

SBF Project Implementation Monitoring Report

Oman: Duqm Port Commercial Terminal and Operational Zone Development Project

1. Project Information

| | | | |
|-------------------------------|---|--------------------|---|
| Project ID: | 000013 | Investment Number: | L0013A |
| Member: | Oman | Region: | Western asia |
| Sector: | Transport | Sub-sector: | Ports/Waterways(non-urban) |
| AIB Financing Type: | Loan: 265 USD million | Co-financier(s): | Stand-alone |
| E&S category: | B | Borrower: | Special Economic Zone Authority of Duqm |
| Red Flags Assigned: | 0 | Monitoring Regime: | Regular Monitoring |
| Implementing Agency: | Special Economic Zone Authority of Duqm | | |
| Project Team Leader: | Edwin Hin Lung Yuen | | |
| Project Team Members: | Giacomo Ottolini, Procurement Yi Geng, FM Somnath Basu, Social Development Chung Wu, Environmental | | |
| Completed Site Visits by AIB: | May, 2017 Oct, 2017 Mar, 2018 Dec, 2018 Mar, 2019 | | |
| Planned Site Visits by AIB: | The original planned visit of July 2020 was delayed due to Covid-19. | | |

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 and its broader port hinterland. The project investment will mainly include the civil works for the construction of port related infrastructure including port access roads, cargo storage, terminal buildings, and operational zone's facilities buildings. Total Project cost is USD 353.3 million with USD 265.0m (AIB) and USD 88.3m (SEZAD)

3. Key Dates

| | | | |
|----------------|---------------|------------------------|---------------|
| Approval: | Dec. 8, 2016 | Signing: | Jan. 16, 2017 |
| Effective: | Feb. 24, 2017 | Restructured (if any): | |
| Orig. Closing: | Jun. 30, 2021 | Rev. Closing (if any): | |

4. Disbursement Summary (USD million)

| | | | |
|-----------------|--------|---|----------------------|
| a) Committed: | 265 | b) Cancellation (if any): | |
| c) Disbursed: | 198.56 | d) Most recent disbursement: (amount / date) | 3.698, Sep. 25, 2020 |
| e) Undisbursed: | 66.44 | f) Disbursement Ratio(%) ¹ : | 74.9 |

¹ 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., $f = c / (a - b)$

5. Project Implementation Update

Construction is progressing well with around 99.28% of work completed.

- Phase 1: completion was achieved on 10 Mar 2020.
- Phase 2: SEZAD is awaiting the Engineer's report to formalise the cost the second Extension of Time (EOT-2) claims. Handing over inspections are being carried out for the remaining work and will be completed in September, and the Final Completion Certificate will be issued in October.

| Components | Physical Progress | Environmental & Social Compliance | Procurement |
|---|--|---|-------------|
| Component 1: Port related infrastructure completed at the terminals on the Commercial Quay (US\$244.74) | Physical Progress: Approx. 99.28% (as of Sep 2020) | Full compliance with Environmental & Social Safeguards •Construction Environmental Management Plan (CEMP) in place and disclosed on SEZAD and AIIB websites Daily HSE site visits and Monthly HSE Audits are being carried out. | No issues |
| Component 2: Construction Supervision (100% funded through counterpart funds) | Consultants were recruited prior to loan approval | N/A | No issue |
| Component 3: Project Management (100% funded through counterpart funds) | Full Project Management Team on board | N/A | No issue |

Financial Management:

We have received and reviewed the financial report ending June 2020 with minor feedback to SEZAD.

6. Status of the Grievance Redress Mechanism (GRM)

We believe the GRM is functional and no issues have been received.

7. Results Monitoring

Data will start to be collected from the end of this year.

Baseline Year: Aug. 12, 2016 End Target Year: Dec. 31, 2030

| Project Objective Indicators | Year | Target | Actual | Others, if any |
|--|---------------|--------|--------|----------------|
| Annual gross revenues with the Project (USD million) | Aug. 12, 2016 | 1.82 | 1.82 | Baseline |
| Annual gross revenues with the Project (USD million) | Dec. 31, 2020 | 1.82 | N/A | |
| Annual gross revenues with the Project (USD million) | Dec. 31, 2021 | 100 | N/A | |
| Annual gross revenues with the Project (USD million) | Dec. 31, 2025 | 290 | N/A | |
| Annual gross revenues with the Project (USD million) | Dec. 31, 2030 | 360 | N/A | |

| Intermediate Result Indicators | Year | Target | Actual | Others, if any |
|--|---------------|--------|--------|----------------|
| Total dry bulk mineral annual exports (millions Ton) | Aug. 12, 2016 | 5.5 | 5.5 | Baseline |
| Total dry bulk mineral annual exports (millions Ton) | Dec. 31, 2020 | 5.5 | N/A | |
| Total dry bulk mineral annual exports (millions Ton) | Dec. 31, 2021 | 6.6 | N/A | |
| Total dry bulk mineral annual exports (millions Ton) | Dec. 31, 2025 | 11.8 | N/A | |
| Total dry bulk mineral annual exports (millions Ton) | Dec. 31, 2030 | 19.7 | N/A | |

| | | | | |
|---|---------------|-----------|-----|--|
| Cargo consignment dwell time in port: (a) 93% of annual cargo throughput | Dec. 31, 2021 | < 5 days | N/A | |
| Cargo consignment dwell time in port: (a) 93% of annual cargo throughput | Dec. 31, 2025 | < 5 days | N/A | |
| Cargo consignment dwell time in port: (a) 93% of annual cargo throughput | Dec. 31, 2030 | < 5 days | N/A | |
| Cargo consignment dwell time in port: (b) 6% of annual cargo throughput | Dec. 31, 2021 | <= 9days | N/A | |
| Cargo consignment dwell time in port: (b) 6% of annual cargo throughput | Dec. 31, 2025 | <= 9days | N/A | |
| Cargo consignment dwell time in port: (b) 6% of annual cargo throughput | Dec. 31, 2030 | <= 9days | N/A | |
| Cargo consignment dwell time in port: (c) 1% of annual cargo throughput | Dec. 31, 2021 | > 10 days | N/A | |
| Cargo consignment dwell time in port: (c) 1% of annual cargo throughput | Dec. 31, 2025 | > 10 days | N/A | |
| Cargo consignment dwell time in port: (c) 1% of annual cargo throughput | Dec. 31, 2030 | > 10 days | N/A | |

Remarks: N/A