N/A	
Component 3: Project Management USD 0 million	Not financed by AIIB, funded by the Borrower	N/A	N/A	

## 7. Implementation of Environmental and Social Policy and project specific E&S instruments, including the project level Grievance Redress Mechanism (GRM)

The Project was assigned as an Environmental and Social Category B project according to Bank's ESP, mainly considering the construction occurring on reclaimed land and entailing no land acquisition, resettlement, or marine works. Irreversible or cumulative impacts were considered to be limited to the Project area and hence, could be successfully managed. The CEMP was prepared and implemented, respectively by the environmental consultant engaged by the client and the contractors, with management and monitoring conducted by the environmental consultant.



For public consultation and information disclosure, a Consultation and Disclosure Plan as part of CEMP was prepared and included in the final version of CEMP, at the same time, the CEMP was disclosed through the client's website. During project construction, an "Invitation to All Stakeholders" was subsequently posted at the local government (Wali) Office on March 21, 2018, and 35 participants from the local government, the Women's Association, Port of Duqm Company & Port Workers, Royal Omani Police, SEZAD, contractor Serka-MSF, the environmental consultant. Handouts were provided to introduce the Project, client and contractor GRMs, etc.

The Project camps and sites were frequently visited by the SEZAD team to check compliance with the health and safety (H&S) conditions. It must be noted that no major H&S issues that resulted in severe damage, nor a loss of resource or quality. Minor non-compliances like improper waste management or not maintaining proper documents in file as required by permit conditions observed during inspections were corrected and verified by SEZAD during subsequent visits were reported in the Project during the entire construction phase. The contractor has completed his construction with qualified crews to ensure health and safety are complied with as per contract requirements and legislation. Monthly audits were also conducted by the Engineer to keep better control and ensure compliance with all regulatory requirements. Summary of all the health and safety reports were submitted periodically to AIIB confirming the same.

In line with the requirements of the Labor Law promulgated under Royal Decree 35 / 2003 and in line with SEZAD GRM, Serka-MSF had established an internal Complaints and Grievance system as part of its Human Resource Policy and Health, Safety, and Environment management. However, it is to be noted that no complaints were logged either through Serka-MSF or SEZAD GRM portal during the project construction phase.

In line with the regulatory and legal requirements, a Preliminary Environmental Impact Assessment (PEIA) was prepared by Khatib and Alami LLC for the development of three of the Port of Duqm infrastructure packages including the Infrastructure Package 2 (IP2) project. For IP2 project, as mentioned above, following the PEIA, a Construction Environment Management Plan was developed in September 2017, as part of the commitment to environmental standards and legislation of Oman, and in accordance with the Environmental and Social Framework (February 2016) of AIIB. The CEMP had set out the commitment of Serka-MSF to deliver on all the stated environmental obligations. The Project was also issued with an Environmental Permit for the construction phase.



In line with CEMP commitment and permit conditions, during the construction period, on a quarterly basis, Serka-MSF provided SEZAD with a summary of operation progress and site activities which included items like fuel consumption and static combustion sources operating hours, water consumption, the volume of sewage generated, type and quantity of chemicals stored and used onsite, the number of hazardous wastes (liquid and solid) generated and environmental incidents (e.g. contaminant spills, etc.). It shall be noted that all requirements have been completed in line with the regulatory and permit requirement. Any minor incidents or non-compliances reported in the monitoring report or in any of the inspections by the Engineer or SEZAD team have been rectified immediately and verified by the SEZAD team.

## 8. Results Achieved (against original/revised indicators)

AIIB had not yet developed its project Results Framework template when Duqm Port Project was designed. As a result, the AIIB team used peer organization templates to prepare the Project's Result Monitoring Framework (RMF) table with several features. The RMF laid out the chain of activities, outputs, outcomes anticipated to occur in the Project. Each link in the results chain had targets with reference to baseline indicators and anticipated timeframes for achievement.

Project Objective Indicators	Baseline (2016)	2021		2025		2030 <sup>3</sup>	
		Target	Actual	Target	Actual	Target	Actual
<b>Indicator #1:</b> Annual gross revenues with the Project increased to (USD, million)	1.82	98.8	16.65	288.6	OPAZ will provide by 2025	356.2	OPAZ will provide by 2030
<b>Indicator #2:</b> Total dry bulk mineral annual exports (million tons)	5.5	6.6	0.065	-	OPAZ will provide by 2025	19.7	OPAZ will provide by 2030
<b>Indicator #3:</b> Target dwell time to be reached and sustained on (days in port)	-	-	-	<5 days <sup>4</sup>	OPAZ will provide by 2025	-	-

## 9. Investment Sustainability (operational, financial/commercial, institutional)

As per Business Plan from Port of Duqm Company and the future developments planned the investment is sustainable as the surrounding area of port is identified as Special Economic Zone by Government and international investors are keen to invest and the port will be the main hub to address the

<sup>3</sup> For Indicator #2, reporting period is 2031

<sup>4</sup> 93% of annual cargo throughput: <5 days, 6% of annual cargo throughput: ≤9 days, 1% of annual cargo throughput: >10 days

supply chain function. In addition, Duqm Refinery planned to start operations soon which will expedite the development of the area. It might lead to Port of Duqm company to further expand to meet the market demand which could further enhance its sustainability.

According to the Business Plan 2021-2025 of Port of Duqm, Multipurpose terminal operations will remain one of the key drivers of PODC's activities and will grow further. Although the overall rise in cargo volumes clearly depend on realization of projects in and around Duqm, there are some structural cargo flows, such as bagged cement, Oil Country Tubular Goods pipe imports, etc., that will continue to happen regardless of the industrial development of the SEZ.

The mentioned Business Plan envisages that dry bulk terminal operations will become one of the key areas of development for PODC. Export volumes will grow and have the potential to be expanded exponentially, subject to a full competitive value chain being established. Key drivers to develop large scale competitive exports include the facilitation of a sizeable quarry closest to the port, reduction of transport costs from quarry to port, and well suited ship handling facilities in the port (possibly dedicated berths once volumes allow). Enabling this will require a strong cooperation between SEZAD and PODC, further enhanced with strategic industry partners.

Furthermore, there will also be some import and transshipment opportunities and such developments may lead to major shifting of dry bulk activities to other areas in the port including expansion requirements towards new areas yet to be reclaimed. Investments in new reclamation projects (future dry bulk berths in the northern area of the port) and addition of equipment and port infrastructure, by PODC or external parties, may have to be investigated and executed accordingly, in order to meet growing traffic and to develop a competitive edge against competing ports in the region.

Activities at the anchorage areas of Port of Duqm will determine a large portion of the attracted vessel traffic. The development of new services at anchorage (bunker operations, crew changes, provision of supplies, ship-to-ship operations, etc.) will be a key area of attention and a major driver of the PODC business. This will enable Port of Duqm to take full advantage of its prime location, backed by the development of ODC and the services it provides, as well as increased organic growth of the port and terminal traffic built up.

## **10. Compliance and Alignment with AIIB's Policies and Strategic Priorities**

Improving infrastructure connectivity in Asia and beyond is at core of AIIB's mandate. The Transport Sector Strategy outlines that the sector priority is to

finance the economically viable trunk and strategic infrastructure projects that play a key role in promoting trade and economic growth. Despite having been designed prior to the formal approval of the AIIB Corporate Strategy and Transport Sector Strategy, the captioned Project neatly fits these overarching priorities of the Bank. The construction and operationalization of the Project brings in notable development impacts in the region.

Duqm Port as a critical facility for logistics sector needed to support the economic diversification of Oman. The logistics sector is one of the main non-oil economic sectors that has a strong tendency to grow further. An operationalized Duqm Port will enable the Duqm SEZ to be fully plugged into the global logistics chain. For this purpose, the next priority for SEZAD is to urgently operationalize the commercial terminal/quays under the Project to achieve the potential economic benefits with strengthened logistics services and mineral exports.

Compliance with ESP: based on the information provided, the Project is in compliance with Bank's ESP.

Compliance with Procurement Policy: the Project is compliant with the AIIB Procurement Policy and was implemented in accordance with the Procurement Instructions to Recipients.

#### **11. Any outstanding issues not yet resolved, if applicable**

As highlighted by OPAZ Project Management team, there was outstanding issue related to training of Crane operations at the time of visit in September 2022, but that training is already being conducted as the cranes are installed and at its final stage to start operations.

#### **12. Borrower's Feedback**

OPAZ Team was satisfied with the interaction with AIIB in the implementation of this project and would consider working with the Bank again in the future. The Borrower was particularly appreciative of AIIB's flexibility and efficiency in dealing with implementation schedule and changes thereof. A small suggestion was offered for the Bank's consideration, on how to deal with unutilized commitment fees. More information can be found in the detailed Client Feedback Annex.

#### **13. Lessons Learned for the Future Investments**

In February 2021, the AIIB's Complaints-resolution, Evaluation, and Integrity Unit (CEIU) conducted Early Learning Assessment (ELA) of the Project to

derive relevant lessons for AIIB practices and financing of similar projects in the future. A summary of the lessons learned is provided below.

**Client capacity.** The involvement of experienced development partners familiar with, or capable of quickly responding to and incorporating, the requirements of international financial institutions and commercial banks clearly promotes efficient due diligence and documentation. The advanced stage of the Project also permitted AIIB to obtain a reliable credit approval that was unlikely to require material amendment, thereby providing certainty to the estimated project cost and loan closing process.

**Readiness.** High-income members can offer projects with a high degree of readiness for financing. They are well-placed to identify and engage high-caliber staff and consultants with requisite technical skills and commercial experience. Advanced readiness of the Duqm Port Project resulted in the fast commencement of physical works and initial disbursement, avoiding uncertainty over documentation and potential considerable delay. Private sector lenders are more likely to be crowded in where conditions precedents are satisfied early, and funding is disbursed, rather than only earning fees from commitments held.

**Documenting ESIA gap-filling.** It can be useful for consultants preparing project ESIA and associated management plans to document gap-filling work to align project works/activities with AIIB environmental and social safeguard requirements, including to highlight value-additionality and lessons learned.

**Supervision structure.** The two covenanted committees (Project Implementation Review Committee (PIRC) and Project Steering Committee (PSC)) were highly successful initiatives for reviewing Duqm Port Project implementation. Clear disclosure of progress, issues and proposed remedial actions was evident from the documented discussions, proposed actions, and follow-up. The e-meetings were additional opportunities for real-time information exchange and problem solving.

#### **14. Achievement of Project Results**

To capture the long term benefits and economic impacts of the Project, the project results indicators have been designed to cover the Port's performance up to 2030. According to the Loan Agreement, OPAZ has liability to inform on the project actual results in due course, i.e. in 2025 for intermediary results and in 2030 for final actual results.

---

The intermediary project results for 2021 are behind the track because of the delayed start of construction and delayed commissioning of the Port. Natural force majeure like two cyclones in 2019 and global trade disruptions caused by COVID-19 pandemic have protracted the initial performance of Port of Duqm at the initial stage after project completion. The Project Team has discussed the outlook for the project indicators with the OPAZ. According to the adjusted 5-year business plan, there is a positive outlook in reaching out the targeted indicators while the next 5-year business plan for 2026-2030 will also focus on accomplishing the project indicators by further efficiency improvements of the Port operations.

## **Annex: Client Feedback on the Project**

OPAZ Team found AIIB team very professional, and they always support OPAZ in professional manner and timely. Generally, urgency or shortage of time may lead to avoid formalities, but we found AIIB team very professional who did everything whenever required in time and by meeting all formalities. We would seek to work again with AIIB in future as well for future infrastructure projects in Oman.

**1. Are the services and support provided by the Project Team professional, sufficient and in time, during project preparation and project implementation?**

We found AIIB team very professional and always available to support the client in best manner, as during the loan disbursement period we extended the loan closing date, which went very smoothly. Normally this kind of change will take longer period and more formalities.

**2. Is it convenient to access to the Project Team's services and support?**

Yes, team was always available for any kind of support and services.

**3. Does the Project Team demonstrate flexibility and efficiency during project preparation and project implementation?**

We find team very flexible in all matters. To give an example pertaining to this, Business Plan of 10 years was proposed by us to have two 5-year Business Plans which were accepted and even amended in the contract as well.

**4. What is the value addition of AIIB's financing in the Project?**

AIIB financed the project, 85% of the construction cost which make us and the Government of Oman very comfortable to fulfill the financial requirements for project and it made possibility of delivering the project to end user.

**5. Will you consider working with the AIIB again in infrastructure development? Please provide a few specific reasons.**

OPAZ will definitely consider working again with AIIB in future for such big development projects, and we would definitely get in touch again once some venture of this kind or any other development project requires financing support.

**6. Do you have any suggestion to the Project Team and/or the AIIB?**

We appreciate AIIB support and coordination, but we suggest the bank should design some policy related to commitment fees refund on unutilized amount, or let borrower utilize the whole amount for whom the commitment fees were paid if borrower require so.

**7. Other comments (such as comments on the reporting requirements, approval of project changes, etc.)**

We have no comments related to any other matters.