



Implementation Support  
and Follow-up Unit

# ANNUAL REPORT 2019

Towards a diversified  
and sustainable  
economy





Implementation Support  
and Follow-up Unit

**ANNUAL  
REPORT  
2017**



## Guiding Words

"The policies followed by our government to encourage all non-oil sectors are now visible ... We can already see the projects which have been completed and those on-going. These will all lead to an increase in the national income and will provide larger opportunities for work and training."

**Qaboos bin Said**

**"May his soul rest in peace"**

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## Sayyid Khalid bin Hilal bin Saud Al Busaidi Minister of Diwan of Royal Court

During the past three years, I followed up the progress of the Implementation Support and Follow-up Unit (ISFU) from a small team with limited capacities into a **well-established and institutional unit**. Currently, ISFU has its own system, methodology and business procedures. It has specialist teams consisting of **national expertise** whom are following up with more than a **hundred and thirty initiatives and projects** in several key economic sectors and other sectors enabling the economic sectors.

Moreover, I closely followed up ISFU's working method, which is based on **effective partnership** with all relevant public and private entities in a way that ensures implementing initiatives and projects as per the approved work program. This has facilitated the accomplishment of many initiatives and projects as a result of the **continuous coordination** between all partners. Although there are challenges facing some initiatives and projects, requiring more cooperation between relevant entities and the private sector, in addition to the economic direct impact of the economic diversification projects requiring more time to be attained, we have already started to see the impact of many projects, making us more proud and honored.

These include projects of **food security, power, logistics** and many others considered as success stories, while we look forward to seeing more projects economically contributing to the Sultanate in the near future.

The report records the economic performance indicators of the targeted sectors during 2019, however, the events, challenges and crises we have witnessed during the first quarter of this year on all levels either locally, regionally or internationally have impacted the **global economies** and all aspects of life. Thus, we hope that ISFU and all other relevant government entities **reinforce** their efforts in containing any potential impact on such sectors.

Even though the Sultanate passed through tough circumstances losing one of its key statesmen, national symbols and historic leaders, the late **Sultan Qaboos bin Said bin Taimour** - May He Rests in Peace- who laid the foundation of a modern state and kept it steadfast on a civilized track, Allah almighty facilitated all means to continue the Sultanate's renaissance under the leadership of His Majesty **Sultan Haitham bin Tariq** -May Allah Safeguard Him-. His Majesty Sultan Haitham bin Tariq has emphasized in his royal speeches the significance of **economic diversification** in the Sultanate's future vision "Oman 2040", which will be a national reference for the economic and social development during the next two decades. We are confident, under this wise leadership, that the Sultanate is capable of overcoming all difficulties and challenges; including the steep drop in oil prices and other international crisis that overshadowed the whole world.

While we commend the efforts exerted by the entities responsible for various economic sectors to achieve the approved targets of the sectors, in cooperation with ISFU we call upon those working in such sectors to exert more efforts and work harder to **continuously improve** the sectors' performance indicators.

In conclusion, we would like to reiterate that the Sultanate opens its arms to investors from all over the world to invest in a **politically and economically stable environment** that **supports investment**. We would continue reinforcing the investment environment and raising its competitiveness, bearing in mind the well-developed logistics system and its pioneering position within the regional and international marine network.



## HE Dr. Khamis bin Saif Al Jabri Chairman of ISFU

At the beginning of every year, after signing the Key Performance Indicators (KPIs) between the Implementation Support and Follow-up Unit (ISFU) and targeted sectors, and launching the KPI dashboard, ISFU teams exert strenuous efforts in coordination with the relevant ministries and government entities, **aiming to achieve these KPIs on ground**, as the annual performance of the teams is based on their achievement. Whenever there is a delay in achieving these indicators which I closely follow up, things become more exciting in relation to the interaction between me and these teams. I encourage them to exert more efforts in order not to reach the year-end lagging behind in attaining performance indicators. We look forward to achieve more than what have been achieved in the previous year, as things get more exciting and motivating the closer we approach the end of the year.

2019 was a distinguished year in this aspect, as we introduced the **SPRINT methodology** that aimed to make us work harder and faster toward achieving the goal of each sector and filling the gap between reality and targeted indicators. Thus, the achievement rate of the sectors of the National Program for Enhancing Economic Diversification (Tanfeedh) reached 76.1%; which increased compared to the achievement of 2018 by 7.5%. This is how ISFU works; adopting **transparency**, having exceptional **enthusiasm, readiness towards achievement** and continuously looking for solutions and not giving up. I am very proud of ISFU staff whom I personally like to be close with and always encourage them to do their best. Their task is not easy as they encounter challenges, some of which may look elusive. Our slogan is "whenever a certain initiative/project is accomplished, it stimulates economic activity."

Furthermore, after exerting tireless efforts of following up and solving issues, this continuous hard work contributed to delivering many projects and initiatives. For example, the Manufacturing sector witnessed the inauguration of "**Mazoon Dairy**" Project that we all are proud of, as its products are already available in the market. Without such efforts exerted by the Ministry of Commerce and Industry in collaboration with ISFU to resolve the issues this project had faced; especially those related to electricity services, we could not have achieved it. Also, a number of other projects were achieved in 2019 and earlier; such as **Koso Gulf Valves Manufacturing Plant, Sohar Cement Factory, Sebacic Acid Production Plant** in Duqum, **Polymer Manufacturing** Project in the field of oil wells injection, and **MISCO Steel Rebar and Billet Production Plant**. During 2020, it is planned to operate other projects like Liwa Plastics Industries Complex, Salalah Methanol Company's Ammonia Plant, Salalah LPG Project, and food security projects (poultry and meat).

The case is the same for other sectors. The Energy sector, which was included in the Unit's KPI dashboard in 2018, heads steadily toward achieving its targets. It achieved a lot as a result of **joint efforts** between ISFU, Ministry of Oil and Gas, Authority for Electricity Regulation and other entities. A number of initiatives have been fully delivered in 2019 such as **Dhofar Wind**. Also, the initiatives of the Logistics sector witnessed good improvement; especially the ones related to **customs clearance**, as well as the inauguration of Suwaiq Port and others.

In addition, projects/initiatives of the Fisheries Sector witnessed good achievement; including the **Small Pelagic Fishing** project implemented by Al Wusta Industrial Fisheries. Not only this, but the Tourism sector intensified its efforts during 2019 to achieve good progress in its projects and initiatives. Moreover, through the joint efforts between ISFU, the Public Authority for Mining, and other entities, the Mining sector was able to finalise all required procedures for **(15) mining blocks**, making them ready to be floated for investment. Also, the joining of the Information and Communication Technology (ICT) sector represented a new addition to the performance indicators system that is making good progress. ICT is a key sector that can contribute to enhancing the national economy, and it receives the direct attention of Her Excellency the Minister of Technology and Communications.

It is very important that these sectors are always aligned with the Employment sector and its initiatives; either those listed in the KPI dashboard of the Ministry of Manpower or those followed up directly by the Unit in cooperation with other entities. There were extensive efforts exerted to launch the **National Centre for Employment (NCE)**, while the **Job Security Fund** encountered many challenges and was financially supported by His Majesty -May Allah Protect Him- with (10) million Omani Riyals. It is on its way toward official activation.

We all need to consider the Employment sector as an enabling sector for the economy as its policies, procedures and mechanisms need to be aligned with the other sectors' economic targets. Thus, the **Technical Teams** initiative was launched to seize employment opportunities for national cadres. These opportunities are produced by the projects of each sector listed in the Unit's follow-up system. And in order to achieve employment targets of such projects, joint efforts are exerted by the Unit in coordination with the teams of the ministries supervising the sectors, the National Centre for Employment (NCE) and the National Training Fund (NTF).

Moreover, facilitating the business environment and working hard to overcome difficulties that face the investment efforts is very important. After resolving the different challenges (legal, administrative, financial, overlap of responsibilities) encountered by the initiatives, many of them were achieved; for instance, **Real Estate Investment Trusts (REITs)** initiative supervised by the Capital Market Authority, **Oman Commercial Arbitration Centre** initiative supervised by Oman Chamber of Commerce and Industry, **Oman Credit and Financial Information Centre (Mala'a)** initiative supervised by the Central Bank of Oman, in addition to "**Invest in Oman**" Portal initiative supervised by the Public Authority for Investment Promotion and Export Development (Ithraa), aiming to provide a platform for all projects the government is implementing or aims to implement in the future. Furthermore, the **Investment Services Centre** supervised by the Ministry of Commerce and Industry was activated. It is mandated to focus on clearing procedures and required licenses for investors. In line with these achievements, a number of **laws and regulations** related to investment environment and procedure facilitation have been issued (Foreign Capital Investment Law, Bankruptcy Law, Executive Regulation of Mergers and Acquisitions, and Escrow Account Executive Regulation).

Such efforts and achievements could not have been attained unless by the **harmonious and continuous coordination** between the Unit and relevant government entities, and by the **shared determination** to overcome challenges. As we continue with such efforts, we would be able to overcome other challenges facing every sector we are following up. For example, shortage of gas represents a key challenge in the manufacturing sector, and having many entities responsible for issuing exploration and mining licenses is a key challenge in the mining sector. While each sector has achievements we are proud of, it faces technical, legal, administrative and other challenges that push us all to work harder to resolve them in order to ensure the implementation of projects and initiatives.

The Unit strives to **develop itself and build its capacities** by the efforts of its national and loyal cadres. For instance, the KPI dashboard was transformed into an electronic program where data is automatically updated and can be accessed by the lead of each sector. Each sector has its own KPI dashboard which is sent at the end of every week to the sector lead. It shows the actual achievement percentage, and explains the areas of improvement to focus on during the next phase.

In addition to the KPI dashboards of the economic sectors under the National Program for Enhancing Economic Diversification (Tanfeedh), there is a separate KPI dashboard for **Business Environment** program, **Invest Easy** initiative, and **Lean** project. Recently, another KPI dashboard was launched for "**Ease of Doing Business**" initiative. Meanwhile, a KPI dashboard is being developed to follow up the performance of the initiatives of the National Program for Fiscal Balance (Tawazun). This is for the aim of creating a comprehensive follow-up system for all projects and initiatives followed up by ISFU. And through these dashboards, the Unit prepares different reports sent to His Majesty, who is closely following up the progress of projects and initiatives, and the challenges they face.

One of the key pillars of the Unit is the **continuous development** of the mechanisms of work, and the initiatives and projects of every sector. It annually holds an **Independent Advisory Review (IAR)** in order to provide a platform for the sectors to review their achievements and the challenges they face; and listen to the experts' independent opinions on areas of improvement. For the year 2019, the IAR was improved by including local and international experts in each sector. The Unit will benefit from the experts' notes and recommendations in improving the initiatives and projects, through direct coordination with the sectors.

More specifically, the Project Development Team in ISFU studies the current initiatives and projects, and suggests the addition of new initiatives and projects to each sector, in order to ensure achieving the **key targets of economic diversification** and facilitating the business environment. Furthermore, new initiatives are being explored in relation to the projects' **local value added, innovation** and linking it to the targeted projects, data availability, facilitating private sector investment in the projects, and strategic partners. The goal is to list these initiatives in the sector's KPI dashboard after being developed and agreed upon.

In coordination with relevant entities, the Unit makes sure to keep those interested to know about the progress of initiatives and projects aware, either through **publishing press releases** on media and the various communication platforms, or through **ISFU website**, which was launched on 20th August 2019, or through its **annual reports**. This annual report provides comprehensive coverage of efforts exerted in following up projects and initiatives during 2019, after verifying samples of KPIs by "Deloitte". It provides a **detailed and transparent explanation** of all updates on each initiative and project, the **achievement percentages**, and challenges those initiatives and projects face, making itself a reference for those interested to know about the Sultanate's economic situation.

In conclusion, and on behalf of myself and the Unit's staff, we would like to express our deep gratitude to His Excellency the Minister of Diwan of Royal Court for his **unlimited support**, enabling the Unit to carry out its mandated tasks and resolve many challenges. May Allah protect His Majesty and grant him with **empowerment and success** to lead our beloved country toward more **progress and prosperity**.



**Implementation Support  
and Follow-up Unit**

# Introduction

## Introduction

The Implementation Support and Follow-up Unit (ISFU) was established pursuant to Royal Decree No. 50/2016 issued on October 17, 2016. Its main role is to support relevant entities in implementing their development plans, projects and initiatives according to a clear governance structure and key performance indicators. This is accomplished through collecting and analyzing data, assessing KPIs in coordination with stakeholders, and finding solutions for challenges that face implementation by using a clear follow-up mechanism.

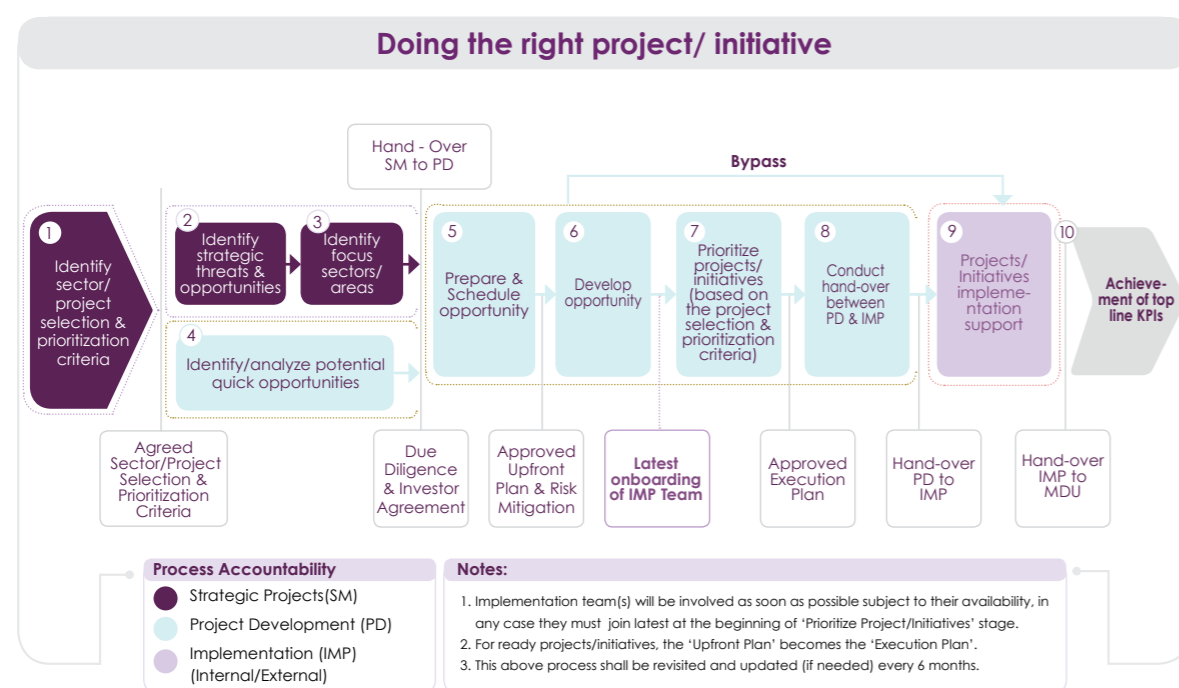
The Unit is responsible for operationalizing the delivery system by monitoring, managing performance, problem solving and ensuring consistent reporting. Due to its position under the supervision of the Minister of the Diwan of Royal Court, ISFU is able to facilitate and coordinate inter-ministerial or inter-agency challenges or requests and is able to provide an overall picture of the implementation progress across relevant ministries.

As part of ISFU methodology, the projects are subject to a continuous assessment and review either by the Unit itself, specialized international institutions, or through the annual platform of the Independent Advisory Review (IAR). At the end of each year, the Key Performance Indicators (KPIs) achieved in each project are assessed in comparison with the targeted percentages. Also, the legislative and legal challenges as well as the overlaps in the mandates of the relevant entities are reviewed. Moreover, the anticipated direct impact of the projects on the economy and its ability to achieve the targeted roles are assessed.

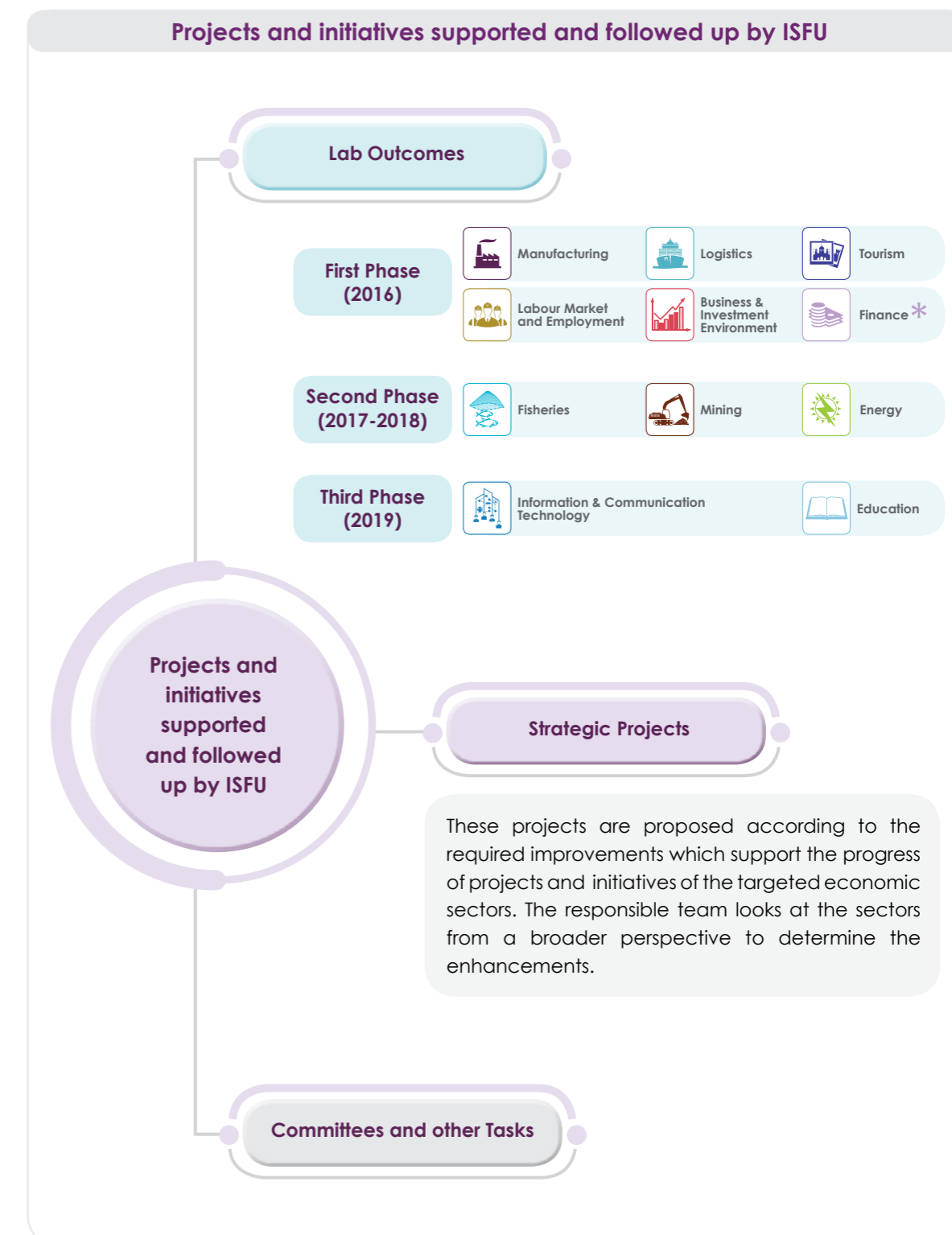
To reflect its transparency, and in coordination with different sectoral institutions, ISFU works on disseminating the updates on the work progress as well as the challenges that face the initiatives and projects, through different social media platforms. It also publishes the comprehensive annual report that provides detailed information about all projects and initiatives and their level of achievement, as well as the challenges they face.

Moreover, on 29th November 2018, His Majesty Sultan Qaboos issued a Royal Decree No 33/2018 promulgating the Implementation Support and Follow-up Unit's System.

## Functional Operating Process of ISFU



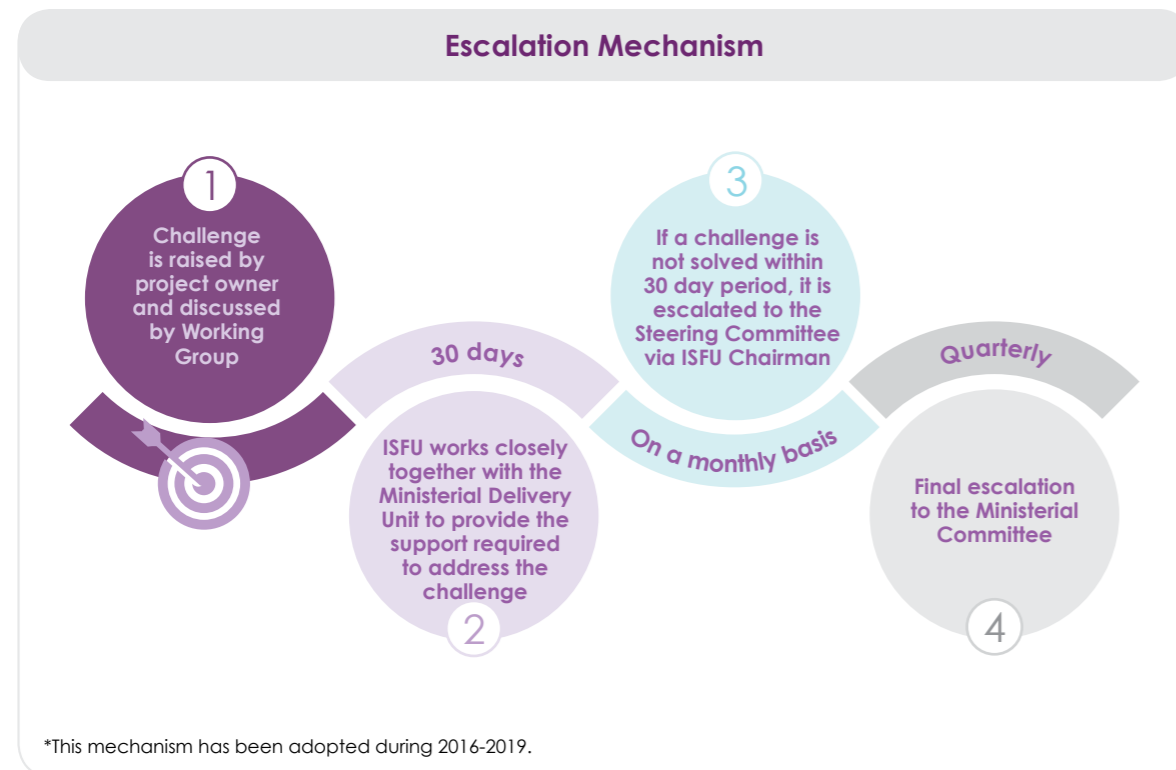
## Sectors & Projects



\* With regards to the finance sector and due to its high significance, the organizational structure of the responsible team was developed into an independent programme, the initiatives of which will be developed centrally on the national level. Therefore, finance initiatives and projects will be followed up through a separate dashboard.

## Escalation Mechanism

Aiming to support the implementation of initiatives and projects, the Unit adopts a gradual escalation mechanism to tackle the challenges that occur during the implementation process, starting from the technical working groups, moving to the Ministerial Delivery Units, then to their excellences, ministers of the relevant sectors, and the Ministerial committee formed as per Royal Directives to follow up the social, economic, financial and monetary situations. The escalation mechanism is divided into several layers and effectively managed by ISFU:

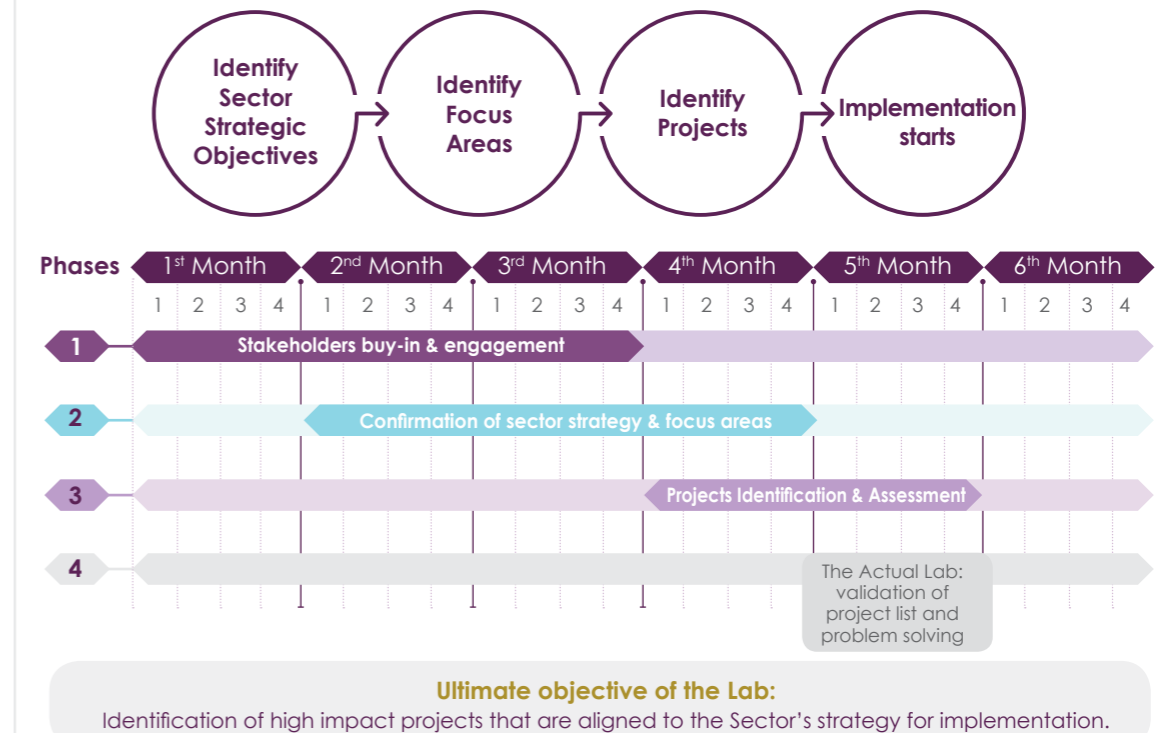


## Lab Methodology

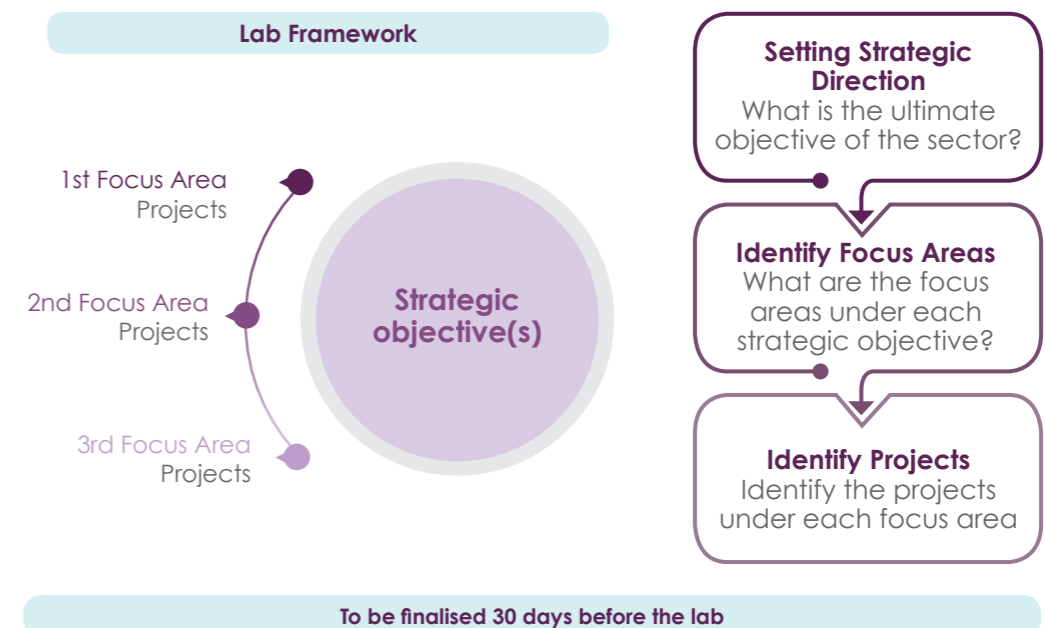
The methodology of the labs (workshops) is based on the involvement of different segments of the civil society and stakeholders from the public and private sectors in the decision-making process through the opening of systematic, shared and sustainable channels for communication for all parties. This engagement is made through the print, audio and video or social media (YouTube, Twitter, Facebook, Instagram, etc), or through regular meetings with stakeholders to ensure that everyone is involved. This step reflects the belief in the importance of the role every party plays, and promotes accountability and transparency.

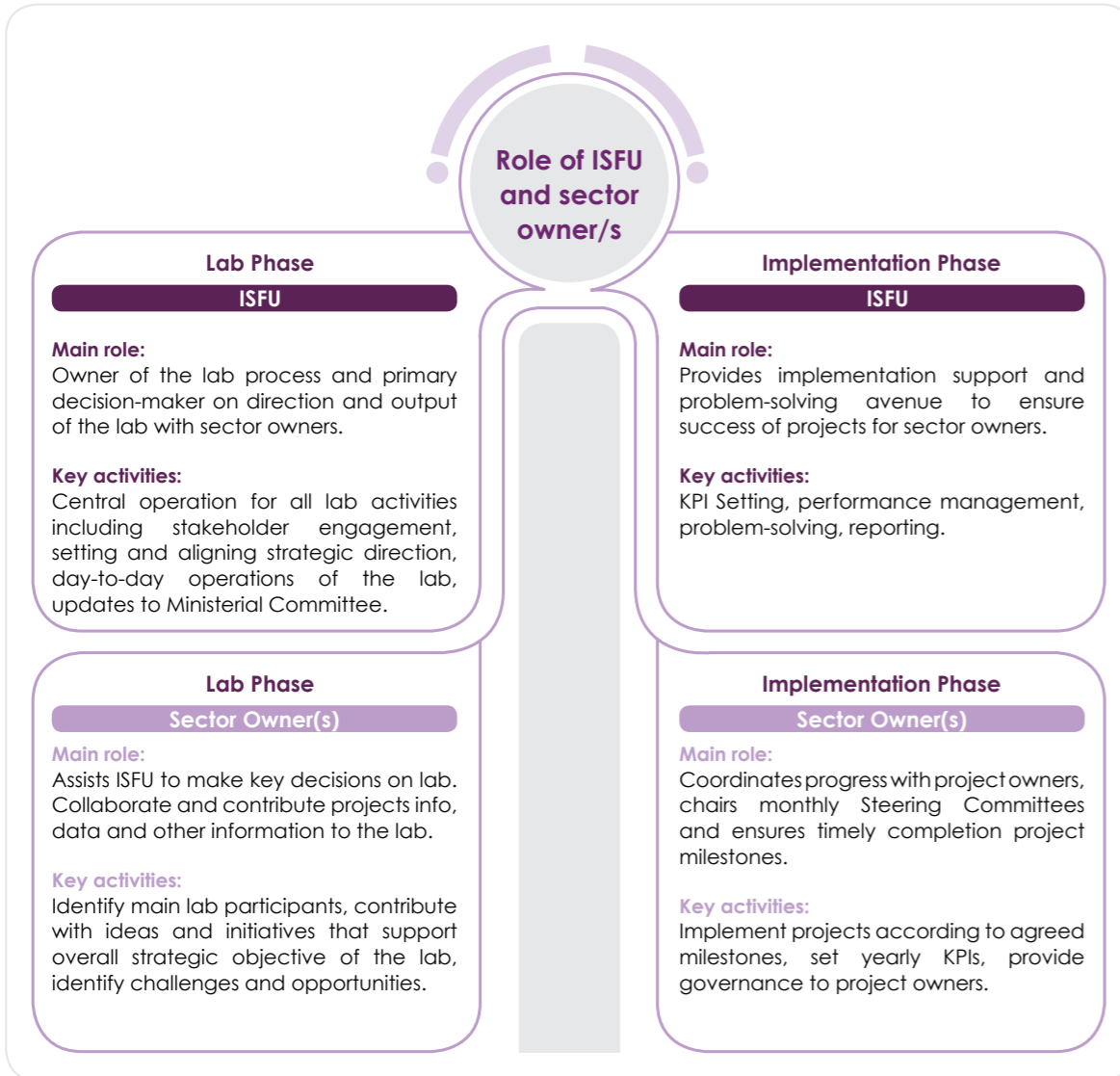
In addition, the lab methodology is based on strengthening trust between the community and the government institutions on the one hand, and between the government sector and the private sector on the other hand, in order to create a healthy working environment and establish a common platform that is based on credibility and open-door policy. This methodology also aims to develop practical programs and detailed, implementable and measurable mechanisms.

## The approach of the lab consists of 4 major phases



## The framework for the Lab starts with setting the strategic objective(s) and ends with identifying specific projects under each focus area





## Highlights from ISFU engagement events

### ISFU Reception







### Independent Advisory Review (IAR)





**Manufacturing**

Manufacturing KPI Dashboard			
Initiative / KPI		2019 Target	2019 Actual Achievement
 <b>Petrochemicals</b>			
1	Liwa Plastics Industries Complex	90%	90%
2	Duqm Refinery	60%	58%
3	Salalah Methanol Company's Ammonia Plant	88%	80.5%
4	Salalah LPG Project	91%	87.7%
5	Sebacic Acid Production Plant	100%	100%
6	Polymer Manufacturing Project	100%	100%
7	Calcined Petroleum Coke Plant	54%	44%
8	Calcium Chloride Project	15.1%	4.75%
 <b>Metals</b>			
9	Alloy Wheels Manufacturing Facility	50%	42%
10	Design and Manufacture of Metal Dies and Moulds	75%	72.5%
11	Raysut Steel Project	71%	68%
12	MISCO Steel Rebar and Billet Production Plant	100%	78%
 <b>Food</b>			
13	Mazoon Dairy Project	100%	100%
14	A'Namaa Poultry Project	84%	81.8%
15	Osool Poultry Plant	70%	69%
16	Arabian Food Production	36%	30%

Initiative / KPI			
Initiative / KPI		2019 Target	2019 Actual Achievement
17	Dhofar Seafood Canning Plant	48%	35%
18	Al Bashayer Meat Project	87%	89%
19	Oman Oilseeds Crushing	19%	11%
 <b>Innovation</b>			
20	Advanced Manufacturing Research Centre (AMRC) in Oman	78%	72.25%
21	Activation of IIC Programmes in 2019	100%	100%
 <b>Other</b>			
22	Philex Pharma Complex	54%	41%
23	Karwa Motors	41%	28%

- \* A sample of 30% of the KPIs were reviewed by Deloitte, and findings will be built upon in the future.
- \* A number of projects might not be reflected in the dashboard above as they are under direct monitoring of specific authorities. However, ISFU follows up on the execution on a regular basis.
- \* All forms of data are being continuously improved to be more representative of actual economic state. This is done in collaboration with NCSI and relevant government entities and aligned with international standards.

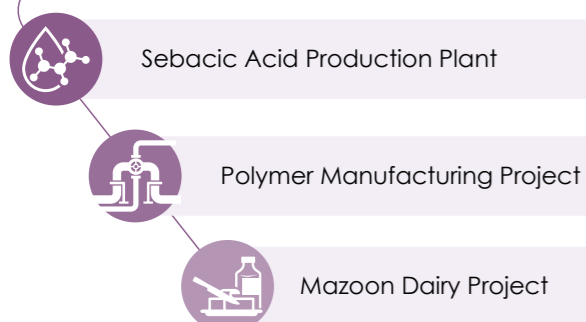
## Overview

The manufacturing sector is one of the biggest contributors to the national GDP. In recent years, the sector has seen sizeable investment in several manufacturing subsectors such as petrochemicals, metal manufacturing, food processing and healthcare products. Moreover, the subsectors of petrochemicals, basic and fabricated metals, food products, non-metallic minerals, machinery, and equipment are the top contributors to manufacturing activities (by gross output) in 2018.

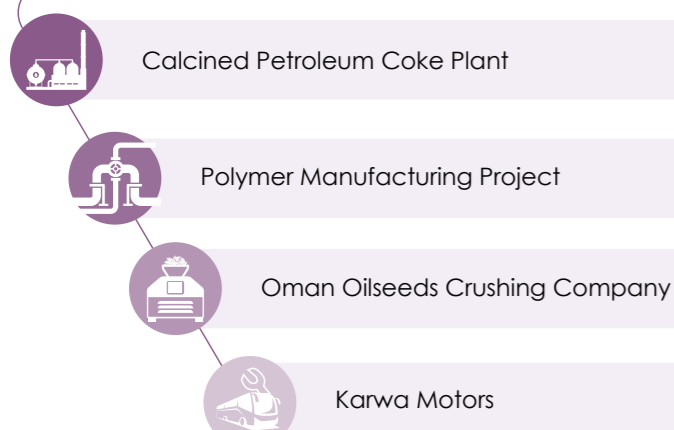
In detail, a number of major achievements took place throughout the year. One of them is streamlining the process of gas application and allocation, which resulted in investors having to deal with one government entity for any matters related to gas application and allocation. Also, electricity supply and distribution in Duqm issues are being resolved, and electricity should be available for all existing and future projects.

ISFU's manufacturing team had put tremendous efforts to ensure smooth progress of 23 projects listed in manufacturing dashboard 2019. It extended its support to the project owners to facilitate the delivery of their projects as per the planned timeline.

### Graduated initiatives/projects in 2019:



### New initiatives/projects added in 2019:



## Petrochemicals

### 1. Liwa Plastics Industries Complex



Liwa Plastics Industries Complex (LPIC) is being developed by OQ Group as a first-of-its-kind project in Oman that will enable the country to support downstream plastics industry. The project's physical hub centres on the existing OQ Group facility in Sohar Industrial Port area.

It is a steam cracker project which will process light ends produced in OQ Group's Sohar Refinery and Aromatics plants, as well as optimise natural gas liquids extracted from the currently available natural gas supplies. Upon completion, the plastics production will have increased by over one million tonnes, giving OQ Group a total of 1.4 million tonnes of polyethylene and polypropylene production by 2020.

### The Journey

LPIC completed all major construction activities during 2019 and is in the process of transition from construction to commissioning. A major achievement of 100 Million man-hours without any Lost Time Incident (LTI) was achieved during the year.

Natural Gas Liquids (NGL) Extraction plant in Fahud achieved Mechanical Completion and successful introduction of hydrocarbon. The pipeline from Fahud to Sohar is now complete and under preservation.

For the Steam Cracker Package, fuel gas was introduced and the ethylene loading in the tank commenced – a process which is required to start up all major units. Commissioning activities are in full swing for the polymer plants and nearing completion.

The project is currently facing challenges in pre-commissioning, commissioning and safe start-up of the plant. Despite these challenges, the project team is working to achieve production by 2020.

### Moving Forward

In 2020, commissioning and start-up activities are scheduled to be completed and the project will move from initial production to full production of the products. All 4 of the 4 Engineering, Procurement and Construction packages will achieve initial acceptance and the overall LPIC will move toward the Lender's Reliability Test (LRT) towards the end of 2020.

### Stakeholders

OQ Group	Ministry of Environment and Climate Affairs (MECA)
Ministry of Commerce and Industry (MoCI)	Ministry of Oil and Gas (MOG)
Sohar Port and Free Zone	

## 2. Duqm Refinery



Duqm Refinery and Petrochemical Industries Company L.L.C – located at the Special Economic Zone at Duqm (SEZAD) – is a 50/50 Joint Venture between OQ Group and Kuwait Petroleum International. This strategic partnership was established during the incorporation of Duqm Refinery and Petrochemical Industries Company. Once it comes on line, the refinery will have the capacity to process 230,000 barrels of crude oil per day – which can further be processed on-site into diesel, jet fuel, naphtha, LPG, sulphur and petcoke.

One of the refinery's key competitive advantages is its provision of ease of accessibility compared to other refineries in the Gulf region. This is due to its location outside the Strait of Hormuz, and its strategic maritime position in the path of international shipping lanes in the Indian Ocean and Arabian Sea.

Duqm Refinery is set to provide a significant boost to SEZAD as it provides development opportunities for new projects that will interface directly and indirectly with the refinery. These projects will be able to establish commercial links with the refinery, while having products within easy reach for their own operational use.

### The Journey

Milestones	Status
Achieve Financial Close.	The project financing was officially completed in January 2019.
Complete all 3 stages of the Model Reviews.	The 30%, 60% and 90% 3D model review (design drawings) were completed.
Complete Hazard and Operability Study (HAZOP) and Safety Integrity Level (SIL) reviews	Completed.
Carry out 50% of the procurement activities.	Completed.
Receive key Long Lead Item Vendor Drawings.	Completed.

### Stakeholders

OQ Group	Kuwait Petroleum International
Special Economic Zone Authority at Duqm (SEZAD)	Port of Duqm
Ministry of Oil and Gas (MOG)	

## 3. Salalah Methanol Company's Ammonia Plant



Owned by OQ group, Salalah Free Zone-based Ammonia Plant will diversify the product line at Salalah Methanol Company to include not only methanol, but also ammonia. The plant currently produces 3,000 metric tonnes of methanol per day. However, this will be boosted by an additional 1,000 metric tonnes per day of ammonia.

Once complete, the project will mark an important milestone for the industrial sector in Dhofar, as it will open new downstream industries, and create new employment opportunities in the region.

It will also add value in the form of increased export volumes for the Port of Salalah to process; while acting as a growth engine for associated utilities, export facilities and off-site infrastructure in the region.

### The Journey

Milestones	Status
Complete all procurement activities.	87% Achieved. The Syngas Refrigeration Compressor, Pressure Swing Adsorber, Air Separation Unit, Converter Cartridge, and Waste Heat Boiler have been delivered.
Complete construction.	35% of the project construction has been completed. More than 65% of the equipment has been acquired, and the foundation works are ongoing.
Complete the substation building.	Due to a shift in the schedule, a slight delay in the process was experienced. However, the structure is in the process of being completed.

### Moving Forward

Once the mechanical construction is finalised, the plant will proceed with pre-commissioning and commissioning. By Q4 in 2020, the project is expected to begin commercial production.

### Stakeholders

OQ Group	Salalah Methanol Company
Ministry of Commerce and Industry (MoCI)	Ministry of Oil and Gas (MOG)
Salalah Free Zone	Port of Salalah

#### 4. Salalah LPG Project



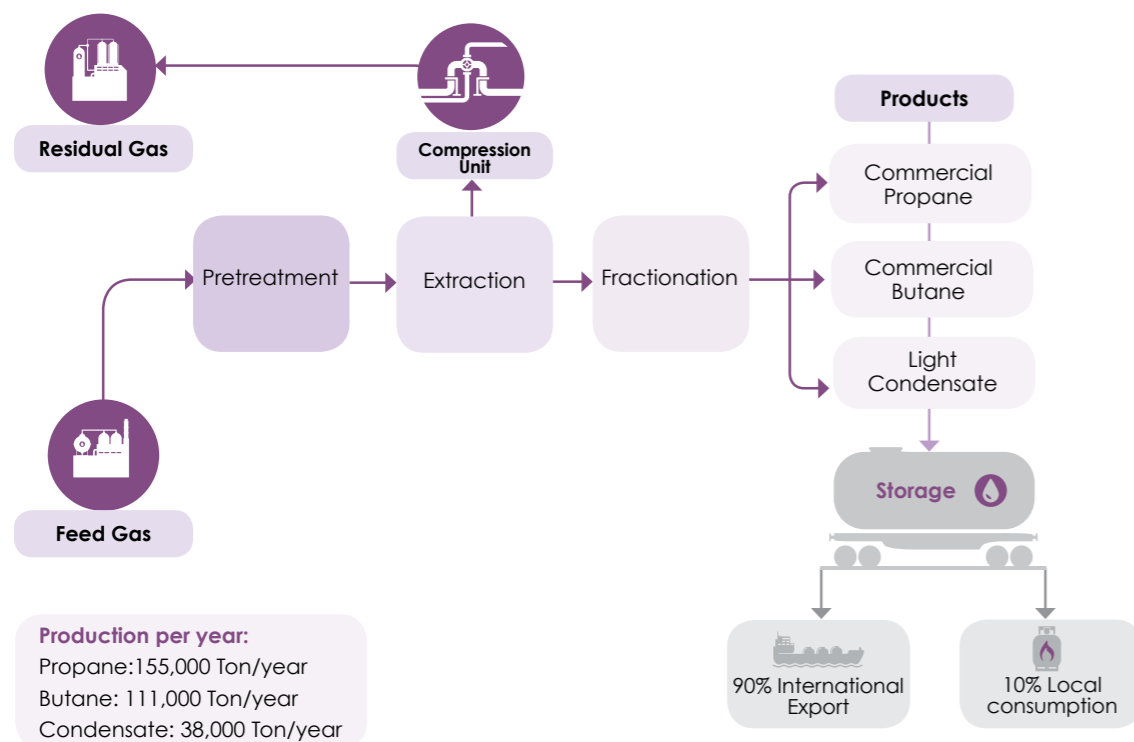
Located in the Salalah Free Zone, the Salalah Liquefied Petroleum Gas (SLPG) is a major project intended to extract over 300,000 tonnes annually of propane, butane and condensate from the Rabab Harweel field and central processing plant by Q3 of 2020.

Owned by Oman Government, Salalah LPG Extraction project was initiated to optimise the gas value chain. Once completed, it will consist of an extraction plant, fractionation facility, storage tanks, shipping facilities and interconnection pipeline system. Ministry of Oil and Gas (MOG) will supply rich gas to the project via the Oman Gas Company (OGC) transmission pipeline and in return will receive lean gas, while sharing the proceeds of profit. The plant will process approximately 8.8 million Standard Cubic Meters per Day (Sm<sup>3</sup>/d) of lean gas and will produce around 304 Kilo Tonnes per Annum (KTA) of LPG products composed of 155 KTA of Propane (C<sub>3</sub>), 111 KTA of Butane (C<sub>4</sub>), and 38 KTA of Condensate (C<sub>5</sub>+).

Petrofac, the UK-based oil services company, has been selected as Engineering, Procurement and Construction contractor.

The primary objective of the project is to build a state-of-the-art facility using proven technology – and in an optimal time period without compromising on safety, quality and technical Integrity.

##### High Level Block Flow Diagram



#### The Journey

Through 2019, continuous progress was made towards 100% completion of the engineering, procurement, and critical construction stage activities. Specifically, the equipment and bulks for the final Stage 3 were procured; and the civil work and building construction, as well as the Mechanical, Electrical and Piping work was carried out for Stage 2.

While there was a delay in the completion of various non-critical items in 2019 (for example the jetty piping, road, fencing and insulation), this was reasonable considering the size of the project, and it did not affect the project's targeted completion date.

The initial pre-commissioning and commissioning activities started by the end of 2019.

#### Moving Forward

The main focus of the project for 2020 will be the continuation of testing and commissioning, followed by the issuing of the Initial Acceptance certificate. Once this has been carried out, the project will commence its operations phase.

#### Stakeholders

OQ group	Ministry of Commerce and Industry (MoCI)
Ministry of Oil and Gas (MOG)	Ministry of Transport (MoT)
Ministry of Manpower (MoMP)	Salalah Free Zone
Port of Salalah	

#### 5. Sebacic Acid Production Plant



Sebacic Oman is the world's largest bio-refinery, and the only one of its kind in the MENA region to manufacture specialty chemicals from green vegetable (Castor) oil, as well as bio-nylons, polymers, nylon-6 and nylon-10.

This OMR 26 Million bio-refinery continues to complement Oman's petrochemical plants by utilising many of their raw products to make nylons. Castor oil plant is plentiful in Oman's wadis, and this has made it possible to leverage additional contract farming projects and create additional jobs for what was an initial requirement of 66,000 hectares of castor.

Furthermore, as the world moves towards creating more environmentally sustainable industries, it is appropriate to note that 1 hectare of Castor cultivation removes 17.8 MT of carbon dioxide from the air. This played a key role in Sebacic Oman becoming a carbon-negative company with green credits.

#### The Journey

ISFU and Ministry of Commerce and Industry (MoCI) played a key role in accelerating the process of obtaining the seawater intake permit from SEZAD. After successfully completing the contractual work for the seawater intake, the project began its trial production, followed by commercial production – with the first product batch being delivered in May 2019 to a company in China.

Due to the 2 cyclones that Oman experienced in 2019 – Cyclone Kyarr and Maha – the original scheduled date for the inauguration ceremony of the project was pushed forward to Q1 of 2020.

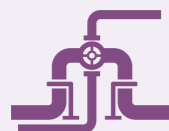
### Moving Forward

The project has successfully graduated from the Manufacturing Dashboard.

### Stakeholders

Sebacic Oman SAOC	Special Economic Zone Authority at Duqm (SEZAD)
Ministry of Commerce and Industry (MoCI)	Rural Areas Electricity Company (Tanweer)

## 6. Polymer Manufacturing Project



This project saw the Chinese group ZL EOR Chemicals partnering with Petroleum Development Oman (PDO) to launch the first polymer manufacturing plant in Oman – and the first-of-its-kind facility in the GCC region – at Salalah's Raysut Industrial Zone.

The polymers produced are now being used for various applications, but predominantly for improving oil production. With an investment of just over OMR 7.7 Million, the 33,000 square-metre plant was built by ZL EOR Chemicals Oman, and has the potential to register a production capacity of 15,000 tonnes per year.

Plans are also being prepared to gradually boost this figure to reach 70,000 tonnes per annum. The plant is equipped with modern control, automation and polymerisation systems.

### The Journey

After all construction developments were completed in 2018, the project was subsequently included in the manufacturing dashboard at the beginning of 2019. The reason for this was to support its inclusion in PDO's approved vendor list, and accelerate the establishment of its water and electricity connections.

To date, the project has received all of its utility connections, and production has started – with the first delivery of polymer to PDO having been carried out.

### Moving Forward

The project has successfully graduated from the Manufacturing Dashboard.

### Stakeholders

Ministry of Commerce and Industry (MoCI)	Ministry of Oil and Gas (MOG)
Ministry of Environment and Climate Affairs (MECA)	
Petroleum Development Oman (PDO)	Salalah Free Zone

## 7. Calcined Petroleum Coke Plant



Sanvira Carbon LLC was incorporated to establish a facility for the production of Calcined Petroleum Coke (CPC) – which shall be distributed and sold throughout the GCC region as the plant becomes operational.

In addition to its expected annual production capacity of 440,000 million tonnes, the plant will also produce ~130 tonnes per hour of steam, which can be sold to adjacent industries, or used for power generation.

### The Journey

Milestones	Status
Execute Memorandum of Understanding (MOU) with OQ Group.	Completed.
Execute shareholder's agreement.	Completed.
Complete Front End Engineering Design (FEED) study.	Completed.
Secure term loan sanctions.	Completed.
Initiate the tender process to select the civil/structural contractor.	Completed. Tender has been awarded to leading Omani contractors.
Complete the Environmental Impact Assessment (EIA) and obtain the Environmental Permit.	Completed. ISFU and MoCI played a major role in accelerating the process.
Obtain permits for: Building, Fire Safety, Royal Oman Police (ROP), Civil Aviation, Electricity and Water.	All permits have been obtained.
Complete the detailed engineering and the site preparation.	Completed.

### Stakeholders

Ministry of Commerce and Industry (MoCI)	Ministry of Environment and Climate Affairs (MECA)
Ministry of Oil and Gas (MOG)	Sohar Port and Free Zone
OQ Group	

## 8. Calcium Chloride Project



Located in Salalah Free Zone in Dhofar Governorate, the Deepak Oman Industries LLC (DOIL) Calcium Chloride Project is a Joint Venture between Indian Deepak Group, Oman National Investments Development Company SAOC (Tanmia) group and Muscat Overseas Company LLC.

Local electricity supplies, as well as locally-sourced raw materials such as limestone, quick lime, natural gas, and ammonia will be utilised for production.

The project was included in the Manufacturing Dashboard in July 2019 due to its key competitive advantages, one of which is its strategic maritime location at the Port of Salalah – a major port in the region that is in the path of international shipping lanes in the Indian Ocean and Arabian Sea.

### The Journey

Milestones	Status
Finalise ammonia supply contract.	Not achieved. ISFU/MDU have been playing a major role in facilitating meetings between the project team and OQ commercial team in order to reach an agreement between both parties to supply ammonia.
Obtain utilities approvals and contracts.	Approvals of water supply, electricity connection, treatment of sewage water, and environmental permit had been obtained. However, the discussion regarding the cost of supplying these utilities is still ongoing between DOIL and Salalah Free Zone.
Finalise the gas allocation with price contract.	Completed.
Complete construction activities.	The construction activities are behind schedule due to a delay in signing of main feedstock supply agreement, and utilities connection agreement.

### Stakeholders

Ministry of Commerce and Industry (MoCI)	Ministry of Oil and Gas (MOG)
Ministry of Environment & Climate Affairs (MECA)	Petroleum Development Oman (PDO)
Salalah Free Zone	

## Metals

### 9. Alloy Wheels Manufacturing Facility



Aligned with Sohar Aluminium Plant's increase in production volumes, Oman is seeking to further develop its potential as an exporter of downstream products from its aluminium manufacturing sector.

In particular, this includes the manufacture of alloy wheels to be exported to international markets such as India and the United States – which would facilitate an export value targeted at upwards of OMR 20 Million.

Sohar Aluminium Plant, which is adjacent to the Alloy Wheels Manufacturing Facility, is scheduled to supply 45% of the raw materials needed for the proposed output.

### The Journey

Milestones	Status
Complete Financial Closure.	Completed. The Steering Committee played a key role in accelerating the process of securing the loan agreement with the bank.
Complete the Front End Engineering Detailed (FEED) study.	Completed. The study focuses on the project's technical requirements and investment cost estimates.
Award contracts for machine suppliers.	Completed.
Award the main construction contractor.	Completed.
Construction of 2019 components.	The enabling works have been completed. The civil and structure work has started and is in progress. There was a slight delay due to delays in finalising the loan agreement.

### Stakeholders

Synergies Castings LLC	Sohar Industrial City (Madayn)
Ministry of Commerce and Industry (MoCI)	Sohar Aluminium
Ministry of Oil and Gas (MOG)	

## 10. Design and Manufacture of Metal Dies and Moulds



As the manufacturing sector in Oman moves forward at a rapid rate, the country's demand for metal dies and moulds is set to increase exponentially. These form a vital component of the manufacturing and design sector as they are used in the production of plastic mouldings, to cut and process metal plates, and assist in various alloying, forging and fabrication processes.

While the market is currently making use of imported dies and moulds, these tend to be costly, as prices can rise to over OMR 100,000 (per die or mould) depending on a range of factors.

Working with an engineering design centre, this project aims to facilitate the production of new metal dies and moulds to boost "Designed and Made in Oman" products – in order to support the competency of manufacturing sector.

### The Journey

The project successfully achieved most of its 2019 milestones. These include the commissioning and installation (pre-operation) activities, as well as the equipment installation and initial equipment operation (experimental design).

The project received the scheduled financial instalments from the government in 2019 in order to complete and operationalise the centre.

### Moving Forward

The project's official opening is scheduled for Q3 of 2020. Following this, the centre will be ready to accept orders for the design and manufacture of various moulds and dies.

### Stakeholders

Sohar University	Ministry of Commerce and Industry (MoCI)
Ministry of Finance (MoF)	National Training Fund (NTF)

## 11. Raysut Steel Project



Oman is increasingly relying on a steady supply of steel to facilitate growth of its infrastructure. Located in Raysut Industrial City (Madayn), the Raysut Steel Industries LLC project is scheduled to meet some of this demand as it begins utilising steel-billet raw material to produce an annual capacity of 360,000 tonnes of high-yield strength reinforced steel bars in the 8mm to 32mm range.

### The Journey

Milestones	Status
Sign gas agreement.	MOG and Madayn are finalising the agreement.
Complete 60% of the construction.	Completed. The equipment foundation, factory utilities, shed building footings and steel structure were constructed.  In Q1 of 2020, the equipment and machinery installation works will be initiated.

### Stakeholders

Ministry of Commerce and Industry (MoCI)	Raysut Industrial City (Madayn)
Muscat Steel Group	Ministry of Oil and Gas (MoG)

## 12. MISCO Steel Rebar and Billet Production Plant



Moon Iron & Steel Company SAOC (MISCO) is a 1.2 Million Tonnes per annum capacity steel complex. Strategically located in Sohar Industrial City (Madayn), the construction of MISCO's state of the art billet and rebar manufacturing facility is well underway.

MISCO will be one of the leading steel plants in Oman to produce billets and rebar utilising the technology from SMS Group – a reputed global leader in steel mill technology and processing plants. It will also be one of the few regional steel producers supplying a wide range of products in Oman and across export markets in the GCC and Africa.

### The Journey

With noticeable progress having been achieved in 2018, the main focus for the project team in 2019 was to finalise construction, equipment installation, and utilities connections – and subsequently begin production.

One of the major challenges the facility faced was the absence of infrastructure for gas supply – a major component required to run its operations – due to the delay in signing gas supply and connection agreement between MISCO and MOG.

Despite this, the project continued with an alternate mechanism for the short term; where converted LPG for its operations will be in use until this agreement takes place. ISFU and MoCI played a major role in the project by studying, assessing the matter, and proposing solutions for the provision of the main utilities for the investor. In August 2019, the project owners signed the gas supply agreement with MOG.

## Moving Forward

The project is in its commissioning stage and is expected to commence production by Q1 of 2020.

### Stakeholders

Moon Iron and Steel Company (MISCO)	Sohar Industrial City (Madayn)
Ministry of Oil and Gas (MOG)	

## Food

### 13. Mazoon Dairy Project



Food sector has consistently been growing and developing in the Sultanate, resulting in a large amount of self-reliance across many areas. Dairy production has been at the vanguard of this self-reliance and this initiative sees further development with the establishment of Mazoon Dairy Company which will meet almost 90% of Oman's needs.

Located in Al Sunayanah in Buraimi, the farm will be equipped to the highest standards and with the latest technology whilst still being a large-scale employer, with 70% of employment consisting of skilled jobs taken by Omanis.

Long-term plans are a key element in the dairy's planning and as such, the current head-count of 4,000 Holstein-Fresian cows will rise to 25,000 by 2026 and the capacity of 202 million litres will rise to 985 million litres by 2040. This will have a knock-on effect of reducing the current import figure of 69% down to 13% by 2026 and further again by 2040.

The project is funded by a mixed portfolio of investment funds and government pension funds, as well as Oman Food Investment Holding Company (OFIC), which is heavily investing in several projects in Oman related to food security.

### The Journey

During 2019, the main focus of the project was to finalise civil work on the Mazoon headquarters building, accommodation building, dairy farm and main plant.

Following this, the main operation equipment was installed and tested, and the marketing and branding plans were completed as the factory started commercial production.

Despite a delay in the project's progress, the team managed to distribute trial products into the marketplace during May 2019. This delay was mostly the result of a hold up in equipment arrival and installation, which was reasonable for a project of this size.

## Moving Forward

Production has begun, therefore, the project has successfully graduated from the Manufacturing Dashboard.

### Stakeholders

Oman Food Investment Holding Company (OFIC)	Ministry of Municipalities and Water Resources (MRMWR)
Ministry of Agriculture and Fisheries (MoAF)	Ministry of Environment and Climate Affairs (MECA)
Ministry of Commerce and Industry (MoCI)	Ministry of Transport (MoT)

### 14. A'Namaa Poultry Project



Oman's poultry industry is another sector which has consistently shown growth and development, with the result being further autonomy and self-reliance for the country. Aligning with this growth and development is the realisation of the A'Namaa Project in Ibri – a project that is set to boost meat production capacity by 60,000 metric tonnes per annum in its poultry warehouses, once it becomes fully operational.

Along with the warehouses, the project will leverage additional facilities to ensure smooth and efficient operations – including hatcheries, a 50 tonne per hour feed mill, a processing plant and water treatment plant, and a slaughterhouse with 200,000 bird per day capacity.

### The Journey

Milestones	Status
Construction activities of 2019 components.	In February 2019, A'Namaa commenced project operations. The main administration and hatchery administration buildings were subsequently completed, and the construction of the processing plant, accommodation building and feed mills was also initiated.  The construction of the hatcheries is at 80% and is expected to be completed by Q1 of 2020.
Award power connection contracts for the hatchery.	As the project is not in close proximity to the power grid, connection costs are reasonably high. The project team is therefore exploring cost-saving alternatives.

## Stakeholders

Oman Food Investment Holding Company (OFIC)	Ministry of Agriculture and Fisheries (MoAF)
Ministry of Commerce and Industry (MoCI)	

## 15. Osool Poultry Plant



Breeder projects and the hatching eggs that they produce are the starting point and backbone of all broiler or layer poultry projects. The broiler industry in Oman and other GCC countries still heavily relies on imported hatching eggs to run their operations. Any disturbances due to natural disasters or other reasons can severely impact the broiler industry in this region, which will not only spoil the performance of the broiler projects, but endanger the food security of the region.

Moreover, the increase in the demand for broiler meat requires the expansion of existing projects, as well as new poultry projects, which also increase the demand for hatching eggs.

To help overcome issues of supply disruption and inconsistencies in demand, Osool Poultry project is aimed at facilitating a smooth supply of hatching eggs to the poultry industry at sustainable prices. Based in Haima, the breeder project will primarily supply its products within Oman to drive self-sufficiency to between 80% and 85%, while creating jobs for Omanis in the farming sector.

In addition, it will supply a percentage of production to the surrounding GCC countries from the forecast annual production of 150 million hatching eggs.

## The Journey

Milestones	Status
Complete the detailed design.	The detailed design for plot 4 has been completed.
Tendering and awarding contracts.	Completed. This included receiving and reviewing quotations as well as awarding contracts for plots 1,2 and 3.
Complete construction activities.	60% of the construction has been completed.

## Stakeholders

Osool Poultry Company	Ministry of Agriculture and Fisheries (MoAF)
Ministry of Commerce and Industry (MoCI)	Rural Areas for Electricity Company (Tanweer)
Petroleum Development Oman (PDO)	

## 16. Arabian Food Production



Modern Poultry Farms (MPF), which is the producer of Dana Eggs, currently produces over 125 million eggs annually. Looking ahead, this project is set to add about 200 million eggs per year to the total production of the company as it expands its operations with new international partners in the newly proposed location in Al Sunaina, in Buraimi.

Found in 1989, the highly recognisable Dana Eggs brand is synonymous with high quality eggs and widespread distribution – which has ensured steady growth in its popularity in recent years in Oman and abroad.

## The Journey

Milestones	Status
Obtain initial approvals.	Completed. This includes the environmental permit, MoAF's approval, and electricity connection.
Sign shareholders agreement.	Completed, and a new company called Arabian Food Production has been formed.
Secure Municipality license from Buraimi.	Due to a change in the land location, this has not yet been achieved.

## Stakeholders

Modern Poultry Farms (MPF)	IFFCO Group
Oman Flour Mills	Mizuho Gulf Capital Partners
ISE Foods, Japan	

## 17. Dhofar Seafood Canning Plant



Dhofar Fisheries and Food Industries is one of the largest fish processing entities in the Middle East, which distributes and sells a range of products in the GCC region and Middle East, Africa and Europe.

The primary focus of the company is processing and canning tuna fish and sardines, as well as processing fish oil, fish meal and other fish by-products, and carrying out the associated marketing activities for these products.

### The Journey

Milestones	Status
Obtain utilities connection for water and electricity.	Completed, with ISFU and MoCI assistance, the company obtained the approvals.
Sign contract for the engineering consultant, and obtain approvals for the engineering drawings.	Completed.
Obtain environmental and industrial licenses.	Completed.
Appoint the Engineering, Procurement, Construction contractor.	Completed.
Place orders for the machinery and Long Lead items.	Completed.
Mobilise and commence the construction.	The construction is expected to start in January 2020.

### Stakeholders

Dhofar Fisheries and Food Industries	Ministry of Agriculture and Fisheries (MoAF)
Special Economic Zone Authority at Duqm (SEZAD)	Ministry of Commerce and Industry (MoCI)

## 18. Al Bashayer Meat Project



Al Bashayer Meat Company, a joint stock company, was formed in 2016 as one of the major projects under the umbrella of OFIC. Since then, the company has continued to carry out its vision of becoming the preferred meat brand in Oman and the GCC. At the same time, it has been a key contributor to improving Oman's food security, and ensuring food safety for the country.

The company also plans to operate a fully integrated red meat project. This will be achieved by importing live animals from

trusted sources; fattening them by providing the necessary feed for their natural and healthy growth; and slaughtering them in the company's state-of-the-art abattoir.

As these operations are carried out on a continuous basis, the company will provide premium meat to local and international markets through an extensive distribution network. Aligning with Oman's food security vision and sustainability commitments, additional revenue streams will be generated from left-over edible/inedible parts. Furthermore, Al Bashayer Meat Company has an extensive plan to establish a retail butchery network to provide end-consumers with premium quality meat.

### The Journey

Milestones	Status
Award the tenders.	Completed. Tenders have been awarded for enabling works, all Equipment, abattoir building, machine installation, Mechanical Electrical and Plumbing (MEP) testing and commissioning, and the animal holding and processing plant.
Complete the construction for the 2019 components.	Completed. The structural work and animal holding, wells, trading area and equipment supply for the animal holding building have been completed.
Recruit and appoint the management team.	Completed.

### Stakeholders

Al Bashayer Meat Company	Ministry of Agriculture and Fisheries (MoAF)
Ministry of Commerce and Industry (MoCI)	Oman Food Investment Holding Company (OFIC)

## 19. Oman Oilseeds Crushing



This project will see an integrated Soybean/Canola Crushing & Oil Extraction Plant being established in the Port of Sohar. The plant will produce soybean/canola oils for both human consumption and industrial use; while the meals will provide excellent sources of protein for poultry and dairy diets.

The plant will be the first facility of its type in Oman, and with a proposed capacity of 3,000 tons/day for soybean and 2,400 tons/day for canola, it will be the third largest in the GCC region.

## The Journey

Milestones	Status
Select the CEO and Management Team.	Completed.
Select the land location.	Completed.
Obtain initial approvals for environmental and industrial permits.	These milestones have been delayed due to changes in the market dynamics. The business plan and market study updates are in progress.
Apply for the gas allocation.	
Finalise the technology and equipment suppliers.	
Initiate the project financing.	

## Stakeholders

Ministry of Commerce and Industry (MoCI)	Oman Food Investment Holding Company (OFIC)
Ministry of Agriculture and Fisheries (MoAF)	Sohar Port and Freezone

## Innovation

### 20. Advanced Manufacturing Research Centre (AMRC) in Oman



Currently, Oman's manufacturing sector is witnessing signs of increased product innovation and development. This kind of activity is a big plus-point for the Sultanate, as it serves to further unlock its ability as a self-reliant country, while ensuring more exportable viabilities for Oman.

However, as this innovation increases, so does the need for a research centre focusing on developing new products, performing tests, producing product prototypes and pioneering ideas. In order to meet this need, the Advanced Manufacturing Research Centre (AMRC) project aims to establish and operate a centre to leverage Oman's current product innovation and development for establishing new production lines.

Through AMRC's research, studies and partnerships with international centres such as the world-renowned Advanced Manufacturing and Research Centre in Sheffield in the UK, various challenges currently faced by the manufacturing sector in Oman can be overcome.

AMRC is expected to be a focal point for the growth of a high-tech industrial hub in Oman that is focused on precision manufacturing. The project will provide capital investment opportunities whilst strengthening Oman's strategic relationships with international manufacturing and research centres.

## The Journey

The project has successfully achieved most of its main milestones for 2019, and it has received the initial instalments from the government in order to establish the workshop, design centre, and training centre.

It has also started to deliver professional advanced training courses in engineering design and manufacture for a batch of Omanis as part of an on-the-job training initiative. The trainees will be recruited by the project once they complete their training, which is expected to be in Q2 of 2020.

## Moving Forward

The project is scheduled to be completed in 2020 – when it will become fully functional, and able to support industrial innovations and address the operational needs of industry by designing and manufacturing high value components and systems. The Centre will also continue organising and delivering training programmes to upskill Omanis in the area of advanced manufacturing.

## Stakeholders

Sohar University	Ministry of Commerce and Industry (MoCI)
Ministry of Finance (MoF)	National Training Fund (NTF)

### 21. Activation of IIC Programmes in 2019



Industrial Innovation Centre (IIC) initiative was established in September 2017, in collaboration with MoCI and Madayn as an innovation enabler for industry across the Sultanate, which seeks to cultivate, facilitate, develop and support innovation in Oman.

Currently, this is being carried out via 4 specialised programmes:

1. Development of Human Capital for Industrial Innovation
2. Establishment of Innovative Start-ups
3. Supporting Companies to Innovate
4. Supporting Industrial Sectors to Innovate

IIC is uniquely tasked with creating an innovation ecosystem to fuel Oman's industrial growth, competitiveness, job creation and accelerate the economic diversification.

It has made significant success over the last 2 years in developing an efficient Industrial Innovation Ecosystem, which in turn enabled the achievement of mandated KPIs, while making national political, environmental, social and economic impacts.

## The Journey

Milestones	Status
Develop human capital for industrial innovation.	Completed. IIC qualified 110 Omanis as Industrial Innovation Specialists, which was higher than the targeted figure of 100.
Establish innovative start-ups.	Completed. 6 innovative start-ups have been established.
Support companies to innovate.	Completed. 10 existing companies received support to innovate.
Support innovation in the industrial sector.	Completed. IIC supported innovation across the entire Food and Beverage sector.

## Stakeholders

Industrial Innovation Centre (IIC)	Ministry of Finance (MoF)
Ministry of Commerce and Industry (MoCI)	The Public Establishment for Industrial Estates (Madayn)

## Other

### 22. Philex Pharma Complex



The state-of-the-art Philex Pharma Complex has a vision to be a leading value-added pharmaceutical manufacturing hub for the MENA and East-Africa region.

Strategically located in Salalah Free Zone, the facility is set to be a trade and income generator for Oman, while also diversifying Oman's range of export products. Its focus will be the manufacture and packaging of multiple types of pharmaceutical dosage forms covering a wide range of therapeutics.

## The Journey

In order to shorten the project period and expedite medicine registration in the Ministry of Health (MoH), a secondary packaging unit was established in 2019. This served to reduce the main project cycle time by around 2 years, which meant that the products would be available in the market earlier than planned.

At the same time, the construction of the main factory is ongoing. After floating the tender, the contractor was appointed, and the project mobilisation and construction has started.

The main challenge was to obtain MoH permission to begin construction of the packaging unit without having the appropriate industrial license. The other challenge was to accelerate the process of registering medicines of the secondary packaging unit. As a result of several meetings and negotiations between ISFU/MoCI and MoH, MoH committed their full support to the project.

## Moving Forward

The secondary packaging unit will open in Q1 of 2020. The project will focus on completing construction of the main factory as well as obtaining initial approval for electricity and water.

## Stakeholders

Philex Pharma Complex	Ministry of Commerce and Industry (MoCI)
Salalah Free Zone	Ministry of Health (MoH)

### 23. Karwa Motors



Karwa Motors is a strategic investment project set up by Qatar and the Sultanate of Oman to establish a bus manufacturing and assembly plant in Duqm. The project will be constructed on a total area of 338,909 square-metres, and will have a scheduled capacity to produce 600 units per annum in 1 shift and 1,000 units in 2 shifts – with production capability for both diesel and electric buses.

Significantly, the Oman-based construction company Premier International has been chosen as the construction contractor for the project. The construction is set to be completed by the end of 2020, with commercial production scheduled to begin by Q1 of 2021.

## The Journey



Milestones	Status
Complete the site levelling.	Completed.
Commence the construction after selecting/awarding the contractor.	The contractor was selected/awarded, and construction on the site has begun.

## Stakeholders

Mowasalat Qatar	Oman Investment Fund (OIF)
Special Economic Zone Authority at Duqm (SEZAD)	



Tourism

Tourism KPI Dashboard			
Initiative / KPI		2019 Target	2019 Actual Achievement
1	Eco-Tourism		
1.1	Geo-heritage tourism development	100%	100%
1.2	Operationalisation of Ras Al Shajar Natural Park	100%	70%
2	Enable Niche Nature/Adventure Tourism		
2.1	Risk management & safety in adventure tourism	100%	60%
2.2	Facilitation of adventure projects	100%	50%
5	Creation of F&B cultural precincts		
5.1	Muscat Food Court	100%	50%
5.2	Classification of Restaurants	100%	100%
5.3	Improvement of Regulatory Environment of Food Trucks & Restaurants	100%	50%
5.4	Food Directory	100%	60%
7	Facilitation of Tourism Mega Projects		
7.1	Resolution of infrastructure & non-infrastructure issues and development of a list of incentives	100%	55%
7.2	Al Mouj Project	100%	55%
7.3	Hayy Al Sharq Project – by ASAAS	100%	34%
7.4	Naseem Al Sabah Project – by NAS Development	100%	60%
7.5	Qurayyat Resort ITC – by Al Madina Real Estate	100%	45%
7.6	Al Nakheel ITC – by Al Argan Towel	100%	30%
7.7	Ras Al Hadd Resort – by Qatari Diar	100%	100%
8	Enhance Applicant Services for All Tourism Related Projects		
8.1	Operationalize the technical team	100%	100

Initiative / KPI			
Initiative / KPI		2019 Target	2019 Actual Achievement
11	Oman Tourism and Convention Bureau (OTCB)		
11.1	Operationalization of Oman Tourism and Convention Bureau (OTCB)	100%	100%
11.2	Launching the e-concierge application	100%	30%
12	Activation of Tourism Development Fund		
12.1	Activation of Tourism Development Fund	55%	0%
13	Labour Solution Package		
13.1	Formation of the Tourism Sector Association	100%	0%
13.2	Provide Tour Guide job opportunities	100%	75%
13.3	Labour solution framework for tourism sector	100%	100%
14	Expedite Growth in Domestic Tourism		
14.1	Create domestic services for tourism.	100%	55%
14.2	Develop and Execute New Tourism Projects	100%	62%
14.3	Create a Framework for Domestic Tourism Development	100%	95%
14.4	Plan, Develop & Operate the Public Services at Key Tourism Destinations & Express Stops	100%	55%

- \* A sample of 30% of the KPIs were reviewed by Deloitte, and findings will be built upon in the future.
- \* A number of projects might not be reflected in the dashboard above as they are under direct monitoring of specific authorities. However, ISFU follows up on the execution on a regular basis.
- \* All forms of data are being continuously improved to be more representative of actual economic state. This is done in collaboration with NCSI and relevant government entities and aligned with international standards.

## Overview

The Sultanate of Oman is endowed with rich natural, heritage and cultural resources that make tourism one of the most important sectors to focus on for the aim of achieving economic diversification. With this great potential, key steps have to be taken in order to further develop the Omani tourism sector.

In addition to what was achieved in the past two years, the focus of 2019 was on major projects such as Hay Al Sharq, Naseem Al Sabah, Qurayyat Resort ITC, Al Nakheel Resort and Ras Al Hadd, which are all new projects that became under the supervision of the Implementation Support and Follow-up Unit (ISFU). Also, domestic tourism has become a priority for the sector through the development of a number of projects which enrich domestic tourist experiences. In addition, Enhancing Applicant Services for All Tourism Related Projects was considered a major project this year, as it streamlines the process of obtaining tourism project approvals and strengthens the role of the technical team.

Since tourism is a dynamic sector and despite the challenges faced in the implementation of projects, ISFU has successfully managed to resolve the issues, play a significant role in reconciling different points of views, and provide support for both public and private sectors.

### New Initiatives/projects added in 2019:



## 1. Eco-Tourism



Through a clear and robust plan of action, this initiative aims to improve, preserve and capitalize on Oman's eco-tourism offerings. At the same time, it aims to ensure long-term sustainable growth of the tourism sector as it plays a vital role in boosting Oman's economy.

The initiative includes three projects:

1. Geo-heritage tourism development
2. Operationalisation of Ras Al Shajar Natural Reserve
3. Operationalisation of Qurm Nature Reserve

## 2019 KPIs

### 1.1 Geo-heritage tourism development

Al Huqf Geo-park is one of the promising developments that aim to leverage eco-tourism and geo-tourism assets in the region. In doing so, the park will contribute to the region's tourism value. The proposed Al Huqf Geo-park will cover an area on the south-eastern side of the Sultanate of Oman between Wilayat Mahoot and Duqm, in Al Wusta governorate. It includes:

- 1- Al Wusta Wildlife Reserve (AWWR), which is governed by the Office for Conservation of the Environment (OCE) – Diwan of Royal Court.
- 2- Duqm Rock Garden (DRG), which falls under the Special Economic Zone Authority at Duqm (SEZAD).
- 3- The area surrounding the two Wilayats of Mahoot and Duqm.

### 1.2 Operationalisation of Ras Al Shajar Natural Park

Ras Al Shajr Natural Park was included in this initiative in 2019 in replacement of Al Saleel Natural park, due to a number of reasons, including its rich biodiversity in terms of flora and fona and its closer proximity from the capital, which in effect makes it an attractive and more feasible project to develop.

### 1.3 Operationalisation of Qurm Nature Reserve

This project aims to continue developing Oman's eco-tourism offerings by operationalising the Qurm Nature Reserve. Specifically, this will be achieved by inviting more responsible investment and more responsible tourism activity into the reserve – without compromising its intrinsic ecological value. Engagement with the surrounding local community is another key aim.

## The Journey

### 1.1 Geo-heritage tourism development

The Duqm Rock Garden (DRG) permit system was implemented in the website, while Al Wusta Wildlife Reserve (AWWR) system is in progress. Also, Oman Geo-park feasibility study was completed and has identified potential geo-parks in Oman with their marketing programs, in addition to conceptualising AWWR plan, which has contributed to identifying geo-park potential in Al Wusta Governorate.

Moreover, Al Huqf digital geo-tourism map was developed within the initiative working group, and the agreement between the Ministry of Tourism (MoT), Omran and Office for Conservation of the Environment (OCE) took place as Omran has established a broader role to contribute to the reserve.

### 1.2 Operationalisation of Ras Al Shajar Natural Park

The working group along MoT is working closely with OCE to design and deliver an eco-tourism project that will allow visitors to have a rich experience in one of Oman's most unique protected areas, while maintaining the integrity of the reserve.

Also, an agreement took place between Omran, MoT, and OCE to deliver a concept plan to mobilise an eco-tourism project, and the teams are now engaging to secure the details of the master plan and investment.

### 1.3 Operationalisation of Qurm Nature Reserve

The project is underway in phases according to the plan presented in the proposal of Muscat National Development and Investment Company (ASAAS). A workshop has previously been conducted by ASAAS on the development of the park, wherein the project stakeholders discussed the progress and outcomes of Phase 1 of the environmental study. A brainstorming session was also held during the workshop to discuss potential outcomes of the park's development, potential threats, and what components are required for its successful development.

#### Stakeholders

Ministry of Tourism (MoT)	Ministry of Housing (MoH)
Office for the Conservation of the Environment (OCE)	
Ministry of Environment & Climate Affairs (MECA)	National Survey Authority (NSA)
Special Economic Zone Authority of Duqm (SEZAD)	
Petroleum Development of Oman (PDO)	Geological Society of Oman (GSO)
Muscat National Development and Investment Company (ASAAS)	
Muscat Municipality	Oman Tourism Development Company (Omran)

## 2. Enable Niche/Adventure Tourism



To regulate and further enable the growth of adventure tourism in the Sultanate, this initiative aims to conduct safety audits on current and future adventure activities, and develop adventure tourism within measurable guidelines. This specifically applies to the sites across Oman that experience a large percentage of adventure tourism – such as the Eastern Hajar mountains including Majlis Al Jinn cave, the Western Hajar mountains including Jabal Shams and Jabal Al Akhdhar, and Musandam.

### 2019 KPIs

#### 2.1 Risk management & Safety in Adventure Tourism

With adventure tourism tending to be a high-risk sector, it is vital that safety audit assessments and safety guidelines are implemented within all companies/tour operators involved in this industry in Oman, based on international best-practice standards and expertise. For this initiative, the implementation of adventure tourism risk management needs to be carried out with the assistance of local SMEs who are in the position to provide reliable and safe working guidelines, due to their experience, expertise and knowledge.

### 2.2 Facilitation of Adventure Projects

This KPI was created to identify and facilitate the development of adventure tourism projects in the Sultanate. Out of the wide variety of sites suitable for this type of tourism in Oman, it is important to identify specific areas to develop and enhance by building appropriate infrastructure for users, by creating zones to facilitate local SME engagement, and by establishing ways in which local communities can benefit from increased visitor influx.

#### The Journey

As this niche tourism market in Oman develops, it also serves to promote the Sultanate's tourism sector in general by showcasing the vast array of natural attractions in the Sultanate that regional and international visitors can experience. A key achievement in this initiative was the successful signing of an agreement between MoT and Omran to develop Majlis al Jinn for adventure tourism. This agreement will develop further once the initial environmental and administrative studies are completed, and once a usufruct agreement is established, which will attract potential investors to develop the area.

ISFU's role was to facilitate meeting of the common objective of both parties to create a safe environment for adventure tourism. The challenges that this initiative faces are the following: Calculating actual footfalls at adventure tourism sites; providing adequate safety regulations for adventure activities without compromising on their inherent "fun factor"; and identifying appropriate areas for adventure tourism engagement in the Sultanate that at the same time serve to promote conventional tourism. Furthermore, a delay in the process of signing contracts with consultants (to provide the necessary studies and conduct assessments on the safety guidelines) hindered some major achievements. ISFU has consistently worked towards finding solutions to the above challenges in order to accelerate the process.

#### Moving Forward

The focus for 2020 is to complete the studies that showcase how the communities that preside over areas with high adventure tourism potential can benefit from visiting adventure enthusiasts. (For example – geologists that are keen to visit and explore sites of geological richness in the Sultanate).

#### Stakeholders

Ministry of Tourism (MoT)	Oman Tourism Development Company (Omran)
Ministry of Housing (MoH)	

## 3. Privatizing the management of heritage sites



This initiative was introduced to privatize natural heritage sites such as forts, castles and old villages located in Oman. Having achieved success with the Harat al Sibani and Harat al Bilad projects in 2018, the initiative is currently reviewing additional sites to develop – which are economically viable, and which offer further diversification potential for Oman's tourism sector. ISFU continues to oversee and track the progress of Harat al Sibani and Harat al Bilad, as well as the additional sites.

## The Journey

The working group continues to meet on a weekly basis to closely follow up and evaluate the progress of the initiative through site visits and investor engagement. They are also following up on the identification of potential sites. To date, both the Harat al Sibani and Harat al Bilad developments are under way. The Harat al Sibani development is under the process of being tendered.

### Stakeholders

Ministry of Tourism (MoT)	Ministry of Heritage and Culture (MoHC)
Public Authority for Craft Industries	Oman Tourism Development Company (Omran)

## 4. Develop a year round calendar of events



This initiative seeks to further unlock the potential for tourism in Oman with the launch of a calendar of events. Including both new and existing festivals and events, the calendar will serve as a reference point to guide the activities needed to drive greater tourism traffic to Oman throughout the year, and through specific seasons. It also serves as a guide to what existing sports, cultural, and other events are currently taking place in Oman (and which of these events would require support and guidance from relevant stakeholders). The calendar of events includes a proposed Omani Halwa festival. This, and similar events, would serve to place Oman more prominently in the international tourism spotlight.

## The Journey

Event Name	Date	International Participants	Domestic Participants	Economic Impact (OMR)
Muscat Show Jumping Series	7-9 November 2019	60	23	620,000
Oman Desert Marathon	16-22 November 2019	93	72	550,000
Oman by UTMB (Ultra-Trail du Mont-Blanc)	28-30 November 2019	820	903	3,600,000
Haute Route	1-3 March 2019	232	12	960,000

## Moving Forward

In 2020, the working group aims to set a seasonal calendar that aligns cultural, leisure and sports events across Oman throughout the year.

## Stakeholders

Ministry of Tourism (MoT)	Ministry of Sports Affairs (MoSA)
Ministry of Heritage and Culture (MoHC)	Ministry of Information (MoI)
Oman Sail	Others (as per the type of event)

## 5. Creation of F&B cultural precincts



By combining modern retail and entertainment concepts with Oman's traditional heritage and culture; new and exciting experiences can be delivered to tourists in Oman. This is the vision that drives this initiative – which aims to create dedicated cultural precincts that offer domestic and international tourists a wide range of Food and Beverage (F&B) and cultural attractions. However, as Oman's fast-growing tourism sector develops, it is essential that feedback is obtained from tourists visiting Oman from around the world. This feedback determines the optimum direction that the sector needs to head towards in the long-term, and it also enables MoT to respond positively by calling for new and diversified tourism attractions.

The working group is facilitating the completion of the new projects, as per the agreed-upon project milestones. They are also facilitating the implementation of the new KPIs that were added to the amended rules and regulations for restaurants and food trucks. These were added to improve the restaurant/food truck business environment – especially for SMEs.

## 2019 KPIs

### 5.1 Muscat Food Court

Muscat Food Court's objective is to create an entertainment hub that will serve the F&B industry through a local investor, Al-Khonji Group.

### 5.2 Classification of Restaurants

The aim of this KPI is to establish a simple set of criteria – based on international standards – to classify Oman's F&B establishments.

### 5.3 Improvement of Regulatory Environment of Food Trucks & Restaurants

Food trucks and restaurants together represent a thriving sector of the F&B industry. However, due to their dynamic and sometimes less-sophisticated environment, they can be prone to health hazards. In order to attract further investment into this sector, this KPI, therefore, seeks to identify and improve on a clear set of regulations for food trucks and restaurants operating in Oman.

### 5.4 Food Directory

As food outlets increasingly look to digital and web-based technology to enhance customer

engagement, this KPI aims to create a food directory App that would enable users to identify restaurants and cafés within a geographical zone. Each establishment featured on the App would have clear cut ratings based on customer feedback.

## The Journey

### 5.1 Muscat Food Court

The project is still in the preparation stage, and the final approval for the building permit to commence with the construction work is pending. ISFU has been constantly following up with all of the stakeholders involved to ensure the flexibility of development process.

One of the main challenges has been a delay in obtaining stakeholder approvals, which in turn has affected the overall project's construction timeline. ISFU assisted the stakeholders in dealing with challenges they have encountered, by addressing them to the MDU.

### 5.2 Classification of restaurants

Data on local and international best practices for restaurant classification has been gathered. This subsequently led to the creation of tourism restaurant classification for Oman. Moreover, a ministerial decision was issued stating that restaurants and cafes subject to tourism classification shall pay 4% of the total fee paid by the customer to MoT on a quarterly basis.

### 5.3 Improvement of Regulatory Environment of Food Trucks & Restaurants

With the establishment of the Centre for Food Safety and Quality in the Ministry of Regional Municipalities and Water Resources (MRMWR), the stakeholders relevant to this KPI were brought together through various meetings chaired by ISFU. A challenge faced was the alignment between public stakeholders and private stakeholders to create a regulatory framework that contributes to the growth of the industry. ISFU's role – along with MDU – was to supervise and coordinate meetings with these stakeholders in order to establish common grounds for the regulatory framework.

MRMWR issued a ministerial decision on hygiene requirements of the activities of food trucks and restaurants. It focuses on the food trucks' activities, location of the truck and the type of food served.

### 5.4 Food Directory

The development of the Food Directory Application has been contracted to a local SME developer. The application is currently in its final stages to be launched.

## Moving Forward

The focus in 2020 will be to continue establishing and overseeing impactful projects in Oman's F&B industry. This will involve creating opportunities for SMEs and potential investors.

## Stakeholders

Ministry of Tourism (MoT)	
Ministry of Regional Municipality and Water Resources (MRMWR)	
Ministry of Housing (MoH)	Ministry of Legal Affairs (MoLA)
Al Khonji Group	Muscat Municipality
Royal Oman Police (ROP)	

## 6. Development of Iconic Projects



With Oman increasingly finding itself in the international tourism spotlight, this initiative aims to create an iconic landmark that a global audience could associate directly with the Sultanate of Oman. Similar to landmarks such as the Eiffel Tower in Paris, France, the proposed landmark would also function as a destination product to attract tourism into the country. The landmark will be incorporated as part of a larger mixed-use development to ensure commercial viability and sustainability.

## The Journey

The team faced a challenge with project land location, therefore, an alternative location is required to be assigned for the iconic project.

## Stakeholders

Ministry of Tourism (MoT)	Ministry of Housing (MoH)
Royal Oman Police (ROP)	

## 7. Facilitation of Tourism Mega Projects



The purpose of this initiative is to facilitate a number of key Integrated Tourism Complex (ITC) and hospitality developments. A number of these developments including The Mount Wellness, Oman Riviera, Port Sultan Qaboos, were selected to be supervised by ISFU in order to monitor and support their delivery and mobilization. These projects have progressed on the level of finalizing and approving the master plans and developing agreements.

In 2019, a list of additional developments and investments was included in the dashboard in order to support and monitor the progress of their economic impact on the sector. It includes Hay Al Sharq, Qurayyat Integrated Complex, Al Nakheel ITC, Ras Al Hadd Resort, and Naseem Al Sabah. These developments vary in value, size and progress but their impact on creating jobs and boosting the economy is significant.

## 2019 KPIs

### 7.1 Resolution of infrastructure & non-infrastructure issues and development of a list of incentives

Apart from overseeing the progress of the previously-mentioned Integrated tourism complexes (ITCs), the initiative team also identified a number of major infrastructure and non-infrastructure issues faced by these projects and other ITC projects. The aim of this KPI is therefore to provide recommendations on how to resolve these issues (with incentives) following a thorough study. These can then be endorsed by the relevant stakeholders.

## 7.2 Al Mouj Project

Al Mouj is the first Integrated Tourism Complex (ITC) project in the country, and saw a total investment value of OMR 384 Million. It is located in Muscat and consists of five hotels with a total 1,600 rooms capacity; 100 hotel apartments; 6,000 housing units; 18-hole golf course, golf club and recreational facilities; a commercial centre and walkway; and a marina with berths for 400 boats.

## 7.3 Hayy Al Sharq Project – by ASAAS

Hay Al Sharq Project is the first leisure and entertainment destination in the country. Located in Al Sawadi, Barka, the project saw a total investment value of OMR 300 Million. Hay Al Sharq Project consists of 3 hotels with a total of 1682 key rooms; 625 residential units; a theme park and wildlife attraction; a water park; edutainment center; equestrian center, retail and F&B outlets.

## 7.4 Naseem Al Sabah Project – by NAS Development

An upcoming ITC development, the 400,000 square-meter Naseem Al Sabah Project will be located near Al Mouj Project. With an investment worth of OMR 300 Million, it will consist of two hotels with a total capacity of 600 rooms; 696 housing units; and a marina with berths for 75 boats and a sales gallery.

## 7.5 Qurayyat Resort ITC – by Al Madina Real Estate

The Qurayyat Resort ITC will be located in Wilayat Qurayyat over an area of 1,282,300 square-metres. The project will be developed in 3 phases, and it sees a total investment value of OMR 360 Million. Once complete, Qurayyat Resort ITC will consist of 3 hotels with a total capacity of 750 key rooms; 4,000 residential units; a golf course, waterpark and boulevard walkway.

## 7.6 Al Nakheel ITC – by Al Argan Towel

This mixed-use ITC will be developed on the Abu Nakheel coastline in Al Rumais, Barka. With a total area of 500,000 square-metres, the development is set to include 3 hotels with a total of 485 key rooms; 185 hotel apartments; 1,436 residential units; an artificial lagoon and water park; traditional souq; and an international school. The total investment value of the project is OMR 246 Million.

## 7.7 Ras Al Hadd Resort – by Qatari Diar

This eco-themed resort will be located in Ras Al Hadd, near Sur, over an area of 1,971,823 square-metres. Once complete, Ras Al Hadd Resort will consist of 3 hotels with a total of 700 key rooms; 488 residential units; and a commercial centre, heritage village, and marina. It will also include a wildlife park and marine park. The total investment value of the project is OMR 200 Million.

## The Journey

The initiative's team engaged with the project owners and consultants on a monthly basis, and tracked the progress of projects on a weekly basis. While each of the developments is progressing at its own pace, all of them have required follow-up and fast tracking of approvals. Also, while the developers experienced no major challenges, there were however some delays due to changing and reprioritizing some of the projects' components.

## 7.1 Resolution of infrastructure & non-infrastructure issues and development of a list of incentives

The initiative also studied a number of factors, challenges and conditions affecting the current progress of tourism projects that include fiscal and non-fiscal incentives. ISFU and MOT are working closely with a number of stakeholders including MoF, Haya Water, MoH, Muscat Municipality and Central Bank of Oman (CBO), alongside representatives from the private sector to align and launch a list of new incentives that would help attract investments to the sector.

Also, the regulations for Purchasing Power Parity (PPP) and benchmarking other countries in the region have been reviewed and action plans have been proposed.

## 7.2 Al Mouj Project

Several meetings conducted with the support of ISFU brought representatives from Al Mouj, Muscat Municipality, and MoT together to discuss the pending approval of the development control plan.

In addition, ISFU escalated to the Ministerial Committee a full impact analysis of the traffic junction at the Wave Roundabout. As a result, both Muscat Municipality and Al Mouj Muscat are currently collaborating to resolve the issue related to the road infrastructure.

## 7.3 Hayy Al Sharq Project – by ASAAS

The designs for the 3-Star and 4-Star hotels have been approved by MoT. The developer has also procured the construction tender and received No Objection Certificates (NOCs) from the relevant stakeholders. A challenge faced by this project was a delay in the waterpark and edutainment designs, due to internal negotiations with the developer.

## 7.4 Naseem Al Sabah Project – by NAS Development

The building permits for the sales gallery and mock-up villas have been approved by Muscat Municipality.

## 7.5 Qurayyat Resort ITC – by Al Madina Real Estate

MoT submitted the masterplan to both Ministry of Housing (MoH) and Muscat Municipality on behalf of the developer. ISFU supported the process by facilitating several meetings between the project developers and the Directorate General of Investor Services at MoT, to expedite obtaining the approval of phase one 4-star hotel designs.

## 7.6 Al Nakheel ITC – by Al Argan Towel

The first phase of crystal lagoon and infrastructure designs have been completed, and works of leveling and excavation have commenced.

## 7.7 Ras Al Hadd Resort – by Qatari Diar

The developer has tendered the hotel and staff accommodation packages for construction.

## Moving Forward

The focus in 2020 will be to continue facilitating the design and construction phases of the current mega projects, and add 2 mega projects, Madinat Al Irfan and Yiti. In addition, following up with MoF, Diam, CBO, MoH for approval of the recommended incentives list.

## Stakeholders

Ministry of Tourism (MoT)	Ministry of Finance (MoF)
Muscat Municipality	Public Authority of Water (Diam)
State General Reserve Fund (SGRF)	Representatives of the project developers/owners

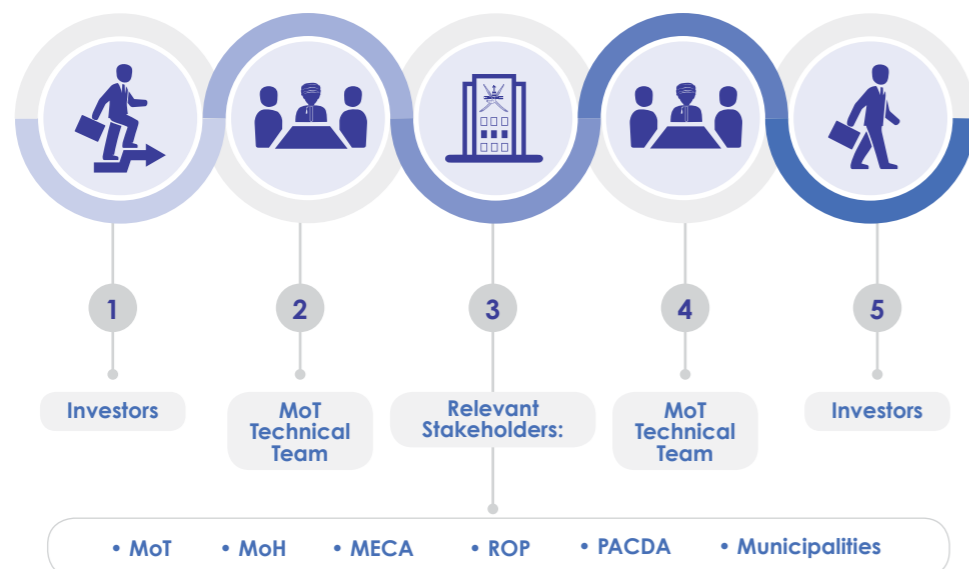
## 8. Enhance Applicant Services for All Tourism Related Projects



This initiative aims to form a technical team in MoT to provide technical support and assistance to investors who are seeking approvals from MoH, MRMWR, MECA, Muscat Municipality and Dhofar Municipality, for tourism related projects. This is because investors are facing several challenges in getting some approvals while establishing their projects. Therefore, appropriate solutions in order to ease the process and attract more investors need to be established.

The technical team will monitor the compliance of the Service Level Agreements (SLAs) which were signed in 2018 between MoT and relevant stakeholders to streamline the process of getting 1 – 5 Star hotel establishment approvals. These stakeholders include MRMWR, MoH, MECA, Muscat Municipality and Dhofar Municipality. Furthermore, the initiative aims to propose further amendments on the signed SLAs by including non-real estate tourism projects.

### Streamlining the Process of Obtaining Approvals



Reducing the number of days required to process 1, 2, 3, 4, 5-star hotel approvals, not to exceed 30 working days.



Reducing the number of days required to process unmarked land applications to 92 working days.

## 2019 KPIs

### 8.1 Operationalize the technical team

This KPI aims to monitor the progress of recruiting and operationalizing the technical team, to help and support MoT to become a one single window for obtaining all tourism related approvals.

## The Journey

In Q3 of 2019, the team successfully managed to propose new amendments to the signed SLAs. After reviewing the previous SLAs – signed in 2018 – the amendments included new activity approvals for sectors such as adventure tourism, F&B tourism, travel agencies, and other non-real estate tourism projects. Regarding the recruiting of the technical team, MoT signed a contract with MENA HR Solutions in October 2019 for the provision of 4 employees for the ministry, for 2019. MoT has appointed a number of specialists in 2019 to become part of the technical team.

## Moving Forward

The focus in 2020 is to activate the role of the technical team in streamlining approvals and licenses, in addition to assessing compliance with the Service Level Agreement (SLA) signed with key government stakeholders, and include new tourism projects to the signed SLAs.

## Stakeholders

Ministry of Tourism (MoT)	Muscat Municipality
Ministry of Regional Municipalities and Water resources (MRMWR)	
Ministry of Housing (MoH)	Ministry of Environment and Climate Affairs (MECA)
Dhofar Municipality	

## 9. Extending Usufruct & Lease Options



The main objective of this initiative was achieved in 2018. It saw changes being made on the period of usufruct from 50 to 99 years on government lands, and from 30 to 50 years on private lands. In 2019, the initiative continued to propose certain criteria and standards to preserve the various components of tourist sites in Oman. Amendments to some of the clauses in the contract were also made, to include and prepare special annexes for specialized tourism projects.

## 2019 KPIs

### 9.1 Amendment of some usufruct contract clauses and preparation of special annexes

This KPI aims to make amendments to some of the clauses of the usufruct contract. It also aims to prepare special annexes focusing on ITC and non-ITC projects.

## The Journey

In 2019, the team focused on aligning the framework and criteria of the usufruct law based on the extension from 50 to 99 years (government lands), and 30 to 50 years (private lands).

## Moving Forward

In 2020, the initiative will prepare guidelines and regulation of extending period of usufruct contracts. Also, it will focus on finalizing templates of ITC and non-ITC related tourism projects.

## Stakeholders

Ministry of Tourism (MoT)	Ministry of Finance (MoF)
Ministry of Environment and Climate Affairs (MECA)	
Ministry of Housing (MoH)	Ministry of Legal Affairs (MoLA)
Ministry of Heritage and Culture (MoHC)	

## 10. Targeting new tourism markets



This initiative continues its role of opening up Marketing Based Representative (MBR) offices in China, Russia and Iran. Over the last 2 years, considerable efforts were made to provide visa facilitation to these 3 markets. In May 2018, the Royal Oman Police (ROP) also announced the inclusion of Chinese, Russian and Iranian nationals' visas to Oman's List A category that include visa on arrival.

### The Journey

In September 2019, a workshop was held in Russia to further facilitate the progress of this initiative. It was attended by MoT representatives, Marketing Based Representative (MBR), and stakeholders from Russia's tourism sector.

With regards to the MBR in China, MoT announced a second tender and the bids for this are now being evaluated. Prior to this, MoT also conducted a workshop in Oman in 18<sup>th</sup> of September 2019 to facilitate further understanding of the needs of the Chinese travel market. It was attended by experts in this field from China and Oman travel agencies.

### Moving Forward

In 2020, the focus will be on activating MBR in China, conducting marketing campaigns in Russia and China, and adding new markets including USA.

## Stakeholders

Ministry of Tourism (MoT)	Ministry of Foreign Affairs (MoFA)
Chinese Embassy	MC Group

## 11. Oman Tourism and Convention Bureau (OTCB)



Oman Tourism and Convention Bureau (OTCB) serves to promote Oman as an attractive business partner for investors and developers, and as a preferred destination for Meetings, Incentives, Conferences and Exhibitions (MICE) tourism.

The working group proceeded with the launching of the e-concierge application aimed at tourists who have either arrived in the Sultanate, or planning a visit to it. This application aims to serve as an electronic platform that provides details about the most important attractions, tourism sites, services, products and activities in Oman.

### 2019 KPIs

#### 11.1 Operationalization of Oman Tourism and Convention Bureau (OTCB)

This KPI aims to monitor the progress of launching OTCB, while selecting the proper legal and financial models to help in establishing the bureau.

#### 11.2 Launching the e-concierge application

This KPI aims to monitor the progress of launching the application which serves as a comprehensive information centre for potential and actual visitors to Oman.

### The Journey

#### 11.1 Operationalization of Oman Tourism and Convention Bureau (OTCB)

MoT floated an international tender in July 2019 and subsequently awarded a 9-month contract to a consulting firm, Horwath HTL – who advised on the legal and financial models required to establish OTCB. In Q3 of 2019, the Inception Report and Strategy Analysis from the consultant were obtained, and MoT is currently working on finalising the legal procedures to establish OTCB.

In addition, a team of representatives from MoLA, Ministry of Finance (MoF), and Ministry of Civil Services (MoCS) has been formed for the legal and financial process review. ISFU's team have played a significant role in facilitating meetings with the consultant and MoT, as well as relevant parties such as Oman Tourism Development Company (Omran) and Oman Aviation Group (OAG). In addition, they have facilitated conference calls between MoT and the consultant.

#### 11.2 Launching the e-concierge application

The development of the application is currently undergoing and is set to be launched in 2020. MoT is working with Omantel (project manager) in order to complete the remaining phases and launch the app.

### Moving Forward

In 2020, the initiative aims to launch and operationalize Oman Tourism & Convention Bureau (OTCB), in addition to launching the e-concierge application.

## Stakeholders

Ministry of Tourism (MoT)	Ministry of Legal Affairs (MoLA)
Ministry of Civil Service (MoCS)	Ministry of Finance (MoF)
Omantel	Horwath HTL

## 12. Activation of Tourism Development Fund



As part of Oman's diversification plans in making the nation a go-to destination for tourists from around the world, tourism tax is a vital method of raising the funds needed to support the tourism industry. The tourism tax of 4% collected from tourist-related entities is currently transferred to the Ministry of Finance (MoF). From here, it is redistributed to MoT, MoHC, and ROP. By establishing an independent Tourism Development Fund under MoT, as per the tourism law, this initiative will see an increase in the share of tax funds allocated to MoT.

## 2019 KPIs

### 12.1 Activation of Tourism Development Fund

This KPI focuses on activating an account for tourism development where tourism revenues can be channeled to directly on an annual basis. The goal is for MoT to be able to fund its marketing, training and other developments more efficiently.

## The Journey

Milestones	Status
Approve Tourism Development Fund Mechanism by MoF.	MoF and MoT are currently in the process of approving the mechanism in order to launch the fund in 2020.

## Moving Forward

The focus in 2020 will be to activate the Tourism Development Fund.

## Stakeholders

Ministry of Tourism (MoT)	Ministry of Finance (MoF)
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## 13. Labour Solution Package



The main objective of this initiative is to attract about 10,000 Omani nationals to work across the tourism industry, by providing an incentive package. Towards meeting this end, and during 2019, the focus will be on forming a tourism sector association, training a number of employees to work as tour guides in 6 tour operating companies, forming a technical team within the Ministry of Tourism, and designing the In-Country Value (ICV) framework.

## 2019 KPIs

### 13.1 Formation of the Tourism Sector Association

An application will be placed before the Cabinet to set up a Tourism Association, which would serve to improve private sector/government communication.

### 13.2 Provide Tour Guide job opportunities

Following a successful on-the-job training organized by Oman Tourism College, this KPI will monitor the recruitment of 16 Omani job seekers as full-time tour guides in 6 tour guide operating companies.

### 13.3 Labour solution framework for tourism sector

The technical team works closely with the key players in the tourism industry, to create job opportunities for 10,000 Omanis across the sector. It also proposes a number of incentives to make working in the sector attractive. Therefore, This KPI keeps track of the progress of the labour solution framework. Another major milestone for the initiative team is to design an ICV framework, on similar lines worked out for the oil and gas sector.

## The Journey

### 13.1 Formation of the Tourism Sector Association

In 2019, ISFU supported MoT by following up with the General Secretariat of the Cabinet on approving the application. It presented the KPI status in April 2019 during the Ministerial Committee meeting to expedite the approval. However, following the presentation to the Cabinet, it was decided to withhold declaring the formation of the Tourism Association until the Ministry of Social Development (MoSD) presents a study on all existing associations.

### 13.2 Provide Tour Guide job opportunities

Data was gathered on available licensed tour guides, and a list of opportunities was created for tour guide employment and training. Also, MoT obtained commitment from 6 tour operator companies to hire 16 Omanis on a full-time basis after being trained with the National Training Fund (NTF) and Oman Tourism College.

Apart from training Omanis, the initiative team saw potential in an SME that is developing an App that acts as a platform for all licensed tour operators. Therefore, meetings were conducted to give the SME team direction and support in providing data to enhance tour operator registration on the App.

### 13.3 Labour solution framework for tourism sector

The year started off on a positive note with the formation of a technical team headed by the Undersecretary of Tourism, which included members from MoT and MoMP. The focus was to analyze available data on the number of Omanis employed in the sector and ways to attract nationals and increase their number.

As part of this initiative, the technical team meets on a weekly basis with Human Resources managers of hotels, travel agencies and tour operators to identify attractive jobs for Omanis, while also understanding the challenges faced by these entities. These interactions have been beneficial in identifying 370 job opportunities for Omanis. Therefore, the team proposed to have a career fair which was held on the 14<sup>th</sup> of October with the participation of 40 hospitality companies, offering 620 job opportunities to employ as many Omanis as possible in the sector.

In addition, the initiative team conducted several meetings with the Ministry of Oil & Gas (MOG), as well as Petroleum Development Oman (PDO) to understand how they designed their ICV strategy, and how they monitored the operators. The initiative team is in the process of collecting necessary data in preparation for studying how to design an ICV strategy that works for the tourism sector.

The technical team faced a number of challenges, especially in identifying job opportunities for Omanis in the sector. Several sector representatives showed hesitation in recruiting Omanis due to high turnover. However, through discussions, the team managed to introduce a number of solutions such as part-time jobs and proper training for Omanis to be job-ready.

#### Moving Forward

The focus in 2020 will be to form the technical team, which will be responsible for meeting with sector players to create job opportunities for Omanis, review Omanisation percentages and introduce incentives for employers & employees.

#### Stakeholders

Ministry of Tourism (MoT)	Ministry of Manpower (MoMP)
Ministry of Social Development (MoSD)	Oman Tourism College
Tour Operators	National Training Fund(NTF)
The Cabinet of Ministers	

### 14. Expedite Growth of Domestic Tourism



With the vision to develop domestic tourism and increase its contribution to the national economy's GDP, this initiative was added to the dashboard in 2018. It aims to provide the services, activities and projects which fulfil the needs of tourists and enhance their experience in Oman.

### 2019 KPIs

#### 14.1 Create domestic services for tourism

The objective of this KPI is to provide new services and develop the existing ones. Since 2018, the focus has been on providing a number of services identified as "quick wins" to enhance facilities for tourists. These include public restrooms in petrol and non-petrol stations, beach developments, and Recreational Vehicle (RV) parks.

#### 14.2 Develop and Execute New Tourism Projects

This KPI aims to develop some of Oman's main tourism sites, including Wadi Bani Khalid and Al Ashkharah Beach in Al Sharqiya Governorate, and the Suhoor Cave in Dhofar.

#### 14.3 Create a Framework for Domestic Tourism Development

Based on the National Tourism Strategy 2040, this KPI aims to establish a sustainable and effective regulatory framework to stimulate and develop local tourism. This is possible by encouraging each of the 11 governorates to play a role in the development of the tourism sector.

#### 14.4 Plan, Develop & Operate the Public Services at Key Tourism Destinations & Express Stops

The main objective of this KPI is to provide and develop a number of services and facilities at key tourism destinations, and along the expressways such as Al Batinah Expressway.

### The Journey

#### 14.1 Create domestic services for tourism

Milestones	Status
Launch Sur Al Hadid Beach site by organising a food/retail/sports carnival.	The Sur Al Hadid Carnival was held in March 2019 at Seeb Beach as a successful pilot project for beach development in the Sultanate. The event attracted over 50,000 visitors. The event was aligned with this initiative's objective of enhancing and providing services and facilities for domestic tourists – and of taking advantage of the beach resources to attract tourism activities and support local SMEs.
Identify campground for Recreational Vehicle (RV) Parks	Sites have been identified and the team is currently working on developing the sites.
Commence Operation Stage at 3 locations: Ras Al Jinz, Al Ashkhara, and Salalah.	MoT awarded Omran the 3 locations to develop and operate the RV parks to be delivered by Q1 2020.

#### 14.2 Develop and Execute New Tourism Projects

Milestones	Status
Handover MoT tender documents for Al Ashkharah, Wadi Bani Khalid and Suhoor Cave.	The initiative working group engaged with MoT's Development Department to assist them in finding appropriate investors for the 3 projects. In Q2 of 2019, MoT announced investment tenders in these locations, then, it received and evaluated the submission of bids. Regarding Al Ashkhara beach, an investor was selected and will be awarded, while for Wadi Bani Khalid, MoT is currently in negotiation with potential investors and also unlocking infrastructure challenges on site, and looking for an investor for Suhoor Cave.
Obtain access to land.	
Secure investments.	
Receive and evaluate submission of bids.	

#### 14.3 Create a Framework for Domestic Tourism Development

Milestones	Status
Engage with stakeholders to gather data/info in order to benchmark domestic tourism based on a minimum of 3 international case studies.	The team successfully engaged with the stakeholders to gather data that will be used in drafting the domestic tourism framework. The team also studied best practices from leading regional and international tourism destinations, including New Zealand, Singapore, South Africa, and Ireland.

#### 14.4 Plan, Develop & Operate the Public Services at Key Tourism Destinations & Express Stops

Milestones	Status
Conduct site visits to various governorates.	Site visits were conducted in various governorates such as Al Sharqiya, Al Batinah, Al Dhahirah and Muscat, in order to evaluate the state of existing tourism services, and see how they can be enhanced for domestic tourism.
Select key tourism destinations and express stops to install public facilities such as: toilets, F&B and Retail outlets.	With the support of ISFU, 3 key destinations were identified in coordination with MRMWR & MoT, and public facilities were installed in 3 locations as a priority by MRMWR, after transfer of budget from MoT.

#### Moving Forward



In 2020, The initiative will continue to provide further development, execution and operation of public services at key tourism destinations, create Recreational Vehicle (RV) facilities development and finalize domestic tourism framework.



#### Stakeholders

Ministry of Tourism (MoT)	Royal Oman Police (ROP)
Ministry of Regional Municipalities and Water Resources (MRMWR)	Muscat Municipality
Ministry of Housing (MoH)	Ministry of Transport
Major Oil Companies: Oman Oil, Al Maha, and Shell Oman	Oman Tourism Development Company (Omran)
Oman National Transport Company (Mwasalat)	Private Sector



Logistics

Logistics KPI Dashboard			
Initiative/ KPI		2019 Target	2019 Actual Achievement
<b>1</b>	<b>Enhancing Dwell Time Efficiency at all borders (pre Arrival Clearance)</b>		
1.1	Sea freight pre-clearance is to be 20% of the total incoming goods by end of Q4	100%	100%
1.2	Air freight pre-clearance is to be 15% of the total incoming goods by end of Q4	100%	100%
<b>2</b>	<b>Establish a One-Stop-Shop for Inspection</b>		
2.1	Operationalise One-Stop-Shop (OSS) in Salalah Port	100%	45%
2.2	Reduce inspection rate to 10% by the end of the year	100%	100%
<b>4</b>	<b>Enhancing the Competitiveness of Oman Free Zones</b>		
4.1	Issue Free Zone Royal Decree	100%	60%
4.2	Oman Free Zone brand awareness	100%	60%
4.3	Introduce value-added products	100%	100%
<b>5</b>	<b>Enhance Private Sector Logistics Efficiency</b>		
5.1	Launch a private sector development programme to assist SMEs in enhancing the efficiency of their business logistics	100%	83%
<b>7</b>	<b>Continuous Employment and Enabling Nationals in the Logistics Sector</b>		
7.1	Establishment of Quality Framework for National Occupations Standards (NOS) and Vocational Education and Training (VET) Standardisation	100%	100%
7.2	Enabling Nationals Employment by Opportunities Awareness	100%	100%
7.3	Creating Job Opportunities by a Business Incubator	100%	80%
7.4	Analyse Current and Future Workforce Status	100%	85%
<b>8</b>	<b>Khazaen Economic City</b>		
8.1	Develop Khazaen Economic City Project	100%	75%
<b>9</b>	<b>Build Mineral Railway in Al Wusta Region</b>		
9.1	Mining: Completion of mining exploration report (Resources statement report) – 100%	100%	100%
9.2	Railway: Completion of Socio-economic study	100%	30%
<b>10</b>	<b>Enhance Cold-Chain Infrastructure</b>		
10.1	Fisheries: Improvement of cold chain facilities	100%	45%
10.2	Agriculture: Establishment of integrated fruit and vegetable marketing company in Oman	100%	100%
10.3	Develop a coordinated Cold Chain optimisation plan for Oman	100%	75%
<b>11</b>	<b>Enhancing Wadi Sa'a-Hafeet and Ibri Bypass Roads</b>		
11.2	Completion of dualisation of lanes for Wadi Sa'a – Hafeet road/Kick off construction	100%	17.5%
11.3	Completion of new Ibri bypass road/Kick off construction	100%	17.5%

Initiative/ KPI			
Initiative/ KPI		2019 Target	2019 Actual Achievement
<b>12</b>	<b>Enhance Rusail-Bidbid Road Network</b>		
12.1	Rusail-Bidbid road network (awarding, mobilisation and road construction)	100%	60%
<b>13</b>	<b>Road Investment Solutions</b>		
13.1	Float tender for Thumrait Salalah Truck Toll Road	100%	30%
<b>14</b>	<b>Develop Logistics Gate</b>		
14.1	Engagement with Logistics Partners in Airport City	100%	100%
14.2	Issue Free Zone Royal Decree for Airports	100%	80%
<b>15</b>	<b>Globalise Omani Air Cargo</b>		
15.1	Conduct Freight Business Case Study	100%	90%
15.2	Extension of the cold capacity of the cargo terminal in Muscat International Airport	100%	60%
<b>16</b>	<b>Strengthen Air Cargo Ecosystem</b>		
16.1	Optimise Cargo Operating Model	100%	60%
16.2	Air Cargo Sector Promotion & Marketing	100%	75%
16.3	Analysing and Addressing Sea-Air Gaps	100%	100%
16.4	Activate and Increase Domestic Airports Volumes	100%	30%
<b>17</b>	<b>Salalah Port Expansion</b>		
17.1	Central Services Corridor: Completion of new pipe rack, service roads	100%	97%
17.2	Modification of existing pipe rack	100%	96%
<b>18</b>	<b>Development of Suwaiq Port for Commercial Activities</b>		
18.1	Operationalisation of Phase 1B	100%	100%
18.2	Port's Land Extension	100%	80%
<b>19</b>	<b>Improve Existing Auxiliary Services in Oman's Ports</b>		
19.1	Establishment of waste management facility in Sohar Port	100%	40%
<b>20</b>	<b>Development of Khasab &amp; Shinas Ports for Commercial Activities</b>		
20.1	Rehabilitation of the existing Quay wall in Khasab Port	100%	60%
20.2	Commercial re-organisation of Shinas Port	100%	45%
<b>21</b>	<b>Strengthen Connectivity to Oman's Ports</b>		
21.1	Introduction of new liner services (OEX & IEX) calling at Omani ports	100%	90%

\* A sample of 30% of the KPIs were reviewed by Deloitte, and findings will be built upon in the future.

\* A number of projects might not be reflected in the dashboard above as they are under direct monitoring of specific authorities. However, ISFU follows up on the execution on a regular basis.

\* All forms of data are being continuously improved to be more representative of actual economic state. This is done in collaboration with NCSI and relevant government entities and aligned with international standards.

## Overview

With its strategic geographical location, Oman is viewed as the gate of Arabian Gulf to the world. This gives the logistics sector a unique opportunity to contribute to the economic diversification of the country. Moreover, there is clear potential for the sector to achieve significant growth, as the Sultanate's logistics performance has improved in the recent years, jumping five places in the World Bank's Logistics Performance Index (LPI) 2018 report. Therefore, ISFU has selected major logistics projects in order to contribute to the growth of the sector by supporting and following up these projects.

One of the major projects is the Pre-Arrival Clearance project that is considered as one of the crucial projects in trade facilitation, where sea and air cargo are cleared from customs before its arrival. The total of 22% of goods have been cleared and released before arrival in Sohar port, compared to 14% in 2018. As well, the dwell time in Sohar Port was decreased from 12 to 5 days, that gives 7 days of reduction from the total dwell time in 2016-2019, resulting in savings of OMR 300 million per year. Other strategic projects are Khazaen Economic City, Road Investment Solutions, Mineral Railway in Al Wusta Region, Logistics Gate, and E-commerce.

ISFU works closely with the MDU in coordinating between stakeholders and facilitating the implementation of projects and initiatives. Most of the challenges faced by the logistics sector have been resolved through collective efforts, site visits, and intensive meetings.

### New initiatives/projects added in 2019:



## Trade Facilitation

### 1. Enhancing Dwell Time Efficiency at all borders (pre Arrival Clearance)



With a steady rise of goods arriving into the Sultanate by sea and air, the country aims to streamline procedures by enhancing dwell-time efficiency (a dynamic instant index for terminals) at all borders, including the key cargo entry/exit points in Sohar Port and Muscat International Airport. With this in mind, the goal of this initiative is to enhance the overall clearance process of both sea and air shipments. The Implementation Support and Follow-up Unit (ISFU) has been closely following up this initiative and giving suggestions and recommendations during the meetings held between the stakeholders.

### 2019 KPIs

#### 1.1 Sea freight pre-clearance is to be 20% of the total incoming goods by end of Q4

#### 1.2 Air freight pre-clearance is to be 15% of the total incoming goods by end of Q4

These two KPIs aim to attract sea and air shipment handlers to use the pre-clearance process to enhance logistics efficiency by reducing time and saving costs.

### Preclearance Process



To be carried out at least 2 days before arrival



#### Permits:

Importers get their relevant permits through Bayan System.



#### Upload to Bayan:

Custom Broker/importer uploads a copy of shipping documents, bill of lading, invoice, packing list, certificate of origin.



#### Check up:

The shipment will be checked up via the Risk Management System. Notification will be sent once the check up is completed.



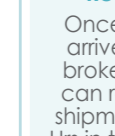
#### Shipping details:

Shipping lines share manifest and delivery order release.



#### Payment:

Custom Broker/importer pays the duties.



#### Receiving:

Once shipment arrives, custom broker/importer can receive the shipment within 6 Hrs in the port and 4 Hrs in the airport.

## The Journey

### 1.1 Sea freight pre-clearance is to be 20% of the total incoming goods by end of Q4

Milestone	Status
Completion of manifest timeline regulation draft, and internal review of draft.	Completed.
Submission of regulation draft to relevant authorities, and subsequent endorsement.	Regulations draft have been submitted, endorsed and instructions to logistics service providers were issued by ROP.
Conduct pre-clearance awareness sessions.	Completed.

### 1.2 Air freight pre-clearance is to be 15% of the total incoming goods by end of Q4

Milestone	Status
Completion of air import pre-arrival clearance pilot project.	This has been completed. The pilot project statistics analysis from Bayan system (January and February) has been received; and the pilot report has been submitted to relevant stakeholders.
Implementation of pre-arrival clearance.	Completed. The Directorate General of Customs has announced the pre-clearance process to the local logistics community.
Conduct pre-clearance awareness campaigns.	Completed.

## Stakeholders

Royal Oman Police (ROP)	Oman Global Logistics Group (ASYAD)
Ministry of Transport (MoT)	

## 2. Establish a One-Stop-Shop for Inspection



Introduced by the Royal Oman Police (ROP), Bayan is an online One-Stop-Shop (OSS) that substantially reduces customs clearance times, while enabling seamless, convenient and efficient clearance of goods for the business community and other stakeholders. The establishment of the OSS for joint inspection ensures optimum use of resources, improves revenue collection, provides cost reduction benefits, increases adherence to legal obligations, enhances security, promotes inter-governmental relations and increases transparency. Bayan also functions as a storage portal on which Risk Management Profiles (RMPs) are uploaded.

For this platform to be successful, all government entities should be integrated into the system and incentivised to use it.

## 2019 KPIs

### 2.1 Operationalise One-Stop-Shop (OSS) in Salalah Port

With the vision to reduce costs and save time, this KPI measures the level of coordination of physical goods inspections carried out by the Government Control Agencies (GCAs, several government entities who look into clearing cargo imports). The goal is to limit multiple inspections to a single inspection.

### 2.2 Reduce inspection rate to 10% by the end of the year

This KPI aims to audit the performance of the implemented Risk Management Profiles (RMPs) of the Ministries and Municipalities involved in the initiative – the Ministry of Agriculture and Fisheries (MOAF), the Ministry of Regional Municipal and Water Resources (MRMWR), Muscat Municipality and Dhofar Municipality. At the same time, it aims to reduce costs and save time.

## The Journey

Various visits were carried out in order to audit the performance of each of the One-Stop-Shop (OSS) operations at the Port of Suwaiq, Port of Sohar, Muscat Airport, and government offices in the Port of Salalah. While the auditing process made allowance for the Risk Management Profile (RMP) assessments for each of the entities involved in the initiative. The RMPs were in turn uploaded onto the Bayan system. In addition to the above, the 1<sup>st</sup> phase of construction of OSS for the Port of Salalah was completed.

## Moving Forward

In 2020, the initiative will operationalise OSS in Salalah port and two other locations.

## Stakeholders

Ministry of Transport (MoT)	Royal Oman Police (ROP)
Oman Global Logistics Group (ASYAD)	Ministries and Authorities concerned with regulating trade and transport
Ports and Airports	Free Zones
Traders	Logistics providers and freight forwarders

## 3. Enable E-commerce growth in Oman



One of the keys to unlocking Oman's logistics potential in the years to come will undoubtedly be digital logistics, and specifically electronic commerce (e-Commerce). E-Commerce provides opportunities for consumers, businesses and governments to buy and sell products online whilst fostering competition and innovation. Just like the rest of the world, e-Commerce in Oman, whether in the form of business to consumer (B2C), business to business (B2B), or consumer to consumer (C2C), is fast becoming a vital component of economic growth and competitiveness. Nowadays, governments are increasingly adopting e-Commerce opportunities through paid services offered to consumers and businesses (G2C and G2B) and products and services purchased from businesses (B2G).

## 2019 KPIs

### 3.1 Set up Project Management Office (PMO)

The primary goal for setting up the PMO for this initiative is to prepare what will be an action plan to use during consultation with various groups. This will happen by aggregating projects and activities at a programme level, while taking into account relevant strategies and plans. In turn, work groups will report to the PMO on the progress of the initiative, and also on any issues arising within their own organisations. In addition, the PMO reports its progress periodically to the Steering Committee.

### 3.2 Establish an e-commerce park in Oman

The ultimate goal of this KPI is to enable the appropriate infrastructure and services that will allow e-Commerce firms to successfully distribute their products from Oman. In addition to serving Oman, a proposed e-Commerce park would also serve the Gulf Region and East Africa. This ground-breaking project would provide several services for national and international e-Commerce firms.

### 3.3 Establish ICT infrastructure & services and regional logistics hub measures

An active and healthy e-Commerce culture depends on the availability of a reliable, efficient, and cost-effective Information and Communication Technology (ICT) infrastructure. With this in mind, it is important that Oman's e-Commerce consumers and businesses have access to this, (For example: access to high-speed internet).

### 3.4 Establish e-procurement measures

In order to benefit from its efficient and effective purchasing power, a number of government entities and large businesses in Oman are currently making use of e-Procurement. This technology streamlines the purchase and sale of supplies, work, and services through the Internet and other information and networking systems. This KPI aims to extend the use of e-Procurement to more users in the Sultanate.

### 3.5 Establish payment measures

When it comes to e-Commerce, both quantitative and qualitative evidence suggests that there is currently a relatively high degree of payment instruments penetration for residents of Oman. However, research also shows that e-Commerce businesses have difficulty setting up online payments. This inhibits the development of online shopping in the country, and hinders innovation.

### 3.6 Establish legal and regulatory framework measures

This KPI looks at the legal and regulatory measures needed to optimise Oman's e-Commerce sector – including the laws that legalise electronic transactions and protect consumers. Many of the regulatory elements for e-Commerce are already present: Oman already has an electronic transactions law, a consumer protection law, and a cyber-crime law. However, Oman lacks a data protection law and other laws, which need to be established and brought into line with international best practice standards. Once this is achieved, trust will be enhanced for both online buyers and sellers. Furthermore, the range and online availability of digital services and products is rapidly growing, therefore, certain Omani laws and regulations will need to be amended to facilitate this growth.

### 3.7 Provision of skills and awareness

This KPI takes into account four key categories that are affected by e-Commerce:

- 1) People: Trust and security is an important factor for those wanting to use e-Commerce for the first time. Basic awareness of e-Commerce (what it is, how it works etc.) is another key factor.

- 2) Information Technology (IT) and Academia: Relevant IT skills are needed to support e-Commerce companies. In addition, specific skills are needed related to operating a digital business: Content creation, graphic design, data analytics, digital marketing – and the understanding of how the internet can be effectively leveraged for business.
- 3) Entrepreneurs: This category needs the basic business skills and access to mentoring that aligns with the e-Commerce environment.
- 4) Established Businesses: These need to be aware of how e-Commerce applies to the modern-day business world; what they need to launch an e-Commerce retail outlet (or similar platform); and where they can obtain pre-packaged IT solutions from the local market.

### 3.8 Provision of business facilitation measures

This KPI is concerned with business facilitation and the creation of an environment in which businesses can be successfully started and developed. Measures in this KPI are concerned in particular with the development of e-Commerce businesses. This includes new businesses, existing businesses adopting e-Commerce, new or existing businesses that are part of the e-Commerce ecosystem, and which provide payment services, Information and Communication Technology (ICT) services, logistics services and digital marketing services etc. There are three areas of business facilitation of importance in this KPI. These include firstly, ease of doing business; secondly, access to finance; and thirdly, access to support services such as mentoring, training, working space, and incubation etc.

### 3.9 Provision of transport, logistics and trade facilitation

For e-Commerce businesses to fulfil their potential, they need to have easy access to logistics and transportation infrastructures that are both reliable and cost-effective to use. Bulk goods need to be stored in warehouses, where they can be broken down into individual packages, and delivered to customers in Oman or ideally, anywhere in the world. Some goods also need to be cleared by customs.

### The Journey

With the vision of enabling optimal e-Commerce growth in Oman, working groups have been formed with various stakeholders to implement this initiative. ISFU was instrumental in guiding and supporting these working groups by providing the strategy, and facilitating access to the Project Management Office (PMO). The challenges faced were finding the appropriate resources for the PMO and obtaining the approval for the strategy to go ahead. Nevertheless, the resources were found, and the strategy was endorsed by the Steering Committee and awaiting the approval of the Cabinet.

### Moving Forward

Looking ahead into 2020, the ultimate goal for the initiative is to enable e-commerce in the logistics sector via various projects focused on building the proper ecosystem in the sector, enhancing delivery services, and raising the skills and awareness related to e-commerce. However, it was decided that the E-commerce strategy will be transferred to MoCI given that the ministry has recently established a new department for E-Commerce, while Oman Global Logistics Group (ASYAD), supported by ISFU, will continue with logistics related E-commerce activities.

## Stakeholders

Ministry of Technology and Communication (MTC)	Ministry of Transport (MoT)
Ministry of Commerce and Industry (MoCI)	Oman Global Logistics Group (ASYAD)
Oman Aviation Group (OAG)	Telecommunications Regulatory Authority (TRA)
Central Bank of Oman (CBO)	
Ministries and Authorities concerned with regulating trade and transport	
Logistics providers and freight forwarders	

## 4. Enhancing the Competitiveness of Oman Free Zones



Attracting foreign investment is a key factor to growing a country's economy and Oman has taken steps to encourage this by initiating Free Zones in Salalah, Sohar and Al Mazyunah. As part of the incentives, 100% foreign ownership of companies within these Free Zones has been permitted. Investments will be stimulated once the standardisation of policies and regulations to boost the business landscape, reduce government costs and improve promotional schemes is adopted.

A primary goal in 2019 is to obtain a new Royal Decree for Oman Free Zones and after obtaining it, they will carry out brand promotion initiatives and establish value-added products in both Sohar and Salalah Free Zones.

### 2019 KPIs

#### 4.1 Issue Free Zone Royal Decree

This KPI measures the process of issuing Royal Decree for Free Zones in Oman. The Free Zone Committee's objectives and strategic direction need to be clear through the Royal Decree.

#### 4.2 Oman Free Zone brand awareness

Enhancing the brand awareness of Oman's Free Zones at a regional and global level continues to be a key component of success. Aligned with this is the raising awareness of Oman as a country, since investors would first need to know about Oman, before knowing about its Free Zones. Furthermore, a holistic and integrated approach is key to promote the country distinguishably from of regional and international competitors.

#### 4.3 Introduce value-added products

Provide value-added products (e.g. Staff accommodation, food courts, recreation center, mosque and other facilities) in order to further increase the competitiveness of Oman Free Zones and attract investors.

## The Journey

Milestone	Status
Receive finalised Royal Decree and send it to the Cabinet of Ministers for approval.	The Royal Decree has been finalised and approved by the Free Zone committee, and the memo with finalised Royal Decree has been sent to the Cabinet of Ministers for endorsement and issuing. ISFU was involved in accelerating the approval for both tasks.
Identify various channels for brand promotion.	A list of channels has been identified, with ISFU having been instrumental in ensuring this task was completed in time.
Carry out brand promotion events.	Three events took place during 2019, which are the "International Conference of the World Free Zones Organization" in Barcelona, "Gulfood Manufacturing" in Dubai, and "Oman Economic and Free Zone Summit".
Identification of value-added products to be developed.	Based on what was required, value-added products have been identified for Salalah Free Zone and Sohar Free Zone. ISFU was instrumental in ensuring this identification was completed in time.
Implementation of the Food Court in Sohar Free Zone, completion of Salalah Free Zone Gate, and issuance of the General Trade License in Salalah Free Zone.	These milestones have all been completed.

## Stakeholders

Ministry of Manpower (MoMP)	Free Zones operators (Sohar Free Zone & Salalah Free Zone)
Ministry of Commerce and Industry (MoCI)	Taxation Authority/ Ministry of Finance (MoF)
Royal Oman Police (ROP)	Oman Global Logistics Group (ASYAD)

## 5. Enhance Private Sector Logistics Efficiency



This initiative was established to launch a robust partnership with the private sector to identify enhancement opportunities through review of Trade Facilitation Agreement. The initiative also aims to increase the efficiency of SMEs involved in the manufacturing and trade sectors.

This initiative is the first step towards achieving the ultimate aim of setting up a permanent centre of excellence to promote logistics efficiency in SMEs in 2020 and beyond. Its programme covers the basic ways in which SMEs can enhance their business logistics – such as pre-clearance procedures, transport conventions such as CMR (Contract for the International Carriage of Goods by Road), TIR (Transports Internationaux Routiers, meaning "International Road Transport") and using other digital tools made available by Directorate General of Customs, Government Control Agencies (GCAs), ports and terminals. ISFU has been closely following up this project. In various meetings, ISFU team has given suggestions and recommendations for the project to succeed.

### 2019 KPIs

#### 5.1 Launch a private sector development programme to assist SMEs in enhancing the efficiency of their business logistics

##### The Journey

Milestone	Status
Trade Facilitation Agreement (TFA) Implementation review.	Completed.
Introduction of TIR to private sector.	OLC has introduced the TIR through an event held in December 2019.
1 <sup>st</sup> , 2 <sup>nd</sup> and 3 <sup>rd</sup> targeted Media Campaigns.	Completed.
1 <sup>st</sup> , 2 <sup>nd</sup> and 3 <sup>rd</sup> targeted Stakeholder Engagements.	All of the targeted stakeholder engagements were conducted. 1. A workshop by the Directorate General of customs for the Shipping line and freight forwarder. 2. A workshop by OLC and OAG for the air freight forwarders. 3. Trade First event.
Identification of the stakeholders and process to be facilitated; and designing the facilitating process.	Completed.

## Stakeholders

Royal Oman Police (ROP)	Oman Global Logistics Group (ASYAD)
Sohar Port & Free Zone	

## 6. Establish a National Port / Logistics Community System



With the establishing of the National Port Community System (NPCS), Oman is continuing with its vision to become a leading international logistics-enabled hub. The primary goal of this initiative in 2019 was to launch the commissioning and implementation of the technological platform. The NPCS plans to synchronise Oman's shipping, port, and maritime and logistics communities onto one unified online portal, while at the same time paving the way for Oman's various government entities and other private sector companies to interact in unison. Furthermore, it will integrate with Bayan system – the online One-Stop-Shop (OSS) introduced by the Royal Oman Police (ROP), which ensures reduced customs clearance times, and seamless, convenient and efficient clearance of goods at Oman's land, air and sea ports. As an all-encompassing platform, the NPCS will further promote customer service development and the utilisation of resources whilst increasing the efficiency of internal procedures and processes. On the consumer-side, the system will benefit operational security, risk management and a reduction in the amount of physical paperwork needed.

A National Port Community System (NPCS) is a neutral and open electronic platform enabling intelligent and secure exchange of information between public and private stakeholders in order to improve the efficiency and competitive position of the sea and airports' communities. It optimises, manages and automates smooth port and logistics processes through a single submission of data and by connecting transport and logistics chains. ASYAD initiates the project by commissioning a feasibility study and technical assistance services to create a detailed blueprint of the future NPCS-system and the related options available for business models and maintaining the system. This system will integrate with the sea and air port systems.

### 2019 KPIs

#### 6.1 Commence the core NPCS services development

This KPI aims to commence with the NPCS development, including all the services of ports and airports – and implement these into one single window linked with both the customs system, which in turn is part of the Bayan system.

## The Journey

Milestone	Status
Endorsement of the investment plan by government; tender floating; appointment of contractors; completion of analysis and design; and the gathering of detailed functional/technical requirements.	Several discussions with various investors and stakeholders have taken place after feasibility and project-requirement studies were done and presented to the Steering Committee, which have approved the initial seed investment, in addition to approving the appointment of an executive committee.

## Stakeholders

Ministry of Technology and Communications (MTC)	Directorate General of Customs - Royal Oman Police (ROP)
Oman Global Logistics Group (ASYAD)	Shipping Agents and Customs Brokers
Oman Aviation Group (OAG)	Freight Forwarders
Oman's Ports	

## 7. Continuous Employment and Enabling Nationals in the Logistics Sector



This initiative investigates the employment and skills sector to establish what necessary vocational and educational skill sets are needed. A key goal is to increase awareness of the logistics sector in the community and create an awareness of the trends that are expected to have a substantial impact on the logistics sector. It is crucial to study the employment sector, workforce policy, and regulation landscape to be able to contribute to the ongoing development of Omani nationals and provide further opportunities for employment and professional development through succession planning. The project aims to achieve a 3 to 5-year strategic job creation road map that will include a research and development road map for the logistics sector using the Trend Radar. This road map will consider all emerging and established technologies that apply to Oman.

In addition, the initiative seeks to attract and nurture local Omani talent and ideas for this sector through business and entrepreneur incubators – in order to boost the development of start-ups and the contribution of SMEs towards the country's GDP. Incubated companies go through a programme that is designed to assist them in launching and running a successful business in the logistics sector. Furthermore, the initiative ensures that new entrants obtain the appropriate access and guidance on business opportunities – that will improve their operational efficiency, and that will contribute to business growth in the Sultanate in line with the Sultanate of Oman Logistics Strategy (SOLS 2040) vision on GDP contribution, investments and employment.

The focus of the initiative in 2019 is to deliver the National Occupations Standards (NOS), publish visual aids for employment awareness, launch the project of Ibhar Incubation, and run employment clinics in the sector to study employment and workforce policy and regulation.

## 2019 KPIs

### 7.1 Establishment of Quality Framework for National Occupations Standards (NOS) and Vocational Education and Training (VET) Standardisation

This KPI refers to the NOS which are used to assess the required performance of a person in his/her occupation. It is a statement of the effective performance criteria that have been agreed upon by employers and key stakeholders, and have been approved by the Industry Reference Committee (IRC). They play a crucial role in creating a baseline of expectations and quality with regards to on-the-job behavior and skills. This KPI is the cornerstone of establishing effective and relevant programmes to enable workforces to align their capabilities to occupational standards.

### 7.2 Enabling Nationals Employment by Opportunities Awareness

This KPI aims to encourage more Omani nationals to pursue a career in the logistics sector. It also seeks to increase Omanisation in the sector, and position logistics as a preferred and promising career path.

### 7.3 Creating Job Opportunities by a Business Incubator

This KPI's ultimate purpose is to create a platform where SMEs and start-ups can emerge and develop – to meet the promising business opportunities in the logistics sector. These opportunities will lead to the establishment of Omani SMEs, which in turn will provide value to local economies, and create jobs.

### 7.4 Analyse Current and Future Workforce Status

This KPI will help in establishing insights into what available skills there currently are in the market; what skills are currently in demand; and what job positions are a challenge to fill. It also provides a skills forecast for the future.

## The Journey

### 7.1 Establishment of Quality Framework for National Occupations Standards (NOS) and Vocational Education and Training (VET) Standardisation

Milestone	Status
Formation of Industry Reference Committee (IRC)	After the IRC resolution has been endorsed, and the IRC committee was established.
Development of NOS, and prioritization of its areas (with endorsement by IRC).	The milestone has been redirected under another project managed by the Oman Logistics Association (the development of a Sector Skills Unit – SSU).
Create VET quality framework; review and report on existing VET programmes; and seek IRC endorsement of the framework.	These milestones have all been completed.

## 7.2 Enabling Nationals Employment by Opportunities Awareness

Milestone	Status
Create and publish visual aids for employment awareness; and converting them to interactive materials.	Completed.

## 7.3 Creating Job Opportunities by Business Incubator

Milestone	Status
Prioritize business areas to be targeted by start-ups.	Completed.
Advertise the 2019 Incubation programme, and evaluate potential candidates through the selection committee.	Completed.
Graduation of 2018 Ibhar Incubation projects.	Completed.

## 7.4 Analyse Current and Future Workforce Status

Milestone	Status
Prepare the scope of survey, design survey, and agree on the sampling for Labour Market Intelligence (LMI).	Completed.
Run employment clinics for the targeted companies.	Completed.

### Stakeholders

Oman Global Logistics Group (ASYAD)	National Training Fund (NTF)
Logistics Companies	

## Land

### 8. Khazaen Economic City



Khazaen Economic City (KEC) is an integrated economic city in Barka that is strategically located between Sohar Port, Muscat International Airport, and Muscat City – and linked to Al Batinah Expressway. Developed over an area of 51.6 square kilometres of land, this economic city aims to contribute to the ongoing diversification of Oman's economy. Following on from a planned OMR 271 Million in infrastructure investments by Khazaen Economic City LLC, the project is set to become a key regional hub for warehousing, logistics, light industry and commercial activities, providing socioeconomic impact in the form of GDP contribution.

## 2019 KPIs

### 8.1 Develop Khazaen Economic City Project

This KPI aims to establish the foundation of the city, sign the Usufruct Agreement with the dry port developer, sign off and finalise the go-ahead for the Fruit and Vegetable Market and Auto Mall; and resolve other key challenges.

### The Journey

Looking at the achievements of Khazaen Economic City project in 2019, various key developments have been implemented. The master plan of the city has been finalised, and the initial construction contract for 10 kilometres of internal road, water lines, and flood protection has been successfully awarded to Galfar and construction has started.

KEC LLC has completed a full business case study for the Fruit and Vegetable Market, while initiating talks with a number of potential investors and operators with the objective to sign with an investor. Furthermore, the company has managed to sign six agreements with tenants to develop an area of 500,000 square metres of logistics and industrial land, including a dry port in the city. As the project progresses, ISFU and relevant stakeholders are fully engaged in ensuring its overall success. Khazaen Economic City development faced a number of challenges, however, potential solutions have been proposed in line with the expectations set out in the proposed Royal Decree. These are being closely monitored by ISFU to mitigate any delays.

### Moving Forward

Heading into 2020, Khazaen Economic City project will continue to be developed and supported as one of Oman's key logistics sector projects. Furthermore, the construction of the initial infrastructure is planned to be completed. There will also be a push to establish more business partnering for the project, and to resolve any complications that were carried over from 2019.

### Stakeholders

Ministry of Transport (MoT)	Oman Global Logistics Group (ASYAD)
Ministry of Housing (MoH)	Khazaen Dry Port Company LLC
Barka Municipality	Khazaen Economic City LLC
Government Controlled Agencies and other ministries	

## 9. Build Mineral Railway in Al Wusta Region



The initiative ultimately aims to support the transportation of an estimated 60 million tonnes of mineral commodities annually, from sites in Al Wusta and Dhofar governorates to processing plants in the Duqm Special Economic Zone (SEZ), or for export via the Port of Duqm. It will also enable the transportation of a projected one million tonnes of oil field equipment from the Port of Duqm to the oil and gas fields in the surrounding areas.

Additionally, as a substitute to road-based transportation, the proposed line will transport around three million tonnes of industrial goods, and around 15 million tonnes of general products, including foodstuff and agricultural products, to destinations in Al Wusta and Dhofar governorates. A Public-Private-Partnership (PPP) model has been proposed to fund the project. The final structure of the model will be developed once the Expression of Interest has been floated and the tendering process begins. The project will add value to Oman by increasing its GDP, creating jobs, and creating cost-benefit results. Finally, the railway will assist in reducing traffic on Oman's road networks; and serve to develop and unify transport routes between the Sultanate and its neighbours in the GCC.

## 2019 KPIs

### 9.1 Mining: Completion of mining exploration report (Resources statement report) – 100%

This report will help accurately identify the mineral reserves in the region, which can be incorporated into the railway network.

### 9.2 Railway: Completion of Socio-economic study

The ultimate goal of the project in 2019 is to develop the Expression of Interest and complete the economic study of the railway to ensure its viability.

### The Journey

In 2019, ISFU has continued its efforts to assist Minerals Development Oman (MDO) to begin the development and exploration programme for the project, as well as to appoint a partner to conduct the detailed exploration study.

Oman's "mineral railway" project continued to show its potential as a key source of national economic development. The social-economic study for the railway showed impressive results after being carried out in April 2019 by Oman Rail, as it identified that the project has a very favourable Benefit Cost Ratio and will have a positive and sustainable contribution to the GDP of Oman. Furthermore, Oman Rail developed Expression of Interest documents to facilitate the floating of the project once it is approved. One of the challenges the initiative faced was selecting the appropriate mode of transport that would maximise economic benefits, while still remaining competitive in the mining market.

### Stakeholders

Ministry of Transport (MoT)	Ministry of Interior (MoI)
Ministry of Environment and Climate Affairs (MECA)	Ministry of Housing (MoH)
Ministry of Tourism (MoT)	Ministry of Culture and Heritage (MoCH)
Ministry of Regional Municipalities and Water Resources (MRMWR)	Ministry of Agriculture and Fisheries (MoAF)
Minerals Development Oman (MDO)	Public Authority for Mining (PAM)
Special Economic Zone Authority at Duqm (SEZAD)	Royal Oman Police (ROP)
Royal Army of Oman	Oman Global Logistics Group (ASYAD)

## 10. Enhance Cold-Chain Infrastructure



As Oman continues to increase its fresh produce exports, it is also increasing its need for a dependable cold-chain network. Therefore, this initiative serves as a platform to develop a coordinated cold-chain optimisation plan for the Sultanate. To enhance their efficiency as they eye the export market, it is imperative that the fresh produce logistics companies operating in Oman have access to refrigeration facilities and services for seafood, agricultural, meat, dairy and poultry products. This is critical in order to minimise wastage due to perishing. One of the key cold-chain initiatives in 2019 is to rehabilitate fish markets and install cold storage facilities on reefer trucks. Another is the establishment of a marketing company for fruit and vegetables.

## 2019 KPIs

### 10.1 Fisheries: Improvement of cold chain facilities

This KPI focuses on completing the rehabilitation of the remaining three out of seven fish markets from 2018, and delivering 20 reefer trucks (over 3 tons) that cross Oman's borders.

### 10.2 Agriculture: Establishment of integrated fruit and vegetable marketing company in Oman

In order to minimise the wastage of perishable products by providing cold storage facilities and improving transportation modes for refrigerated goods; this KPI will establish an integrated marketing company that handles the overall value chain of fruit and vegetables.

### 10.3 Develop a coordinated Cold Chain optimisation plan for Oman

This KPI aims to develop a full optimisation plan for Oman's cold-chain network that serves to improve and enable performance and productivity – particularly related to logistics activities.

### The Journey

### 10.1 Fisheries: Improvement of cold chain facilities

Milestone	Status
Fish Market – Sohar: Signing the contract with the developer.	ASYAD and MOAF have completed the tender documents for Sohar market, and it will be floated by ASYAD.
Fish Market – Masirah: Kick off and complete the rehabilitation works.	Completed.
Fish Market – Dhank: Completion of the Dhank fish market rehabilitation works.	Completed.
Increase cold chain capacity through delivery of 22 cross border reefer trucks (over 3 tons)	A Workshop was held between Ministry of Agriculture and Fisheries (MOAF) and Oman Global Logistics Group (ASYAD) to review the applications and identify the potential trucks to start the implementation.

## 10.2 Agriculture: Establishment of integrated fruit and vegetable marketing company in Oman

Milestone	Status
Completion of business model, with Oman Food Investment Holding Company (OFIC) approval.	The business model for the fruit and vegetable marketing company in Oman has been completed and approved by the board of OFIC.
Conduct a workshop to promote the marketing company project to investors.	The workshop has been conducted.

## 10.3 Develop a coordinated Cold Chain optimisation plan for Oman

Milestone	Status
Award tender and complete the first draft of the cold chain study.	The tender has been floated and awarded to a consultant company. The first draft of the study has been completed.
Submit the final report of the study.	The final draft is being reviewed.

### Stakeholders

Ministry of Agriculture and Fisheries (MoAF)	Muscat Municipality
Oman Global Logistics Group (ASYAD)	Private sector
Oman Food Investment Holding Company	Agricultural Association for Al Batinah Farmers

## 11. Enhancing Wadi Sa'a-Hafeet and Ibri Bypass Roads



This initiative targets the completion of the road leading to Saudi Arabia through the city of Ibri; constructing and improving the quality of two more roads – the link between Wadi Sa'a and Hafeet, and the bypass road around Ibri. Apart from the vital connection to the GCC that these upgraded roads can facilitate, they will also promote local trade by connecting several Omani villages and towns to nearby ports. During 2019, this initiative focused on completing the design for the Saudi Arabia-Oman highway, and on initiating the construction of the two link and bypass roads.

### 2019 KPIs

#### 11.1 Completion and launching of new Saudi Arabia-Oman Highway

#### 11.2 Completion of dualisation of lanes for Wadi Sa'a – Hafeet Road/Kick off construction

The target for 2019 is to complete the detailed design for the dualisation of the 52 kilometre stretch of Hafeet to Wadi Sa'a road, and to also kick off construction of the existing sections of the road.

## 11.3 Completion of new Ibri bypass road/Kick off construction

The target for 2019 is to complete the detailed design and initiate the construction of the 45-kilometre-long bypass road around Ibri.

### The Journey

Enhancing the Wadi Sa'a – Hafeet and Ibri bypass roads, and developing the Saudi Arabia-Oman highway, ultimately represent Oman's move towards establishing a world-class logistics infrastructure and create a connection to the GCC, as KSA road is critical for local trade, and connecting villages and ports. Oman is awaiting the completion of the remaining short distance of the road from KSA, while preparing facilities on the road to KSA. For Wadi Sa'a – Hafeet and Ibri bypass roads, MoT have approved the preliminary design (and initiated the detailed design) for both the Wadi Sa'a to Hafeet road, and Ibri bypass road. Multiple drafts were submitted to MoT for review and evaluation meetings took place. The detailed design of Wadi Sa'a-Hafeet was submitted to MoT to obtain its approval, while the design of Ibri bypass road is in its final stage of development. To expedite progress of the detailed design for the project, ISFU led several meetings and facilitated communication with both the design consultants and MoT.

### Moving Forward

The focus of the initiative for 2020 is to approve the detailed designs by MoT, then, float the tender for both Wadi Sa'a – Hafeet and Ibri bypass roads by the Tender Board. The construction is also scheduled to be kicked off in 2021.

### Stakeholders

Ministry of Finance (MoF)	Supreme Council of Planning (SCP)
Ministry of Transport (MoT)	Royal Oman Police (ROP)
Tender board	Government controlled agencies and related entities

## 12. Enhance Rusail-Bidbid Road Network



This initiative sees the improvement of a 35 kilometre section of the Rusail-BidBid highway that connects Muscat and A'Dakhiliyah governorates; and very importantly, a connection to the Rusail and Sumail industrial estates. The project covers, firstly, the intersection of Muscat Expressway to BidBid intersection, and secondly, the intersection of Sahwa Tower to the intersection of Muscat Expressway. A third and fourth lane will be added to reduce traffic congestion and increase road-safety on this vital road, especially during peak times. This will add further value as goods can be transported more efficiently. Throughout 2019, the focus of this initiative is to award, mobilise and start the road construction.



## 2019 KPIs

### 12.1 Rusail-Bidbid road network (awarding, mobilisation and road construction)

This KPI aims to complete 10% of the Rusail-Bidbid road construction.

#### The Journey

The Tender Board has completed the evaluation process of the Rusail-Bidbid road tendering and selected the best offer. ISFU played a role in forming the technical team which consisted of MoT, design consultant and Tender Board, in order to fast track the evaluation process. Afterwards, the Supreme Council for Planning (SCP) has approved the project to be included as an economic project for the year 2020; and budget allocation was approved.

#### Moving Forward

During 2020, the construction of the road will commence.

#### Stakeholders

Ministry of Finance (MoF)	Supreme Council for Planning (SCP)
Ministry of Transport (MoT)	Royal Oman Police (ROP)
Oman Global Logistics Group (ASYAD)	Tender board
Government Controlled Agencies	

## 13. Road Investment Solutions



The Road Investment Solutions facilitates a new model – with safe and economically viable solutions – for financing roads in Oman. Aligned with this initiative is a pilot project which intends to motivate and attract potential private investors who would see feasible returns on their investments. This project is targeted to announce the tender and receive proposals by end of 2019.

## 2019 KPIs

### 13.1 Float tender for Thumrait Salalah Truck Toll Road

This KPI tracks the development and finalisation of the Salalah Truck Toll Road feasibility study and tendering, and the securing of the toll road policy approval by the Cabinet of Ministers. In addition, it sees the initiation of the project as the first truck toll road in Oman.

#### The Journey

After engaging with consultant, a series of meetings were conducted with the Undersecretary of Roads at the Ministry of Transport (MoT), in which the feasibility study of the project was finalised and approved. In addition to this, a draft of the toll policy was sent to the Ministry of Finance (MoF) as part of the procedure to endorse the toll policy by the Cabinet of Ministers. As a first-of-its-kind project in Oman, there were several options for the road route which have been explored by the project

consultant and MoT, as well as the design criteria being followed. This was one of the challenges the project faced, and it meant that the submission of the feasibility study was pushed forward to a later date. Another challenge is endorsing the policy, as it needs to be reviewed by several stakeholders for approval before it can be implemented. The toll policy is still under review by MoF.

#### Moving Forward

The plan for 2020 is to succeed in getting the policy endorsed. Following this, the Public Authority for Privatisation and Partnership (PAPP) will appoint a transactional advisor to carry out the tendering process of the road.

#### Stakeholders

Ministry of Transport (MoT)	Public Authority for Privatisation and Partnership (PAPP)
Oman Global Logistics Group (ASYAD)	Relevant Government Authorities

## Air

### 14. Develop Logistics Gate



The initiative aims to serve the infrastructure that will enable the air cargo sector, enhance the status of Oman and Muscat International Airport as a comprehensive centre for business and logistics, to provide the necessary environment for achieving the perceptions of the air cargo strategy and the expectations of Oman Logistics Strategy.

The portal development project includes infrastructure development work, soil studies, portal engineering design and related feasibility studies. A primary goal of this initiative is to issue the airport city royal decree and complete all studies of the cargo logistics gate.

## 2019 KPIs

### 14.1 Engagement with Logistics Partners in Airport City

A crucial part of realizing the opportunity to establish Oman as a leading regional logistics hub is taking advantage of its geo-strategic location, initially by capturing "leakage" of air cargo via truck. Potential is to bring more air cargo companies, air freight providers, shippers and other logistics ecosystem players to take advantage of competitive air cargo positioning. This will be driven by the new cargo terminal facilities and infrastructure, enabling Oman to recapture air cargo leakage and build on other phases of the air cargo strategy. Freight forwarders are key to the air cargo sector, so an enabler and interdependency to other initiatives.

## 14.2 Issue Free Zone Royal Decree for Airports

Given regional competition, this is a key enabler identified in the national air cargo strategy to support the development of the airport city as a business hub. Initiated by the strategy and concept master plans, several potential clusters have been identified. These clusters require free zone status to match and ideally beat regional free zones on competitiveness. As such, comprehensive and attractive free zone policies and procedures are needed in line with best practices to attract local and international tenants to the airport free zone and wider airport city, so enabling air cargo growth. Therefore, existing free zone policies and procedures through a royal decree need to be reviewed and amended, in line with the best practices, to make the airport city sufficiently attractive so to enhance the air cargo ecosystem, broader logistics sector and accompanying socio-economic benefits.

### The Journey

Detailed price and service proposition has been studied and identified along with freight forwarders. Also, the Free Zone Royal Decree for Airports has been approved by Free Zone Committee and is now under the Cabinet for the final approval. ISFU is following with the Cabinet for endorsement.

### Moving Forward

The focus in 2020 will be on the finalisation of the detailed master plan for the airport city, and issuing the free zone royal decree for airports.

### Stakeholders

Ministry of Technology and Communications (MTC)	Port of Duqm
Oman Global Logistics Group (ASYAD)	Oman Air SATS Cargo
Oman Aviation Group	Shipping Agents and Customs Brokers
The Special Economic Zone Authority at Duqm (SEZAD)	Freight Forwarders

## 15. Globalise Omani Air Cargo



In order to optimally globalise Omani air cargo, a system is required that holistically integrates all of the key entities involved in the sector. These include the information maintenance centre, safety and security, customer management, online booking, supplier management, e-shipping, product management, revenue management, flight management and revenue accounting. Primary goals of this initiative are also to build demand in order to support the air freighter sector; and design and construct the cold capacity extension.

### 2019 KPIs

#### 15.1 Conduct Freightier Business Case Study

This KPI aims to conduct freighter business case study in order to increase Oman cargo volumes, in particular for Oman Air, by enhancing freighter capabilities to achieve higher fishery, pharmaceutical and e-commerce volumes.

## 15.2 Extension of the cold capacity of the cargo terminal in Muscat International Airport

The cargo terminal of Muscat International Airport has a current approximate capacity of 345 kilotons. However, this figure is set to increase as the terminal is extended with an additional 150 kilotons cold storage space to cater to the expanding sectors of fisheries, pharmaceuticals, vegetables and other perishables – which represent a significant and high-value contribution to Oman cargo volumes.

### The Journey

#### 15.1 Conduct Freightier Business Case Study

Milestone	Status
Analyse existing data to gap analyse/build case, and review and build business unit capabilities to drive demand.	Completed.

#### 15.2 Extension of the cold capacity of the cargo terminal in Muscat International Airport

Milestone	Status
Build business case for cold capacity extension, confirm the funding; and float and award tender for engineering design firm.	Completed.
Initiate the design process/approval.	the design of cold capacity extension is under progress.

### Stakeholders

Oman Aviation Group	Oman Air
Freight forwarders	

## 16. Strengthen Air Cargo Ecosystem



This initiative aims to optimise the Sultanate's current cargo operating model in order to boost air cargo volumes in Oman from the 250-thousand-ton mark achieved in 2019, to a 700-thousand-ton mark by 2030. With this in mind, the primary goals of the initiative are to promote and market the air cargo logistics sector, analyse and address sea-air gaps in the sector, and activate and increase regional airports volumes. The initiative also seeks to develop the airport gateways and exploit important business opportunities, implement revenue management systems, and enhance marketing and other potentials in "Oman Air". A comprehensive marketing and promotional plan to enhance the international perception of Oman is also required.

## 2019 KPIs

### 16.1 Optimise Cargo Operating Model

The KPI aims to maximize the value of increasing air cargo volumes. At the same time, it seeks to develop airport city gates by developing the operating models and organisational structures of the relevant business units. Essentially, the right business units need the right capabilities to realise the added value of the cargo.

Furthermore, Air cargo planning and strategic capabilities are needed at the corporate level, and within Oman's airports. Exploitation of significant commercial opportunities, with appropriate sales, revenue management, and marketing capabilities, are also required for Oman Air and others carriers. This is important to mitigate delays in the delivery of perishable goods.

### 16.2 Air Cargo Sector Promotion & Marketing

This KPI aims to establish Oman as a leading regional logistics hub by taking advantage of its geo-strategic location. This will be achieved via the following:

1. Pro-active marketing to unlock the opportunity of current lack of awareness of Oman's logistics offering and capabilities in air cargo. This includes the sea logistics sector, and intermodal logistics on a broader level.
2. Realisation of the full potential of cargo companies, airfreight providers, and shippers etc – through competitive logistical solutions and uncongested airports.
3. Realisation of the benefits of the airport city, wider logistics industry, growth potential, socio-economic impacts, and job creation.

### 16.3 Analysing and Addressing Sea-Air Gaps

Due to the geographic location of Oman, especially Salalah, this KPI aims to offer a strategic opportunity for sea-air cargo to save on the increased time, costs and risks associated with Hormuz Straits logistics. One particular identified opportunity is the establishment of sea corridors, which would focus on the textile cargoes and leverage existing sea-air proximity. Some of the textile cargoes currently using air transport could be routed by sea to Salalah, before being transported via air cargo. This can be seen as an attractive value proposition/offering to the textile shipping sector. Textiles arriving in Salalah by sea could be transported to Muscat via domestic aircraft's belly hold or trucks. They could then be airlifted to Europe/final destination with Oman Air aircrafts' belly hold/freighters – to use one example.

### 16.4 Activate and Increase Domestic Airports Volumes

This KPI focuses on the activities and trade facilitation that will activate and increase the regional volumes – resulting in the development of an industrial hub.

## The Journey

### 16.1 Optimise Cargo Operating Model

Milestone	Status
Optimise cargo operating model	Completed.
Allocate business units, elaborate detailed airport city organisational structure and validate the operating model.	Completed.

### 16.2 Air Cargo Sector Promotion & Marketing

Milestone	Status
Development of initial version of the air cargo marketing strategy.	Completed.
Adoption of the marketing strategy by all steering committee partners.	Completed.
Establishment of working group/community of interest to share information/events on the project.	Completed.
Developing, publishing and adopting the marketing strategy for various stakeholders.	Completed.

### 16.3 Analysing and Addressing Sea-Air Gaps

Milestone	Status
Analyse and address Sea-Air Gaps.	Completed.

### 16.4 Activate and Increase Domestic Airports Volumes

Milestone	Status
Mandate a cargo handling company for Salalah cargo terminal.	The mandate has been given to run the Salalah airport cargo terminal.
Develop financial feasibility study for Sohar Airport.	Completed.

## Stakeholders

Oman Aviation Group	Oman Aviation Services
Oman Air	Ground handling
Royal Oman Police (ROP)	

## Sea

### 17. Salalah Port Expansion



With a vision to increase the handling capacity of Salalah Port, this initiative brings about some key enhancements to the port's infrastructure. The first of these is the addition of 2.4 kilometres to the existing 2.2-kilometre-long Central Service Corridor in order to provide an efficient route for liquid bulk via pipelines from Salalah Free Zone – which links to various discharge points at the port. This corridor serves as the only efficient link these liquid bulk cargos have to the port's discharge points. Critically, the corridor also avoids further delays to the development of the OMR 1.96 Billion worth of projects scheduled for the area – which are set to create employment opportunities and further investment in the region.

Additional infrastructure projects adopted under this initiative target an increase in the handling capacity of Port of Salalah's tonnages and TEUs (Twenty-foot Equivalent Unit). They also collectively increase the general efficiency of operations around the port. The focus of Salalah Port Expansion in 2019 is to complete the construction of the new pipe rack and service roads, and modification of the existing pipe rack.

#### 2019 KPIs

##### 17.1 Central Services Corridor: Completion of new pipe rack, service roads

##### 17.2 Modification of existing pipe rack

#### The Journey

Due to the significance of this initiative, ISFU has been following it up very closely with Oman Gas Company, while being involved in several meetings to ensure its speedy completion. During 2019, the construction of Zones 2, 3 and 4 was completed, a fire water and portable water systems were completed, street lights were commissioned and installed, and various other projects were completed. The contractor under Oman Gas Company also continued construction of the service road, and the completion of the carriageway inside the service corridor and the service roads.

#### Moving Forward

Central Services Corridor will be completed by the first quarter of 2020.

#### Stakeholders

Ministry of Transport (MoT)	Salalah Port
Oman Global Logistics Group (ASYAD)	Oman Gas Company

### 18. Development of Suwaiq Port for Commercial Activities



Having initially been built as a fishing harbour, Suwaiq Port is currently being redeveloped as a commercial port. This will enhance its ability to increase imports of general cargo that arrives by dhows from countries such as Iran, Pakistan, Bahrain, and Qatar. The focus of commercialisation of Suwaiq Port in 2019 is to design and build the quay wall and kick off the Phase 1B operation.

#### 2019 KPIs

##### 18.1 Operationalisation of Phase 1B

This KPI focuses on the completion of the quay wall construction, which forms part of the Phase 1B.

##### 18.2 Port's Land Extension

This KPI focuses on getting the approval of the Ministry of Housing (MoH) for the port expansion, and to complete the design planning of the area.

#### The Journey

During 2019, MARAFI has appointed a contractor to design and build the port's new quay wall, with the design having been finalised on February 2019. After this, the construction of the quay wall started, and it is 100% completed with backfilling and pavement. With regards to the port's land extension, MARAFI has appointed a consultant to do an environmental impact study, and transfer of the land ownership to the Ministry of Transport (MoT) was completed.

ISFU initiated this project considering its importance in potentially increasing commercial activities in the region. Several meetings were conducted by ISFU to convince stakeholders of the benefits of commercialisation of the port, and they consequently agreed on the Key Performance Indicators (KPIs) and milestones for MARAFI to implement. The project was initiated and implemented within 10 months by collaborative efforts from all stakeholders.

#### Moving Forward

The focus of 2020 will be facilitating ROP requirements and the extended land development.

#### Stakeholders

Ministry of Transport (MoT)	Ministry of Housing (MoH)
Ministry of Agriculture and Fisheries (MoAF)	Royal Oman Police (ROP)
Ministry of Environment and Climate Affairs (MECA)	Oman Global Logistics Group (ASYAD)
MARAFI	

## 19. Improve Existing Auxiliary Services in Oman's Ports



While the country is working on diversifying its economy, it is relying on its ports to enable a more efficient and dependable flow of goods inside and outside of its borders. Specifically, this means removing barriers to competitiveness and attracting major cargo operations by providing multi-modal transportation, enhancing cargo operations, facilitating customs procedures, making re-export payment terms more flexible, and improving service competitiveness.

Aligned with these requirements, one of the key objectives of this initiative in 2019 is the establishment of a waste management facility in Sohar Port. Later on, the initiative aims to establish several services to attract international lines such as crew change, waste management, bunkering and others.

### 2019 KPIs

#### 19.1 Establishment of waste management facility in Sohar Port

As part of the improvement of the existing auxiliary services in Sohar Port, new land and marine waste management facilities are scheduled to be completed.

#### The Journey

Milestone	Status
Marine side work: Casting of the vessel.	Completed.
Land side work: the contract signing between Sohar Port and the contractor, completion of various civil works, and equipment procurement.	The contract signing was done in January 2019, with the work order having been issued from Sohar Port in August 2019. The civil contractor is currently working on the foundation, and tanks and equipment procurement is completed.

#### Stakeholders

Ministry of Environment and Climate Affairs (MECA)	Al Ahlia Environmental Services
Ministry of Manpower (MoMP)	Ramky Enviro Engineers Middle East
Ministry of Commerce and Industry (MoCI)	Khimji Ramdas LLC
Oman Global Logistics Group (ASYAD)	Nature group
Sohar Port	

## 20. Development of Khasab & Shinas Ports for Commercial Activities



Khasab Port in Musandam Governorate is located strategically next to the Hormuz Strait in the vast northern corner of the Sultanate of Oman. Due to its strategic location, Khasab Port is in the position to attract a high volume of trade for the local governorate's economy. The current size of the port is 159 hectares, and includes a 300-metre-long commercial berth, 100-metre-long traditional fishing berth, and a total of 8 floating berths. In terms of the development of Khasab Port, the design brief made allowance for the establishment of zones to receive commercial vessels, dhows, speed boats and cruise ships. The requirements for the 5 years' expansion of the port, which take into account its future role as a tourism and economic hub were also initiated. The benefits of focusing on the commercial aspect of Khasab Port are as follows:

- Strengthen Musandam's links to other parts of Oman and also regionally.
- Motivate general service sectors in Khasab – such as real estate, transport, food, medical and entertainment.
- Help cover the needs of Musandam's citizens.
- Job creation.
- provide new opportunities for Omani traders in Musandam to improve their businesses, as more customers will have access to their products.

On the other hand, Shinas Port is one of the prominent ports in the Sultanate. It was established in 1996 as a small-scale fishery port, and since then, it has been developing and is currently considered a key entity to boost local trade. Later, in 2013, Shinas Port commenced with its commercial operations.

During 2019, Shinas Port implemented its development operations and further commercial plans after MARAFI received the operating license from the Ministry of Transport (MoT). Also during 2019, Shinas Port went ahead with the re-organising of its existing operations to meet the necessary standard maritime rules and regulations. The segregation between the commercial zone of the port and the fishing area was also carried out.

### 2019 KPIs

#### 20.1 Rehabilitation of the existing Quay wall in Khasab Port

This KPI focuses on the enhancements in Khasab Port's infrastructure, and the floating of tenders for developments such as the new cruise and commercial berths, in addition to onshore tenders.

#### 20.2 Commercial re-organisation of Shinas Port

This KPI focuses on completing the port's master plan, developing the port's superstructure, and floating tenders for the new quay wall and marine facilities.

## The Journey

The master plan for Khasab Port was completed. The tender for design and construction of the new cruise berth at the port was floated on July 2019 and awarded on December 2019. Also, MARAFI has awarded contracts for the refurbishment of the port's administration and passenger buildings.

For Shinas Port, the master plan has been completed and the new location of the Royal Oman Police (ROP) building has been agreed upon. In addition, tenders for the design and development of the marine facilities, and for the design and construction of the new quay wall were floated by the Ministry of Transport (MoT) in September 2019. The Implementation Support and Follow-up Unit has made many efforts to support the transformation of the two ports into commercial entities.

## Moving Forward

During 2020, all remaining tenders for both ports will be awarded and the construction will start.

## Stakeholders

Ministry of Transport (MoT)	Oman Global Logistics Group (ASYAD)
Royal Oman Police (ROP)	MARAFI

## 21. Strengthen Connectivity to Oman's Ports



Due to its position on the Arabian Peninsula's eastern seaboard and the nature of the undersea topography just off its coastline, Oman is home to a number of deep-water ports. International cargo operators and their vessels can easily and readily access these ports to carry out major shipping trade operations – this means that the Sultanate remains in a strong position to unlock the potential for international shipping connectivity.

Furthermore, as they welcome more and more international shipping trade, these deep-water ports act as vital distribution hubs for many of Oman's smaller ports. In addition, Oman Container Lines (OCL), a subsidiary of Oman Shipping Company (OSC) is playing a major role in offering connectivity to Omani ports by providing new services that connect Omani ports with regional hubs. This will attract major liner operators and support volume growth of Omani ports.

In 2019, the initiative progressed very well regarding the setup of OCL's new commercial liner services to GCC Countries and India. In addition, the initiative has witnessed further growth through the signing of service level agreements and joint ventures with feeder ports in African countries, as well as Iran, India and Pakistan. Therefore, the services provided by the Sultanate's ports are being increasingly promoted. Looking ahead, however, there continues to be a need to attract key land-based operators to connect to these major shipping hubs.

## 2019 KPIs

### 21.1 Introduction of new liner services (OEX & IEX) calling at Omani ports

With a goal to attract an increase in volumes of shipping via main liner operators to its ports, Oman is seeking to improve its business environment and market activities. This remains a key KPI for the initiative. In order to enhance connectivity of Omani ports, attract volumes and main liner operators, Oman is seeking to introduce new commercial liner services to GCC and India through Oman Container Lines. The new services are named Oman Express Service (OEX) and India Express Service (IEX).

## The Journey



Milestone	Status
Setting up OCL's infrastructure for new commercial liner services (Manpower and structure, IT setup, agency network and containers procurement, branding and marketing)	The set up was completed, but the IT infrastructure is still in progress.
Light implementation of commercial liner operations on IEX/OEX services	Completed.
Market India Express Service (IEX) to secure volumes, and Kick off marketing and branding campaign	Completed.



## Stakeholders

Ministry of Transport (MoT)	Oman Shipping Company
Oman Global Logistics Group (ASYAD)	Sea ports
Oman International Container Terminal	



# Labour Market and Employment

Labour Market & Employment KPI Dashboard			
Initiative / KPI		2019 Target	2019 Actual Achievement
1	<b>Enhancement of Labour Disputes System</b>		
1.1	Increasing the percentage of disputes resolved amicably in the Ministry of Manpower to 60%	60%	60%
1.2	Training employees in labour disputes	100%	100%
1.3	Reducing the duration of litigation	100%	100%
2	<b>Development of a Sustainable System for Establishing, Monitoring, Updating and Implementing Occupational Standards</b>		
2.1	Applying the general framework of the National Occupational Standards System	100%	50%
3	<b>Development of Labour Solution Package for Construction Sector</b>		
3.1	Activating labour solution package for employees in the construction sector	100%	65%
4	<b>Development of Labour Solution Packages to assist Economic Sectors in Achieving Omanisation</b>		
4.1	Progressively strengthening Omanisation policies	100%	100%
5	<b>Launch the National Leadership Development Programme to Empower Omanis to be Able to Take Middle and Upper Management Positions in the Private Sector (Etimad)</b>		
5.1	Launch the training programme and complete the training of 500 trainees in the pilot phase	100%	70%
8	<b>Increase Attractiveness of Private Sector Employment for Omanis</b>		
8.1	Increasing the number of card holders and their benefits	400	400
8.2	Work environment measurement card	100%	90%

Initiative / KPI			
2019 Target		2019 Actual Achievement	
9	<b>Unlock Part-Time and Temporary Work and Enable Flexible Movement of Labour</b>		
9.1	Number of registered contracts (part-time contracts)	3500	5000
9.2	Application of policies and procedures	100%	85%
10	<b>Enhancing the Employability of Vocational and Technical Graduates by Increasing the Participation of the Private Sector in Boards of Directors and Trustees</b>		
10.1	Activating the new structure of the boards of trustees in educational and training institutions	100%	100%

- \* A sample of 30% of the KPIs were reviewed by Deloitte, and findings will be built upon in the future.
- \* A number of projects might not be reflected in the dashboard above as they are under direct monitoring of specific authorities. However, ISFU follows up on their execution on a regular basis.
- \* All forms of data are being continuously improved to be more representative of actual economic state. This is done in collaboration with NCSI and relevant government entities and aligned with international standards.

## Overview

The Labour Market and Employment Team at the Implementation Support and Follow-up Unit is following up a range of initiatives that serve to enhance the national workforce's compliance with the change in the labour market due to the current economic conditions, by adapting policies and procedures to be in line with these changes and reduce the negative impacts on the main production parties.

Among the most prominent initiatives that have achieved remarkable success during the year 2019, is the Enhancement of Labour Disputes System. Along with the continuing diversification of the labour market in the Sultanate, the government is striving to improve and enhance the attractiveness of work environment. This year, training Programmes on resolving labour disputes were prepared and implemented, in coordination with three batches of legal researchers from the Ministry of Manpower, in addition to agreeing on the work mechanism and signing a memorandum of cooperation between the Ministry of Manpower and the Ministry of Justice in order to expand the scope of the Arbitration and Reconciliation Committees to include labour disputes.

The team is also following up the Development of a Sustainable System for Establishing, Monitoring, Updating and Implementing Professional Standards project, where a ministerial decision was issued to restructure the Occupational Standards and Testing Centre and its terms of reference and strengthen it with new cadres. Moreover, skill units were formed to develop occupational standards for manufacturing and logistics sectors.

Also, the National Leadership Development Programme was launched, with the visual identity of "Etimad" chosen as a marketing identity for the programme. The pilot phase of training 500 trainees commenced, whereby approximately 750 candidates were screened through a set of tests and assessments developed according to international standards for leadership training, then, the training started for the first batch of the programme.

With the beginning of 2019, ISFU considered the need to launch a new initiative to form technical teams concerned with employment, under the supervision of the ministries overseeing the economic sectors, with the support of ISFU, the Ministry of Manpower, and The National Centre for Employment (NCE). The aim of this initiative is to activate the role of the relevant government bodies, in following up on employment as they are well aware of the functional requirements of the economic sectors.

The Implementation Support and Follow-up Unit plays an active role in supporting the labour market and employment sector, by following up the initiatives that do not have a supervising authority, and cooperating with the Ministry of Manpower to work on providing solutions in line with the current economic situation. ISFU is also supporting the growth of SMEs and studying alternative financing solutions for initiatives facing financial challenges.

### Graduated initiatives/projects in 2019:



Enhancing the Employability of Vocational and Technical Graduates by Increasing the Participation of the Private Sector in Boards of Directors and Trustees

### New initiatives/projects added in 2019:



Activating the Role of Ministries Overseeing the Economic Sectors in Achieving Recruitment Targets

## 1. Enhancement of Labour Disputes System



As the Sultanate's labour market continues to diversify, the country strives to improve and enhance the attractiveness of the work environment, by strengthening the judicial system to ensure justice for employees in various sectors. As labour disputes are inevitable, the initiative's performance indicators aim to ensure that the standards related to resolving labour disputes in the Ministry of Manpower are achieved, as they are the best criteria for reaching a just solution.

Through introducing new and amended measures, increasing the number of labour disputes that are amicably resolved in the Ministry of Manpower in coordination with the Arbitration and Reconciliation Committees of the Ministry of Justice, and strengthening the capabilities of legal researchers in the committees by training them at the Higher Judicial Institute, labour disputes will be resolved quickly and successfully, while taking into account economic conditions.

### 2019 KPIs

#### 1.1 Increasing the percentage of disputes resolved amicably in the Ministry of Manpower to 60%

#### 1.2 Training employees in labour disputes

#### 1.3 Reduce the duration of litigation

These KPIs aim to ensure the eligibility of judicial standards for the issuance of just decisions, which is achieved through developing new and amended procedures, reducing the duration required for adjudication and strengthening the capabilities of the judicial system. The appointment of judges who are specialized in labour cases in the courts will result in accelerating the adjudication process. Also, the presence of specialists in the Reconciliation Committee of the Ministry of Manpower contributes to reducing the number of cases referred to the courts.

### The Journey

From previous years, the efforts of the initiative team continued in developing work mechanisms related to labour disputes in the Ministry of Manpower, where 2019 witnessed the completion of preparing and implementing training programmes with 3 batches of legal researchers from the Ministry of Manpower. The initiative team considered the possibility of upgrading the training qualifications to be a diploma, within the continuous coordination between the Ministry of Manpower, Higher Judicial Institute, and the Ministry of Higher Education.

In addition to the training, a memorandum of cooperation was signed between the Ministry of Manpower and the Ministry of Justice in order to expand the scope of the Arbitration and Reconciliation Committees to include labour disputes and to give the reconciliation reports of labour disputes the executive and mandatory implementation form after reconciliation, which contributed to raising the percentage of disputes that were resolved amicably in the Ministry of Manpower from 48% in 2018 to 60% in 2019, and reducing the number of labour cases referred to court. This is despite the increase in the number of labour disputes due to the current economic conditions.

### Moving Forward

In 2020, the initiative aims to offer advanced training programmes for legal researchers in labour disputes, and increase the number of Arbitration and Reconciliation Committees for labour disputes.

## Stakeholders

Ministry of Manpower (MoMP)	Higher Judicial Institute
Ministry of Justice (MoJ)	

## 2. Development of a Sustainable System for Establishing, Monitoring, Updating and Implementing Occupational Standards



The initiative aims to restructure and empower the Occupational Standards and Testing Centre, to improve and manage the National Occupational Standards System for economic sectors. By constantly updating these standards and applying them in the training programmes, the requirements of supply and demand in the private sector will be linked more effectively for the graduates of educational and training institutions.

### 2019 KPIs

#### 2.1 Applying the general framework of the National Occupational Standards System

During the year 2019, the initiative aims to develop a common work system with the economic sectors, by supporting the supervising bodies to form work teams called "Sectoral Skills Units" in partnership with the private sector. These units work as a link between the Occupational Standards and Testing Centre and economic sectors, in order to determine the skills that each sector requires and set occupational standards for all professions prevailing in the sector.

#### The Journey

During 2019, the Ministry of Manpower restructured the Occupational Standards and Testing Centre and its terms of reference, in accordance with the recommendations of the consultancy study that was conducted in 2018, in partnership with a leading British consultancy firm in the field of occupational standards. Such action aimed to enable the Centre to play a broader role in setting occupational standards in partnership with private sector organisations, as a ministerial decision was issued to restructure the Centre and its terms of reference, strengthen it with new cadres and appoint experts specialised in occupational standards.

In cooperation with the ministries and bodies overseeing five economic sectors (tourism, logistics, manufacturing, fisheries and mining), several meetings were held to form skill units to set occupational standards for each sector. The logistics skill unit has been licensed, and work is going on for the other sectors.

Among the difficulties encountered by the initiative is the appointment of cadres specialised in occupational standards, due to the scarcity of such expertise.

#### Moving Forward

In 2020, the initiative aims to train national staff of the Centre to specialise in preparing and designing occupational standards, and enhancing the electronic systems and databases for the Centre. The team also aims to complete the preparation of occupational standards for other economic sectors.

## Stakeholders

Ministry of Manpower (MoMP)	The National Training Fund (NTF)
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## 3. Development of Labour Solution Package for Construction Sector



The initiative aims to raise the efficiency of the construction sector, which is one of the largest economic sectors, and to encourage the national workforce to work in the sector by training them to work in income generating jobs within the sector. The initiative also aims to find solutions to the challenge facing the construction sector, which is reaching the required Omanisation rate by the relevant organisations.

During 2019, the team intends to complete the issuance of all regulatory decisions for the construction sector, including a memorandum to include the classification of construction corporates in the expatriate work permit, as well as a memorandum to apply the construction package that includes gradual Omanisation percentages and alternative solutions, and the application of a system for standardising job titles.

### 2019 KPIs

#### 3.1 Activating labour solution package for employees in the construction sector

The initiative offers an integrated package containing basic elements that contribute to:

- Flexibility of Omanisation policies for the construction sector: Achieving a 30% Omanisation in the long term, by increasing the employment of national cadres in the sector. It could be achieved by gradually applying qualitative Omanisation percentages that contribute to raising the sector's attractiveness to nationals, reducing hidden trade and illegal labour and encouraging investment.
- Setting the standards for classifying corporates under the construction sector, to regulate the sector and raise its level of performance and its ability to create fair competition within the sector.
- Standardisation of professional titles to achieve the optimum use of skills.
- Introducing automation and technology to keep pace with the Fourth Industrial Revolution and reduce dependence on unskilled labour in the construction sector in the Sultanate.

#### The Journey

Milestones	Status
Forming a classification governance board	A decision was issued by the Minister of Manpower (195/2019) to form a committee to manage the classification project for corporates operating in the private sector.
Completing the classification system and initiating the classification of corporates	The system has been completed and the trial period for the classification of corporates has commenced.
Issuance of a solutions package for the construction sector	Gradual Omanisation percentages for the sector has been adopted, and the job titles for 30 professions has been standardised.

## Stakeholders

Ministry of Manpower (MoMP)	Oman Society for Contractors (OSC)
Oman Chamber of Commerce and Industry (OCCI)	

### 4. Development of Labour Solution Packages to Assist Economic Sectors in Achieving Omanisation



After studying the challenges that limit corporates from reaching the national Omanisation targets, the initiative came with several solutions in the form of packages to facilitate the implementation of Omanisation policies in the three economic sectors: tourism, manufacturing, and logistics, looking into qualitative Omanisation in supervisory positions, to accelerate the recruitment process in proportion to the conditions of these sectors, and meeting the Omanisation percentages set for each sector.

In 2019, the initiative aims to focus on qualitative Omanisation in coordination with the initiative of the National Leadership Development Programme "Etimad" to raise the Omanisation percentages in supervisory positions.

## 2019 KPIs

### 4.1 Progressively strengthening Omanisation policies

This KPI aims to enhance the cooperation between the Ministry of Manpower and ministries overseeing the three economic sectors, to achieve national Omanisation goals and cooperation with the private sector.

#### The Journey

Milestones	Status
Develop a mechanism to activate the Omanisation percentages for supervisory positions in the targeted sectors, in coordination with the National Leadership Development Programme initiative	A coordination mechanism has been set with the team of the National Leadership Development Programme, to empower Omanis to be able to take middle and upper management positions in the private sector.
Establish a coordination mechanism with the technical teams supervising the follow-up of the Omanisation targets in the economic sectors	A mechanism has been set for cooperation and follow-up with the technical teams, to align efforts and provide a platform to discuss the challenges facing the sectors, through periodic meetings and workshops.
Determine the percentage of Omanisation in supervisory positions in the second degree facilities, and the mechanism of their implementation	Following up the efforts of qualitative Omanisation, and complementing the efforts of 2018, a proposal was made on Omanisation percentages in supervisory positions in second degree facilities, to be implemented in 2020.

## Stakeholders

Ministry of Manpower (MoMP)	Private Sector Representatives
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### 5. Launch the National Leadership Development Programme to Empower Omanis to be Able to Take Middle and Upper Management Positions in the Private Sector (Etimad)



This Programme aims to develop national competencies working in the private sector and qualify them to occupy supervisory and leadership positions, which contributes to enhancing the demand for national competencies.

## 2019 KPIs

### 5.1 Launch the training programme and complete the training of 500 trainees in the pilot phase

In 2019, the initiative aims to prepare, design and launch the training programme, then initiate registration process and screening of candidates to choose 500 trainees for the first phase.

#### The Journey

During 2019, "Takatuf", the leading Omani company in the field of leadership training, was chosen, in partnership with an international expertise house, to design and prepare a leadership-training programme that suits the requirements of the private sector. The programme also takes into account the nature of the sectors targeted by the programme, taking advantage of the studies carried out by the initiative team during the past years. The company that designed the programme also conducted a survey of the targeted corporates to study the training needs of the private sector at the leadership and supervisory levels. The programme was designed according to the latest findings of the leadership training institutions, using international best practices. The Oman Institute for Oil & Gas (instOG) was chosen as a location for the training programme.

Moreover, the launch of the programme was announced on 3rd of July 2019, and the visual identity of "Etimad" was chosen as a marketing identity for the programme. In addition to the launch of the official website [www.etimad.om](http://www.etimad.om) in cooperation with one of the SMEs specialized in media marketing and identity design.

The registration was opened for corporates to nominate their suitable employees, as a large number of candidates have applied to the programme and were screened through a set of tests and evaluations developed according to international standards for leadership training, then, the training of the first batch of the programme began.

However, the initiative faced challenges that lie in slow bidding and contracting procedures with corporates implementing the programme. Nevertheless, the initiative team was able to accelerate the procedures through coordination with the stakeholders, under the supervision of the Ministry of Manpower and the support of the Implementation Support and Follow-up Unit.

#### Moving Forward

In 2020, the team intends to follow-up the implementation of the training programme for 500 trainees, evaluate the pilot phase, and benefit from it in improving the programme, in addition to evaluating the programme outputs and the contracted institutions. Then, the registration and training for the next batches will begin.

## Stakeholders

Ministry of Manpower (MoMP)	Public Authority for Manpower Register (PAMR)
Oman Chamber of Commerce and Industry (OCCI)	Private sector
Oman Society for Human Resource Management	

### 6. Enhance the Capacity of Oman Academic Accreditation Authority (OAAA)



The initiative seeks to enhance the Capacity of Oman Academic Accreditation Authority to complete and implement the National Qualifications Framework, and enable it to apply the accreditation system to all sectors of academic, technical and vocational education, which will result in improving educational standards and aligning them with the requirements of the labour market and the private sector.

## 2019 KPIs

### 6.1 The completion of the implementation of the pilot phase for the inclusion of qualifications in the National Qualifications Framework (NQF) and the approval of the final version of the framework document

In 2019, the initiative aims to implement a number of pilot operations to incorporate qualifications into the National Qualifications Framework, to test the clarity of the descriptive determinants of the ten levels mentioned in the National Qualifications Framework document, and their applicability, in addition to testing procedures for incorporating qualifications in the National Qualifications Framework. The initiative also targets the completion of preparing the final version of the National Qualifications Framework document, and sending it to the Education Council for approval.

## The Journey

A number of pilot operations have been completed to incorporate qualifications into the National Qualifications Framework, with the participation of seven educational institutions, including a vocational institution and a professional one. The phase included various educational qualifications including academic, technological, professional and vocational qualifications. The Authority has received 14 requests from participating institutions to incorporate qualifications into the National Qualifications Framework. The final version of the National Qualifications Framework document has also been prepared based on the feedback from the pilot phase, and was sent to the Education Council for approval.

On the other hand, the initiative has faced challenges represented in the protracted period of pilot operations to incorporate qualifications into the National Qualifications Framework, in addition, the participating educational institutions need significant support in order to be able to engage in these processes.

## Moving Forward

In 2020, the initiative aims to obtain the approval of the Education Council on the National Qualifications Framework Document, in addition to training the relevant institutions on the procedures for incorporating qualifications in the National Qualifications Framework, and preparing for the phase of implementing the framework.

## Stakeholders

Oman Academic Accreditation Authority (OAAA)	Ministry of Education (MoE)
Education Council	Oman Medical Specialty Board
Ministry of Manpower (MoMP)	Qualification providers and education/training entities in the Sultanate of Oman
Ministry of Higher Education (MoHE)	

### 7. Activating the Role of Ministries Overseeing the Economic Sectors in Achieving Employment Targets

The Implementation Support and Follow-up Unit has made tireless efforts to identify the causes of the challenges facing the plans of achieving employment targets, and provide solutions to support the sectors in the employment process that was established in the labs of The National Programme for Enhancing Economic Diversification. ISFU found that the limited role of the ministries overseeing economic sectors in supervising employment plans in their sectors is one of the main challenges to the employment process in the Sultanate, since the concentration of efforts and responsibilities of employment is limited to the Ministry of Manpower will not achieve the desired goal.

Therefore, ISFU made a proposal for an initiative that activates the role of ministries overseeing economic sectors in achieving employment targets, through the formation of technical teams for the sectors of The National Programme for Enhancing Economic Diversification, through which the participation of the ministries will be activated in employment plans and the employment process in private corporates under its supervision, which will lead to:

- 1) Promoting inter-ministerial cooperation to ensure the alignment of policies and implementation.
- 2) Establishing replacement strategies, and ensuring that the plans are implemented by the private sector.
- 3) Efficient management of the private sector/employers and employment institutions.
- 4) Aligning education and training efforts to enhance the skills of national cadres, as appropriate to the labour market.

The technical teams include in their membership all those involved in the process of employment, training and have experience in the private sector, who work as experts to bridge the gap between education outcomes and the labour market.



## The Journey

The actual operation of the technical teams formed for the manufacturing, logistics and tourism sectors began, followed by the formation of the fisheries, mining, energy and information and communication technology teams. The technical team in each sector identifies the challenges facing employers in employing national cadres, and the challenges facing the national cadres in terms of training and qualification.

The technical team also considers the professional standards through linking it directly to the labour market to bridge the skills gap, and provides a range of incentives, in cooperation with the stakeholders, to encourage the employment process, such as those provided by the Ministry of Manpower.

Operational teams have emerged from technical teams in some sectors, working on a daily basis to coordinate the follow-up and visit of corporates, to identify the difficulties of Omanisation and employment, as well as seeking to make the sectors more attractive. As a result, employment and training opportunities were provided in each sector.

Despite this, the initiative faces several challenges, including the multiplicity and difference of challenges from one sector to another, which requires additional efforts to confront them. Another challenge is the multiplicity of professions and activities within one sector, which affects the follow-up of Omanisation percentages. In addition, the overlapping of roles and powers of employment, training and education within the various sectors, and the existence of a coordination gap between the stakeholders sometimes are among the challenges.

### Moving Forward

In 2020, the initiative aims to develop precise work mechanisms, define terms of reference within the technical team, involve more entities in the employment efforts of the team, such as Oman Chamber of Commerce and Industry, as well as making more efforts in coordinating between the ministries overseeing the various sectors to align their efforts and unify their visions and goals. This is in addition to creating a dashboard for technical teams to follow-up the implementation of these efforts.

### Stakeholders

Ministry of Tourism	Ministry of Agriculture and Fisheries (MAF)
Ministry of Transport	Ministry of Oil and Gas (MOG)
Oman Global Logistics Group (Asyad)	Authority of Electricity Regulation (AER)
Ministry of Commerce and Industry (MoCI)	Ministry of Manpower (MoMP)
Public Authority for Mining (PAM)	Ministry of Technology and Communications (MTC)

## 8. Increase Attractiveness of Private Sector Employment for Omanis



The initiative aims to provide an ideal work environment for the national workforce in the private sector, in order to attract young national competencies, by launching a card that includes standards stimulating the corporate work environment, through which corporates that meet the standards receive incentives and facilitations from the Ministry of Manpower and other relevant authorities.

### 2019 KPIs

#### 8.1 Increasing the number of card holders and their benefits

It is expected that for 2019, 400 corporates will receive the work environment measurement card.

### 8.2 Work environment measurement card

This KPI aims to activate the standards of the work environment measurement card, and the participation of the Ministry of Commerce and Industry, the Ministry of Tourism and Muscat Municipality in providing facilitations to corporates, and motivating them to enhance the work environment. It also aims to launch a special standards package for SMEs, in coordination with the Public Authority of Small and Medium Enterprise Development (Riyada).

### The Journey

After launching the card with the new standards in 2018, a workshop was held, in the presence of a number of corporates, to introduce the card and its benefits in early 2019. The Ministry of Manpower contacted the government entities to enhance the incentives granted to corporates that meet the card standards. The Ministry of Commerce and Industry, the Ministry of Tourism and Muscat Municipality welcomed the idea and made facilitation proposals from their part, which were approved and included in the benefits of the card.

ISFU coordinated between the Ministry of Manpower and other government entities, to provide solutions for card holders. These efforts raised the number of corporates holding the card to 400 corporates.

Nevertheless, at the beginning of the year, the initiative faced several challenges represented in the lack of interest of corporates to register in order to obtain the card. Therefore, ISFU, in cooperation with the initiative team, reviewed the package, as a feedback session was conducted with the participation of the private sector. Accordingly, incentives were enhanced and the media role was intensified to communicate the message to corporates.

### Moving Forward

In 2020, the initiative team intends to continue the efforts made this year, while focusing on increasing the number of corporates that provide a stimulating work environment for Omanis, in addition to following-up SMEs, and honouring the corporates that hold the card to encourage other corporates to do likewise.

### Stakeholders

Ministry of Manpower (MoMP)	Ministry of Tourism (MoT)
General Federation of Oman Trade Union (GFOTU)	Muscat Municipality
Ministry of Commerce and Industry (MoCI)	Public Authority for Small and Medium Enterprise Development (Riyada)

## 9. Unlock Part-Time and Temporary Work and Enable Flexible Movement of Labour



This initiative aims to provide part-time work opportunities in the private sector for Omani employees and job seekers, to stimulate an environment that creates part-time job opportunities, in addition to enhancing the flexibility of non-Omani workforce movement among establishments registered under the same entity. It also aims to allow the recruitment of non-Omani workforce with temporary licences in some specialised professions.

In 2019, the initiative aims to activate the electronic systems of the initiative, and conduct a comprehensive study on the decisions and policies that have been adopted and implemented, as well as focusing on the media and awareness aspect of the initiative.

## Targeted Groups and the Benefits They Get



Registering part-time contracts is beneficial for all parties involving:



Job seekers



Workers



Retirees



Homemakers



Students\*

\*Students of colleges, universities and institutes, aged 15 or above)

Employers



Company Owners



SME Owners



Seasonal Project Owners



Benefits these parties get:



- Gain practical experience
- Gain income
- Improve the skill
- Choose the suitable time to work
- Better chances to get a permeant job

Note: this does not affect the status as a job seeker in the manpower register.

- Benefit from the experience of retirees
- Include the part-time workers in Omanization percentages up to (20%)
- Reduce extra workforce

## 2019 KPIs

### 9.1 Number of registered contracts (part-time contracts)

This KPI aims to reach 3,500 contracts registered for part-time jobs.

### 9.2 Application of policies and procedures

This KPI aims to implement the policies and procedures mentioned in Resolution No. 40/2017 and its amendment decision No. 153/2018.

## The Journey

Milestones	Status
Activating the electronic systems for registering part-time work contracts and requests for temporary contracts, and recording workforce mobility	The system for registering part-time work contracts and temporary work has been completed, and work is underway to complete the electronic systems for recording workforce mobility.
Conducting a comprehensive study on the decisions and policies that have been adopted and applied	The study was completed.
Completion of the media plan on decisions, policies and controls	The plan was implemented.

## Stakeholders

Ministry of Manpower (MoMP)	Oman Chamber of Commerce and Industry (OCCI)
Public Authority for Manpower Register (PAMR)	Sultan Qaboos University (SQU)
Ministry of Education (MoE)	Public Authority for Social Insurance (PASI)
Ministry of Higher Education (MoHE)	Private sector

## 10. Enhancing the Employability of Vocational and Technical Graduates by Increasing the Participation of the Private Sector in Boards of Directors and Trustees



The initiative aims to increase the number of representatives of the private sector in the boards of directors and trustees in the government educational institutions and private training institutions, in order to contribute to the development of proposals that aim to improve curricula, programmes, policies and skills of graduates, in line with the requirements of the labour market. It will also increase the demand of the private sector for graduates.

Moreover, the initiative aims to achieve equal representation of the government and private sectors in the boards of directors of vocational training colleges, Vocational College for Marine Sciences, the technical colleges of the Ministry of Manpower and the applied sciences colleges of the Ministry of Higher Education.

## 2019 KPIs

### 10.1 Activating the new structure of the boards of trustees in educational and training institutions

This KPI aims to activate the new structure, which includes representation of the private sector by 50% in boards of trustees in educational and training institutions.

#### The Journey

Milestones	Status
Forming the boards of directors that were reviewed (by increasing the representation of the private sector) for each of: <ul style="list-style-type: none"> <li>Technical colleges</li> <li>Vocational colleges and the Vocational College for Marine Sciences</li> </ul>	All steps were achieved, as all boards of directors and boards of trustees were formed and activated for each of the vocational colleges (7) and technical colleges (7) and the Vocational College for Marine Sciences, representing the private sector by 50%.
Holding meetings of the boards of trustees and college boards of directors for each of the following: <ul style="list-style-type: none"> <li>Technical colleges</li> <li>Vocational colleges and the Vocational College for Marine Sciences</li> </ul>	

#### Stakeholders

Ministry of Manpower (MoMP)	Private sector
Ministry of Higher Education (MoHE)	

Several committees were formed, including the employment strategy planning committee, which held meetings with the stakeholders in partnership with the private sector to prepare the plan, in addition to selecting the headquarters of the National Centre for Employment and starting to prepare the systems and launch in December 2019.

#### Moving Forward

A preparatory committee has been formed to work on preparing the centre to start its duties on 1<sup>st</sup> of January, 2020.

#### Stakeholders

The National Centre for Employment (NCE)	The National Training Fund (NTF)
Ministry of Manpower (MoMP)	Ministry of Civil Service (MoCS)
Oman Chamber of Commerce and Industry (OCCI)	

## 11. The National Centre for Employment (NCE)



This initiative aims to establish a single entity that will coordinate all efforts and action plans aimed at bridging the gap between supply and demand for job opportunities in the Sultanate, and this is represented in the National Centre for Employment.



#### The Journey



After the intensive efforts of all parties concerned with this initiative, and with the support of the Implementation Support and Follow-up Unit, Royal Decree No. 22/2019 was issued to establish the National Centre for Employment and issue its system.

The working group has established the mechanisms and electronic systems to follow-up the availability and development of job opportunities, and to address all institutions responsible for the various sectors, to be linked with the centre with regard to job opportunities provided by each sector.



**Business  
Environment**

Business Environment KPI Dashboard			
Initiative / KPI		2019 Target	2019 Actual achievement
<b>1</b>	<b>Lean Project</b>		
1.1	Achieve all stages of Lean methodology (definition, selection, removal, and sustainability) in the projects of several government agencies	100%	97%
<b>2</b>	<b>Competition Protection and Monopoly Prevention Centre</b>		
2.1	Establishing Competition Protection and Monopoly Prevention Centre	100%	85%
<b>3</b>	<b>Real Estate Investment Trusts (REITs)</b>		
3.1	Developing awareness methods on real estate investment trusts at the local and international levels	100%	60%
3.2	Approval of establishing Real Estate Investment Trusts in the Sultanate	100%	50%
<b>4</b>	<b>Executive Regulation of Mergers and Acquisitions</b>		
4.1	Issuance of Executive Regulation of Mergers and Acquisitions	100%	100%
<b>5</b>	<b>Real Estate Development Law</b>		
5.1	Follow up the steps taken to issue the law	100%	33%
<b>6</b>	<b>Escrow Account Executive Regulation</b>		
6.1	Issuance of the Escrow Account Executive Regulation	100%	100%
<b>7</b>	<b>Real Estate Development Centre</b>		
7.1	Preparing the Centre's staff	100%	30%
7.2	Preparing the Centre's electronic system	100%	65%
<b>8</b>	<b>Real Estate Foreign Ownership</b>		
8.1	Allowing foreigners to benefit from real estates in accordance with the terms and conditions	100%	50%
<b>9</b>	<b>Oman Credit and Financial Information Centre (Mala'a)</b>		
9.1	Make new amendments to the Banking Law	100%	100%
9.2	100% operationalisation of the centre	100%	100%
<b>10</b>	<b>"Invest in Oman" Portal</b>		
10.1	Identify the investment opportunities that will be included in the portal	100%	100%
10.2	Define procedures and register other companies and services	100%	100%
10.3	Complete the final procedures of the portal and launch it	100%	100%

			
Initiative / KPI		2019 Target	2019 Actual achievement
<b>11</b>	<b>Judicial System E-Transformation</b>		
11.1	Developing legislations and the budget required to automate the judicial system	100%	45%
11.2	Establishing the necessary networks for the automation process	100%	80%
11.3	Establishing an electronic program for case management	100%	80%
11.4	Establishing an electronic program for the enforcement of judgements	100%	60%
11.5	Activating online services for litigants and their agents	100%	100%
<b>12</b>	<b>Oman Commercial Arbitration Centre</b>		
12.1	Establishing a commercial arbitration centre	100%	80%
<b>13</b>	<b>Foreign Capital Investment Law</b>		
13.1	Issuing the Foreign Capital Investment Law	100%	100%
<b>14</b>	<b>Executive Regulations for Investing Foreign Capital</b>		
14.1	Issuing the executive regulations of the Foreign Capital Investment Law	100%	50%
<b>15</b>	<b>Bankruptcy Law</b>		
15.1	Issuance of the Bankruptcy Law	100%	100%
<b>16</b>	<b>Invest Easy</b>		
16.1	Linking up with government bodies in terms of issuing licences and exchanging data	100%	70%
16.2	Making the necessary improvements to the portal	100%	35%
16.3	Improving the operational services of the portal	100%	33%
<b>17</b>	<b>Assessment and Evaluation of Projects for Potential Public Private Partnerships (PPP)</b>		
17.1	Establishing a work methodology to qualify government project files and study their readiness for partnership with the private sector	100%	50%
17.2	Sorting and categorizing a specific number of projects with initial readiness for partnership annually	100%	100%
<b>18</b>	<b>Enhancing Construction Permits in Muscat</b>		
18.1	Number of days to issue a construction permission licence: 21 days	100%	100%
18.2	Number of days to issue a construction initiation permit: 5 days	100%	100%
18.3	Number of days to issue a construction completion certificate: 5 days	100%	100%

- \* A sample of 30% of the KPIs were reviewed by Deloitte, and findings will be built upon in the future.
- \* A number of projects might not be reflected in the dashboard above as they are under direct monitoring of specific authorities. However, ISFU follows up on their execution on a regular basis.
- \* All forms of data are being continuously improved to be more representative of actual economic state. This is done in collaboration with NCSI and relevant government entities and aligned with international standards.

## Overview

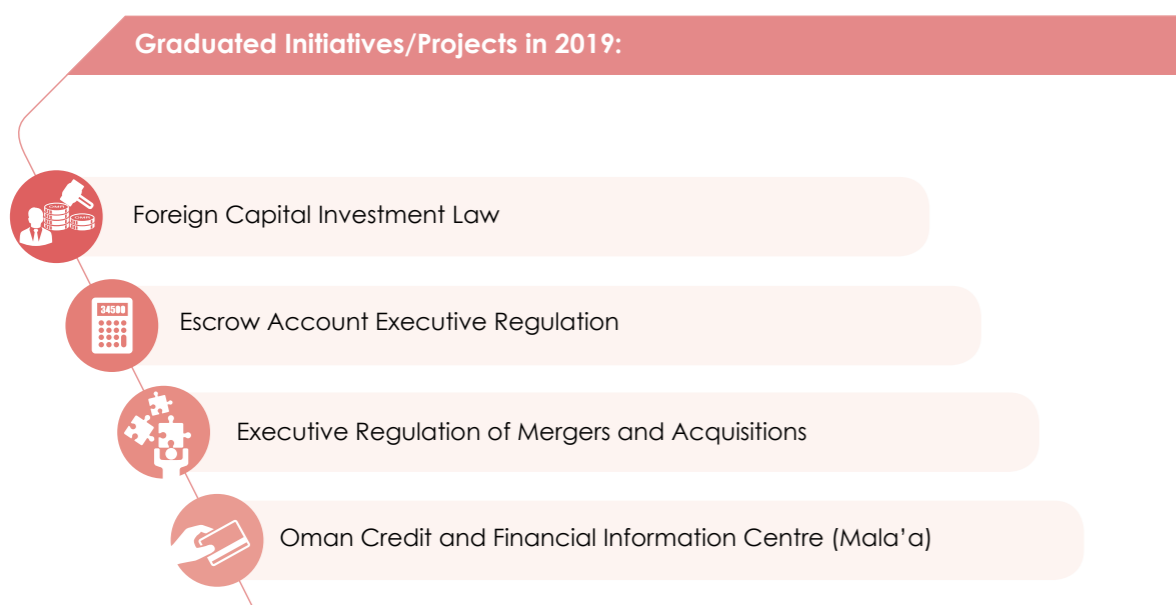
Business Environment Sector is one of the most enabling sectors for the national economic. As many of the initiatives, which will contribute to facilitating doing business during the coming phase, have been accomplished, however, the sector still needs more efforts from all relevant parties with respect to dealing with challenges which are facing the sector, in order to make the Sultanate an attractive and motivating environment for local and foreign investments.

As part of the continuous endeavours of the business environment team under the Implementation Support and Follow-up Unit (ISFU) to improve the business and investment environment in the Sultanate and facilitate the services provided to this sector, many projects related to laws and legislations were implemented during 2019, as well as projects related to facilitating the business environment in the Sultanate and projects related to the ease of doing business indicators.

In addition to the main dashboard of the business environment sector, separate dashboards have been developed for both "Invest Easy" and "Lean" projects, due to the importance of these two projects, the nature of the initiatives and indicators related to them, and the government agencies associated with them. "Invest Easy" project includes three main initiatives and 20 KPIs, which include the integration of government agencies with the system, the improvements that will be introduced to the system, and the indicators of the system's efficiency. As for "Lean" project, it aims to streamline the procedures for starting a business "commercial activity" in the Sultanate, and improve the KPIs for the selected operations, which are related to the ease of doing business indicators, as the project includes 11 main initiatives with 29 KPIs for projects that simplify procedures in the relevant government authorities.

Among the most important projects and laws that have been implemented during this year are: "Foreign Capital Investment Law" and "Bankruptcy Law", by issuing Royal Decrees 50/2019 and 53/2019, respectively.

The relevant government authorities have made effective efforts in the progress and achievement of several initiatives and projects in the business environment sector during the year 2019. The Ministry of Legal Affairs (MoLA) has played a pivotal role in the execution of all laws, legislations and executive regulations related to the projects followed up by ISFU.



## 1. Lean Project



This project aims at improving the Sultanate's ranking in the Ease of Doing Business Index, for the Sultanate to be an attractive environment for starting and executing commercial projects. Moreover, the project aims to improve the KPIs of the processes selected in the indicators. It relies on "Lean" methodology for continuous improvement, which seeks to streamline procedures and reduce waste of resources, ensuring the greatest value to the beneficiary. Lean methodology works on improving 3 main areas: quality, cost and production.

Six projects were selected to be implemented with 5 different entities, which frequently deal with commercial transactions. The team aims to finalise the project in December 2019.

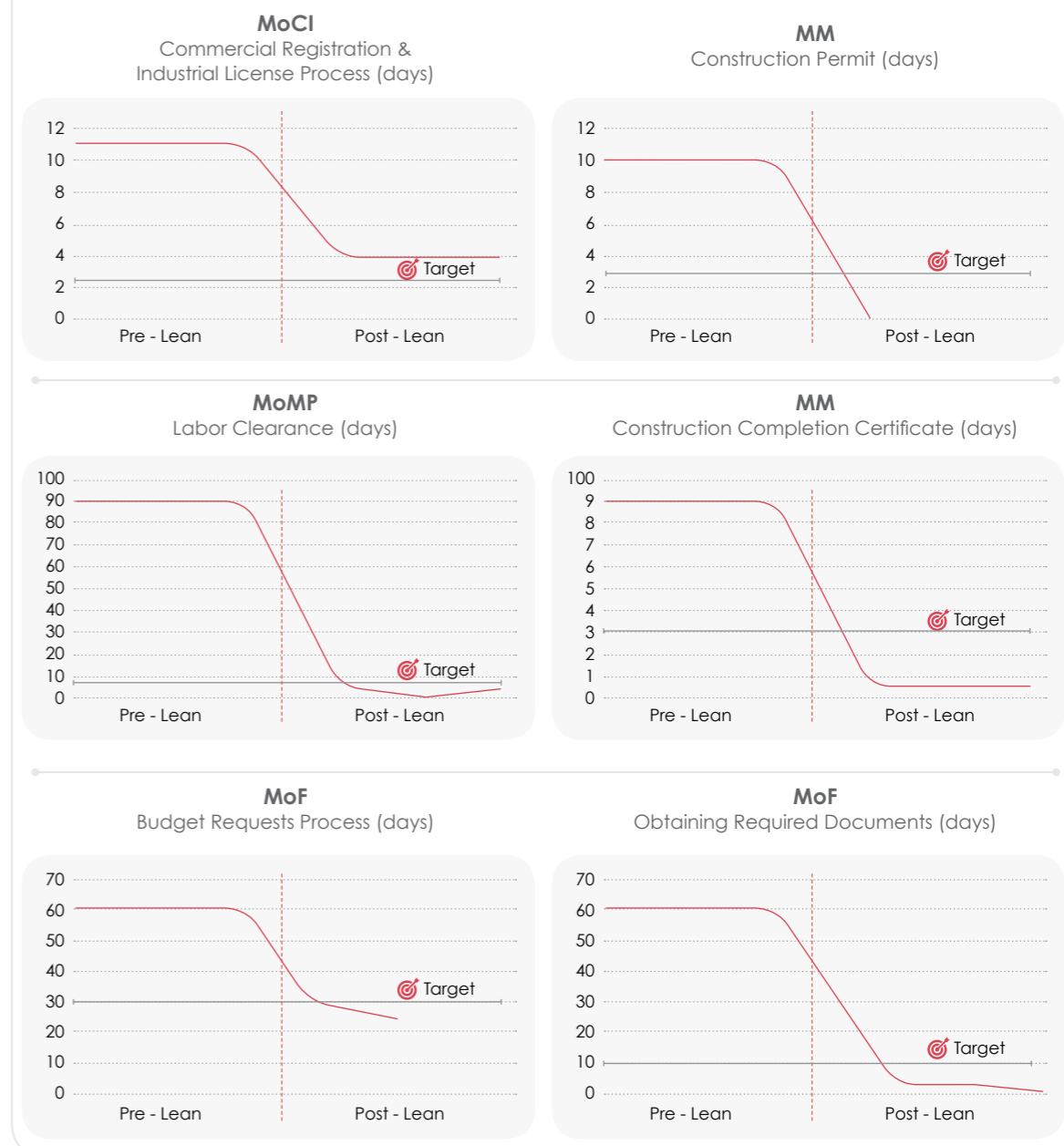
### 2019 KPIs

#### 1.1 Achieve all stages of Lean methodology (definition, selection, removal, and sustainability) in the projects of several government agencies

#### The Journey

No.	Agency	Lean Project Title	Project Execution Stages			
			Definition	Selection	Removal	Sustainability
1	Ministry of Commerce and Industry	Reducing the time required to complete the procedures for starting a business	✓	✓	✓	✓
2	Muscat Municipality	Reducing the time required to obtain construction permits and licenses	✓	✓	✓	✓
3	Ministry of Manpower	Reducing the time required to obtain work permits for investors	✓	✓	✓	✓
4	Ministry of Housing	Reducing the time required for the procedures of utilizing industrial lands by investors	✓	✓	60%	60%
5	Ministry of Finance	Improving the mechanism of the Ministry of Finance for obtaining the required documents related to "withdrawal requests" from government agencies supervising the implementation of government projects	✓	✓	✓	✓
6		Reducing the time required for studying government agencies' requests related to budget, and responding to them	✓	✓	✓	✓

### Improvement made after applying Lean Methodology



### Moving Forward

In 2020, the project team aims to execute several other projects using the "Lean" methodology for continuous improvement, and building capacity in "Lean" methodology in all targeted entities.

### Stakeholders

Ministry of Commerce and Industry (MoCI)	Ministry of Finance (MoF)
Ministry of Manpower (MoMP)	Muscat Municipality (MM)
Ministry of Housing (MoH)	

## 2. Competition Protection and Monopoly Prevention Centre



The initiative aims to establish a centre that creates a strong and honest competitive environment to build an economy based on competitive markets and innovative business, which enhances the ability of local companies to compete in the international market, in addition to its role in attracting foreign investments to compete in the Sultanate at an equal level.

In addition, the Centre aims to achieve three main objectives:

1. Awareness and ensuring the application of free competition rules.
2. Establishing the competition protection and monopoly prevention rules.
3. Protecting competition and preventing monopoly for the benefit of the national economy and the consumer.

### 2019 KPIs

#### 2.1 Establishing Competition Protection and Monopoly Prevention Centre

##### The Journey

In virtue of Royal Decree No. 22/2018 amending the Law of Competition Protection and Monopoly Prevention, the Competition Protection and Monopoly Prevention Centre was established. The Public Authority for Privatisation and Partnership, concerned with following up the operation of the centre, focused on forming a board of directors for the centre in February 2019, and a financial advance was approved in July 2019 to operate the centre. Moreover, the CEO of the centre was appointed, the Ministry of Civil Service approved the centre's organisational structure, and the centre has started activating its powers and receiving complaints and issues related to its scope of work.

##### Moving Forward

The team will follow up the issuance of the centre's report about its activities during 2019.

##### Stakeholders

Public Authority for Privatisation and Partnership

Ministry of Commerce and Industry (MoCI)

### Capital Market Authority

#### 3. Real Estate Investment Trusts (REITs)



The initiative aims to provide multiple options for investors, including allowing companies and individuals to invest in real estate and own investment units without having direct control over real estate assets.

The initiative is expected to be completed by the end of 2019 after issuing the approval of the real estate investment trusts that have applied to the Capital Market Authority. Also, a local conference will be held to present the experience of these companies regarding the mechanism of registration.

### 2019 KPIs

#### 3.1 Developing awareness methods on real estate investment trusts at the local and international levels

This KPI aims to educate the parties, who are interested in investing and legislating, in the real estate investment trusts and their mechanism of work from the legal and technical aspects. It also aims to organise a local workshop for those interested in investing in these trusts.

#### 3.2 Approval of establishing Real Estate Investment Trusts in the Sultanate

This KPI aims to support obtaining approval to establish real estate investment trusts in the Sultanate.

##### The Journey

#### 3.1 Developing awareness methods on real estate investment trusts at the local and international levels

Milestones	Status
Organizing an international conference/forum in the Sultanate to educate the local market about the idea of REITs	This step was accomplished by organising the conference in March 2019.

#### 3.2 Approval of establishing Real Estate Investment Trusts in the Sultanate

Milestones	Status
Approve the first real estate investment trust in the Sultanate and approve the prospectus of Aman Real Estate Investment Trust units	This step was completed on December 24, 2019.

##### Stakeholders

The Capital Market Authority

## 4. Executive Regulation of Mergers and Acquisitions



Executive Regulation of Mergers and Acquisitions aims to regulate the acquisition and control of public joint stock companies listed in Muscat Securities Market, directly or indirectly, as it includes principles and rules that govern the work of all those involved in the process. The regulation also aims to provide a fair treatment to all shareholders. It will also contribute to improving the Sultanate's rank in the ease of doing business index, especially the clause of small investors' protection, and will increase investor confidence in the local capital market.

## 2019 KPIs

### 4.1 Issuance of Executive Regulation of Mergers and Acquisitions

#### The Journey

Milestones	Status
Forming a task force to work on the regulation draft and submit it to the Ministry of Legal Affairs (MoLA) for review	The task force was formed at the end of 2018 and the draft was submitted to MoLA in January 2019.
The Ministry of Legal Affairs (MoLA) approval of the executive regulation	The regulation was approved in May 2019.
Publishing the executive regulation in the Official Gazette	The regulation was published in the Official Gazette No. 1292 on 12/5/2019 under the name of "Executive Regulation of Mergers and Acquisitions"

#### Stakeholders

The Capital Market Authority	Ministry of Legal Affairs (MoLA)
Muscat Securities Market	

## The Ministry of Housing

### 5. Real Estate Development Law



The Real Estate Development Law aims to regulate the real estate sector in the Sultanate, as it will include the development of a real estate indicator to evaluate property, focus on the role of real estate brokers and evaluators and set clear standards for their work, while promoting various aspects of the real estate market at the same time.

During 2019, it is expected that the final steps of the initiative will be completed, including the approval of MoLA, and then submission of the draft to the Cabinet of Ministers for approval.

## 2019 KPIs

### 5.1 Follow up the steps taken to issue the law

This KPI aims to follow up the steps that must be followed to issue any law in the Sultanate, starting with the formulation of an initial draft and passing through the Ministry of Legal Affairs (MoLA), the Cabinet of Ministers and the Council of Oman in its two sides (Shura Council and State Council), and up to issuing it as a Royal Decree.

## The Journey

Milestones	Status
Preparing a committee formation letter	The letter was prepared and directed to the authorities concerned with drafting the law, to nominate whom it deems appropriate.
Formation of the committee	The committee was formed and began its work and meetings to prepare the initial draft of the law.
Preparing the law draft	The draft has been completed.
Approval of the law by the Ministry of Legal Affairs (MoLA)	The committee has finished its meetings, and the draft will be submitted to some relevant entities to express its views on the law, and then to MoLA for review before submitting it to the Cabinet for approval.

#### Stakeholders

Ministry of Housing (MoH)	Ministry of Legal Affairs (MoLA)
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### 6. Escrow Account Executive Regulation



The Escrow Account Executive Regulation contains details of the procedures and legislations required for the execution of the Escrow Account System issued by Royal Decree No. 30/2018. The initiative aims to protect the interests of investors in real estate development projects by authorizing developers to use the escrow account. The account organises the payments that are paid to them and ensures that the developer may not obtain funds until a certain stage of the real estate development project is completed.

## 2019 KPIs

### 6.1 Issuance of the Escrow Account Executive Regulation

#### The Journey

The Ministry of Housing (MoH) prepared the Escrow Account Executive Regulation, agreed about it with MoLA and then approved it. The initiative was completed after the regulation was promulgated in the Official Gazette on 21/07/2019. The Ministry of Finance (MoF) also approved services and fees related to registering real estate developers and real estate development projects. In addition, coordination has been made with the Central Bank of Oman (CBO) to conduct awareness-raising workshops for all banks, with a circular to be sent to banks on the importance of starting to open escrow accounts for real estate development projects.

ISFU played a pivotal role in following up the work of the committee concerned with preparing the executive regulations, and the meetings it held to discuss this regulation and accelerate its issuance.

## Moving Forward

Escrow Account Executive Regulation was issued for real estate development projects; thus, the initiative has successfully graduated in 2019.

## Stakeholders

Ministry of Housing (MoH)	Ministry of Finance (MoF)
Ministry of Legal Affairs (MoLA)	The Central Bank of Oman (CBO)

## 7. Real Estate Development Centre



The initiative aims to create a single platform that brings together 11 entities to complete the investors' transactions in the real estate development sector, in order to finalise initial construction permits procedures within 27 working days. The registration of real estate developers commenced in the beginning of 2019 and began receiving projects manually from March 2019.

The initiative is expected to be completed by the end of 2019, after signing the agreement with the executing company, starting work by receiving requests from real estate developers electronically, and completing signing service level agreements with other service agencies. The team will continue working with the Real Estate Development Centre next year to ensure that the goal of completing initial construction permits within 27 working days is achieved.

## 2019 KPIs

### 7.1 Preparing the Centre's staff

This KPI aims to provide the Real Estate Development Centre with new employees and secondees from MoH and the relevant authorities to operate the centre.

### 7.2 Preparing the Centre's electronic system

This KPI is concerned with the steps that must be taken to prepare, receive and install the entire electronic system.

## The Journey

### 7.1 Preparing the Centre's staff

Milestones	Status
Team Nomination	The management of the centre nominated the team and the job titles, and a letter was sent to MoF regarding obtaining the financial grades of the employees.
Team Approval	The centre has obtained initial approval and this step will be completed in Q1 of 2020.

### 7.2 Preparing the Centre's electronic system

Milestones	Status
Preparing the Agreement	This step was completed by finalising the review and development of the agreement.

## Stakeholders

Ministry of Housing (MoH)	Ministry of Finance (MoF)
Real Estate Development Centre	

## 8. Real Estate Foreign Ownership



The initiative aims to find a tool for foreign individuals to own/benefit from specific housing ranges, in order to keep capitals in the Sultanate and promote foreign investment. This initiative is expected to be finalised at the end of December 2019.

## 2019 KPIs

### 8.1 Allowing foreigners to benefit from real estates in accordance with the terms and conditions

This KPI aims to follow up the issuance of a decision that allows foreigners to own/benefit from real estate in the Sultanate, according to specific conditions and controls.

## The Journey

Milestones	Status
Approval of the Ministry of Legal Affairs of the draft resolution	This step was accomplished and the committee formed to review the conditions and controls began its tasks to draft the decision and set the necessary conditions and controls. ISFU communicated with all stakeholders to set these conditions and controls, and followed up the work of the committee.
The final approval of the Cabinet	This step is expected to be accomplished in Q1 of 2020.

## Stakeholders

Ministry of Housing (MoH)	The Supreme Council for Planning (SCP)
Ministry of Legal Affairs (MoLA)	Muscat Municipality

## Central Bank of Oman

### 9. Oman Credit and Financial Information Centre (Mala'a)



This initiative aims to create a central database of credit and financial information at the national level. The centre will include all banks, finance companies, insurance companies, telecommunications companies, public services companies and SMEs funds. It aims to assess the sound financial solvency of clients, both individuals and companies, in a manner that leads to achieving loan quality and reducing credit and financial risks and default rates, in addition to developing credit and financial reporting systems in accordance with internationally approved standards, measuring creditworthiness and assessing the potential for default. In addition, the centre will contribute to enhancing the Sultanate's ranking in the Ease of Doing Business Index (sub-index for obtaining credit).

During 2019, the centre will start operating after being linked electronically to all entities involved in the project, and the electronic system will be tested and activated.

## 2019 KPIs

### 9.1 Make new amendments to the Banking Law

This KPI aims to add new amendments to the banking law, which will lead to the establishment of the centre and give it administrative and financial independence.

### 9.2 100% operationalisation of the centre

Follow up and support the implementation of all stages necessary to start operating the centre, and finalise the first stage of the project, according to the strategy in 2019.

## The Journey

The Royal Decree No. 38/2019 was issued on May 8, 2019, which stipulated the establishment of the Oman Credit and Financial Information Centre and the issuance of its system, thus, the legal aspect of the project was completed, and ISFU followed up all stages of the legislation with all relevant entities. As for the technical aspect of the project, the centre has been provided with the necessary software and equipment to be able to run its work, along office equipment. Also, electronic connectivity with many of the centre's main partners from government and private institutions in various sectors has been completed.

The initiative faced a challenge in completing the electronic connectivity with some institutions, therefore, ISFU facilitated this by meeting with the relevant institutions to finalise the electronic connectivity. It also faced a challenge in attracting technical cadres in the field of credit information centres and offices to work in the centre, and work is under way to overcome this challenge.

## Moving Forward

The initiative has successfully graduated, however, the team will continue following up with the centre and support its work in the second phase of the project in 2020, and the third phase of the project in 2021.

## Stakeholders

Central Bank of Oman (CBO)

## The Public Authority for Investment Promotion & Export Development (Ithraa)

### 10. "Invest in Oman" Portal



The portal is an electronic platform that represents a destination for investors looking to invest in the Sultanate, in which the available investment opportunities and projects in various sectors are presented. Different parties can also present their investment opportunities in the portal. In addition, the portal offers an integrated package of facilities and electronic services that help the investor communicate with the owners of the projects, and allow service providers from SMEs to offer their services, in order to facilitate the investor's access to them.

The portal was established to be specialised in presenting investment opportunities in the Sultanate. Several goals were achieved, including:

- Consolidating efforts of promoting investment opportunities between governmental and private sector institutions.
- Providing information related to investment opportunities and projects in the Sultanate to all investors around the world and display them in one platform periodically.
- Creating a profile for investors interested in investing in the Sultanate.
- Providing facilities for investors' communication with project owners, including submitting inquiries, coordinating meetings, and defining procedures.
- Offering support services to investors by SMEs in one platform.
- Linking the portal with the relevant e-government projects, including "Invest Easy" platform.

Moreover, ISFU plans to meet with the new management of "Ithraa" to agree on the upcoming phase and any possible goals for 2020.

## 2019 KPIs

### 10.1 Identify the investment opportunities that will be included in the portal

The KPI aims to identify the investment opportunities that will be included in the portal, represented in the following sectors: tourism, manufacturing, logistics, mining, and fisheries.

### 10.2 Define procedures and register other companies and services

The KPI aims to identify and list the services and procedures provided to the investor, create a database of additional services (such as real estate companies, banks, car rental companies, law firms, and recruitment companies), and give the staff of "Ithraa" the authority to register companies.

### 10.3 Complete the final procedures of the portal and launch it

The KPI aims to finalise the website by the company, receive it, review it, then submit it to the Ministry of Technology and Communications (MoTC) to conduct a security audit. After that, the website will be uploaded and officially launched.

## The Journey

The platform was launched in November 2019, after facing several challenges related to obtaining all the information on investment opportunities that is required to be uploaded to the electronic platform, in preparation for offering it to investors. The initiative also encountered difficulty with respect to obtaining information about some investment procedures from the relevant authorities.

However, ISFU addressed these challenges by contributing to providing investment opportunities from the government and private sectors, activating the role of "Ithraa" in promoting the Sultanate, and granting the Investment Services Centre at the Ministry of Commerce and Industry (MoCI) the authority to register companies.

## Moving Forward

In 2020, the initiative aims to provide an integrated package of facilities and electronic services, in addition to providing coverage of the most important available investment opportunities and direct communication with the relevant institutions.

## Stakeholders

Public Authority for Investment Promotion & Export Development (Ithraa)

## Council of Administrative Affairs for the Judiciary

### 11. Judicial System E-Transformation



The Sultanate seeks to establish justice among its citizens since the inception of the blessed renaissance, as the Royal Decree No. 10/2012 emphasises the principle of justice and promotes separation of powers. The judicial system is an integral part of the enablers of the national economy, which is based on free market and protection of the rights of everyone, in order to encourage and protect competition. In view of the rapid growth in the era of technology and the fourth industrial revolution, making some

changes and amendments to local laws and legislations has become of great importance to keep pace with the current developments.

Moreover, the necessary infrastructure that allows keeping pace with these changes must be created, in addition to streamlining procedures for litigants to follow up on their cases and submit notes electronically. Therefore, this initiative will contribute to improving the ranking of the Sultanate in some international indicators, such as the ease of doing business indicator concerning the protection of small investors and enforcement of contracts.

## 2019 KPIs

### 11.1 Developing legislations and the budget required to automate the judicial system

The KPI aims at changing the legislation related to the process of electronically transferring documents, and obtaining the budget required to re-train the employees and purchase the necessary equipment.

### 11.2 Establishing the necessary networks for the automation process

The KPI aims at creating the necessary infrastructure to complete the electronic transformation of the courts, starting with providing the Internet service for all courts and obtaining licenses for judicial systems. In addition, the KPI aims at providing the courts with servers, storage and protection in the central data rooms.

### 11.3 Establishing an electronic program for case management

The KPI aims at linking all courts and their departments through an electronic program, in order to facilitate the process of transferring documents by employees and reducing expenses of the country.

### 11.4 Establishing an electronic program for the enforcement of judgements

The KPI aims at improving the work environment with regard to the restoration of rights as quickly as possible, by linking the authorities relevant to implementing judicial rulings and creating a program that aims at transferring documents between departments of the courts.

### 11.5 Activating online services for litigants and their agents

The KPI aims at improving the business environment for litigants and law firms, which comes through simplifying the process of following up on developments and exchanging documents between different parties.

## The Journey

The team succeeded in achieving many of its targeted goals in this project as it obtained preliminary approval of the proposed law draft, and the Council of Administrative Affairs for the Judiciary worked with ISFU to obtain the required budget for 2019 and 2020.

ISFU played a central role in addressing some challenges related to linking between agencies and pushing the law draft forward. It also had a role in the council obtaining the required budget to create the necessary networks. The council also initiated a training for its employees on establishing electronic programs, through an Omani team rather than contracting with operating companies, due to the sensitivity of the judicial work.

Furthermore, the "Judiciary Platform" was launched, which is a mobile application that allows litigants to follow up on the latest updates regarding their cases. Efforts have also been made to launch the first phase of the Lawyers Portal, which allows all offices to submit the statements of claim and defence statements from their locations, thereby saving them time that would otherwise have been used on going to court to present the statement.

### Moving Forward

The law is expected to be issued in 2020. The team will continue improving the system and providing more services, such as the possibility of submitting implementation requests through the lawyers portal. Also, the specialists in the Council of Administrative Affairs for the Judiciary aim at completing work on this initiative with ISFU in 2020. The budget allocated to this initiative will also be released in 2020.

### Stakeholders

Council of Administrative Affairs for the Judiciary	Ministry of Legal Affairs (MoLA)
Cabinet of Ministers	Law Firms
Ministry of Finance (MoF)	

## Oman Chamber of Commerce and Industry

### 12. Oman Commercial Arbitration Centre



This initiative aims at establishing a centre that looks into commercial disputes that arise between the parties before going to court. The centre shall be administratively and financially independent, as it will be operated in the future through fees received in arbitration cases of local and international commercial disputes, training courses it holds, and publications it issues.

### 2019 KPIs

#### 12.1 Establishing a commercial arbitration centre

#### The Journey

Pursuant to Royal Decree No. 26/2018 on establishing Oman Commercial Arbitration Centre, ISFU has played a key role in pushing this initiative forward by following up the steps taken by Oman Chamber of Commerce and Industry (OCCI) in relation to establishing and operating the centre.

The work undertaken by OCCI was forming a constitutional committee for the centre, concerned with preparing the centre's work system, as well as working on the action steps listed under the KPI, through holding an expanded workshop with specialists to discuss the centre's work system, with the attendance of international arbitrators and experts to provide their views on the system. After that, the observations and recommendations of the workshop were collected and discussed by the team during the system preparation phase.

Then, the centre's work system was issued and published in the Official Gazette, and a temporary project manager for the centre was appointed to manage its work.

Moreover, the Board of Directors of OCCI formed the centre's Board of Directors, which met for the first time within 15 days of approving its formation. The Chairman of the board was chosen by voting, and the deputy was elected by acclamation. In addition, the CEO of the centre was also appointed, and employees were seconded to work in the centre during the foundation period. A work team will also be formed to formulate the arbitration rules at the centre.

### Moving Forward

The Commercial Arbitration Centre is expected to be ready to receive disputes referred to it locally and globally in the last quarter of 2020.

### Stakeholders

Oman Commercial Arbitration Centre	Oman Chamber of Commerce and Industry (OCCI)
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## Ministry of Commerce and Industry

### 13. Foreign Capital Investment Law



The Foreign Capital Investment Law aims at regulating and encouraging investments in the Sultanate and protecting the rights of investors. It will benefit the national economy in several ways, as it will improve the infrastructure and provide the necessary capital to finance internal investments, in addition to increasing employment opportunities for Omanis.

The initiative aims at drafting a law that opens the door to foreign investors and allows them to own 100% of the companies, in addition to reducing the minimum required capital.

### 2019 KPIs

#### 13.1 Issuing the Foreign Capital Investment Law

Since the initiative's working group have finalized the law draft in 2018, this year's KPI is concerned with the passage of that law through the legislative cycle until its publication in the Official Gazette.

#### The Journey

The initiative faced several challenges related to the powers of stakeholders with regard to implementing this initiative. However, ISFU was instrumental in moving the initiative forward, and coordinating the efforts of the relevant government bodies to agree on the desired goals. ISFU also had a role in pushing the initiative to be presented to the Cabinet of Ministers and passing it in an urgent manner through the Council of Oman.

The initiative was raised to His Majesty and issued under Royal Decree No. 50/2019. It was published in the Official Gazette on July 1, 2019 under the name "Foreign Capital Investment Law".



## Moving Forward

The initiative has been completed and work has begun on a new initiative concerned with the issuance of the executive regulations of the Foreign Capital Investment Law within 6 months from the effective date of the law.

### Stakeholders

Ministry of Commerce and Industry (MoCI)	Cabinet of Ministers
Ministry of Legal Affairs (MoLA)	Council of Oman
The Public Authority for Investment Promotion and Export Development (Ithraa)	

## 14. Executive Regulation for Investing Foreign Capital



This initiative aims at issuing the executive regulations of the Foreign Capital Investment Law, as it will determine the features that will be available to investors and the controls that will limit investments in some sectors. It is expected that the regulation will be completed and issued in the Official Gazette by the end of 2019.

### 2019 KPIs

#### 14.1 Issuing the executive regulations of the Foreign Capital Investment Law

##### The Journey

Following the issuance of the Foreign Capital Investment Law pursuant to Royal Decree No. 50/2019, it was agreed to establish a committee headed by MoCI, with the membership of the relevant authorities, to discuss the details of the regulation and the best experiences of other countries in terms of controls and features. The committee commenced its work and finished preparing the draft and referring it to the relevant authorities to get their views, including MoLA.

The team faced several challenges related to soliciting the views of those concerned, because the law is related to all sectors that attract foreign investment. Therefore, it was decided to conduct a workshop to obtain the views of the relevant stakeholders. The team also faced another challenge, which lies in the overlapping powers of the stakeholders regarding investors.

## Moving Forward

The views of the stakeholders will be included in the regulations and issued in January 2020.

### Stakeholders

Ministry of Commerce and Industry (MoCI)	Oman Global Logistics Group (ASYAD)
The Public Authority for Investment Promotion and Export Development (Ithraa)	
The Special Economic Zone Authority at Duqm (SEZAD)	Ministry of Legal Affairs (MoLA)

## 15. Bankruptcy Law



The Bankruptcy Law will improve the business environment in the Sultanate, as it will allow companies to restructure and adapt their businesses when they face any financial challenges. "Bankruptcy" is defined as the situation in which an individual or entity submits a request for a specific legal status (declaration of bankruptcy) when they are unable to pay debts to creditors. The initiative aims at regulating the bankruptcy and insolvency processes in the Sultanate, by issuing a law whereby the entities can declare bankruptcy, with guidelines for organizing the company's debt repayment and liquidation of its assets.

Work on this draft law started in 2017, and the team continued working on it in 2018, but the KPI (the issuance of legislation and its publication in the Official Gazette) was not fully achieved, so it was moved to 2019.

### 2019 KPIs

#### 15.1 Issuance of the Bankruptcy Law

##### The Journey

Milestones	Status
Approval of the draft law by the Cabinet of Ministers and submission to the Council of Oman	The law was approved and urgently referred to the Council of Oman in May 2019.
Approval of the draft law by the Council of Oman	The law was discussed and approved in June 2019.
Issuing the law according to a royal decree and publishing it in the Official Gazette	The draft law was raised to His Majesty and issued according to Royal Decree No. 53/2019 and published in the Official Gazette on 07/07/2019.

### Stakeholders

Ministry of Commerce and Industry (MoCI)	Oman Chamber of Commerce and Industry (OCCI)
Ministry of Legal Affairs (MoLA)	The Capital Market Authority (CMA)
Cabinet of Ministers	The Central Bank of Oman (CBO)
Council of Oman	

## 16. Invest Easy



The "Invest Easy" Project is a comprehensive set of electronic services designed to provide the business community with one window for their interaction with the government, starting with the creation of a new company, to licensing activities, and ending with the submission of annual financial reports.

In the past years, the "Invest Easy" initiative aimed at creating an electronic window as one stop for the investors, through which they can register their companies and obtain the necessary licences to practise their activities. However, in 2019, the relevant parties proposed that the "Invest Easy" platform becomes an integrated project supervised by the Investment Service Centre in MoCI, and several initiatives are included under it, aiming at facilitating and accelerating the establishment of investment projects and developing the business environment in the Sultanate.

The project will encourage companies to start their commercial activities in the Sultanate, in addition to stimulating internal and external investments.

### Initiatives under "Invest Easy" project in 2019:

#### 16.1 Linking up with government bodies in terms of issuing licences and exchanging data

This initiative consists of 14 KPIs and several milestones to achieve each KPI, with the aim of linking 23 government institutions in 2019.

#### 16.2 Making the necessary improvements to the portal

This initiative consists of 3 KPIs aimed at conducting 120 improvements in various fields (such as commercial registration and licences).

#### 16.3 Improving the operational services of the portal

This initiative consists of 3 operational KPIs:

1. The average time required for issuing a commercial register is 30 minutes.
2. The average time required to approve and issue 50% of the total permits is 10 days.
3. Provide the service of submitting applications for expatriate labour through the portal.

#### The Journey

2019 witnessed great progress concerning project governance. An integrated and full-time working group was formed at the Investment Service Centre of MoCI. The CEO of the Centre was appointed in April 2019, who is also the project manager. This is the first step of its kind in the governance of the "Invest Easy" Project, as no dedicated team has been formed or a project manager has been appointed since the portal was launched.

2019 also witnessed another development related to signing the operating contract with the Estonian "Nortel" Company, where the company will technically manage the portal for 3 years, continuously

improve the services provided, train the centre's employees, and transfer knowledge to them during the contract period, which leads to enhancing the skills of Omani workforce.

As for connecting the entities to the portal, the project has made good progress, as 4 government bodies have been linked to the portal, and other parties have reached the final stages of the linking process. This came as a result of forming a new working group, focusing on developing the system, and providing the appropriate resilient environment to encourage and facilitate the linking process.

However, the project faced many challenges, most notably the overlapping of the powers of government bodies with regard to company registration. Secondly, the human resources are limited. Thirdly, each of the bodies that issue licences has a special legal framework and different procedures regarding the payment process and licensing periods.

#### Moving Forward

With the availability of the convenient environment, required infrastructure, and a dedicated team, the focus in the coming period will be to link up more than 70 government and private bodies to "Invest Easy" Portal.

#### Stakeholders

Ministry of Commerce and Industry (MoCI)	Muscat Municipality
Ministry of Transport (MoT)	Sohar Free Zone
The Ministry of Manpower (MoMP)	Salalah Free Zone
Ministry of Tourism (MoT)	Al Mazyona Free Zone
Ministry of Environment and Climate Affairs (MECA)	Oman Credit and Financial Information Centre
Ministry of Agriculture and Fisheries (MAF)	The Council of Administrative Affairs for the Judiciary
Telecommunications Regulatory Authority (TRA)	Ministry of Education (MoE)
The Special Economic Zone Authority at Duqm (SEZAD)	Ministry of Information (MoI)
Tax Authority	Directorate General of Customs at the Royal Oman Police
The Public Establishment for Industrial Estates (Madayn)	Public Authority for Craft Industries
The Public Authority for Civil Defence and Ambulance at the Royal Oman Police	Ministry of Social Development (MoSD)
Ministry of Regional Municipalities and Water Resources (MRMWR)	

## The Supreme Council for Planning

### 17. Assessment and Evaluation of Projects for Potential Public Private Partnerships (PPP)



Public-private partnership (PPP) projects are long-term contracts between the private sector and government bodies, and these partnerships can be used to develop many projects with shared responsibilities.

This initiative aims at setting rules and criteria for evaluating and screening projects that can be implemented through the partnership model between the public and private sectors, in order to reduce the burden on the government budget and improve the quality of implementation and performance. The ninth five-year development plan (2016-2020) was used as a reference to identify projects that can be implemented through partnership between the two sectors.

In 2019, the team aims at developing a methodology for qualifying partnership project files, and how to evaluate and sort them through the establishment of an electronic system.

#### 2019 KPIs

**17.1 Establishing a work methodology to qualify government project files and study their readiness for partnership with the private sector**

**17.2 Sorting and categorizing a specific number of projects with initial readiness for partnership annually**

#### The Journey

The initiative team studied the data of several government projects of a number of sectors that need the provision of their infrastructure, which were represented, as a first stage, in the sectors of health, education, transport, municipalities, agriculture and fisheries.

During 2019, the team started cooperating with an international house of expertise to provide technical advice on developing a scientific methodology as part of the internal system of the General Secretariat of the Supreme Council for Planning, to sort and select projects that are feasible for partnership with the private sector, among the list of development projects included in the ninth five-year development plan (2016-2020), in addition to applying the methodology to a specific list of projects with high viability and making preliminary feasibility reports for it as a guiding model that can be applied internally in the coming period.

#### Moving Forward

The initiative team in the General Secretariat of the Supreme Council for Planning aims to announce the projects that are qualified for implementation in partnership with the private sector, in coordination with the Public Authority for Privatisation and Partnership.

#### Stakeholders

General Secretariat of the Supreme Council for Planning	Ministry of Finance (MoF)
Government agencies responsible for government projects in the ninth five-year development plan, each according to its competence	
Public Authority for Privatisation and Partnership	

## Muscat Municipality

### 18. Enhancing Construction Permits in Muscat



The initiative aims at improving the construction permits services in Muscat Governorate and reducing the time required for issuing permits for authorising, commencement and completion of construction as indicated in the procedures manual of Muscat Municipality, which will contribute to improving the Sultanate's ranking in international indicators. The initiative is expected to be completed by the end of 2019 through reducing the average number of days in all KPIs.

#### 2019 KPIs

**18.1 Number of days to issue a construction permission licence: 21 days**

This KPI aims at reducing the average number of days to issue a construction permission licence from 27 to 21 days.

**18.2 Number of days to issue a construction initiation permit: 5 days**

Complementing the efforts made in the past year (2018), where the number of days has been reduced to 7 days, this KPI aims at reducing the average number of days to issue a construction start licence to 5 days.

**18.3 Number of days to issue a construction completion certificate: 5 days**

As a complement to the efforts made in the past year (2018), where the number of days has been reduced to 7 days, this KPI aims at reducing the average number of days to issue a construction completion certificate to 5 days.

#### The Journey

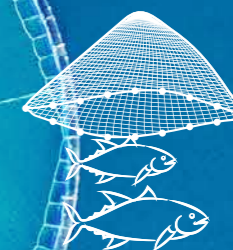
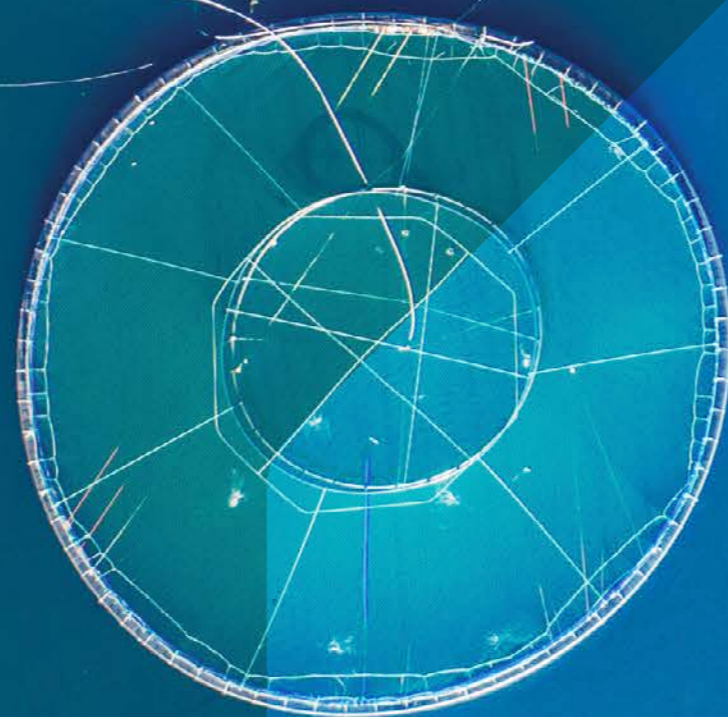
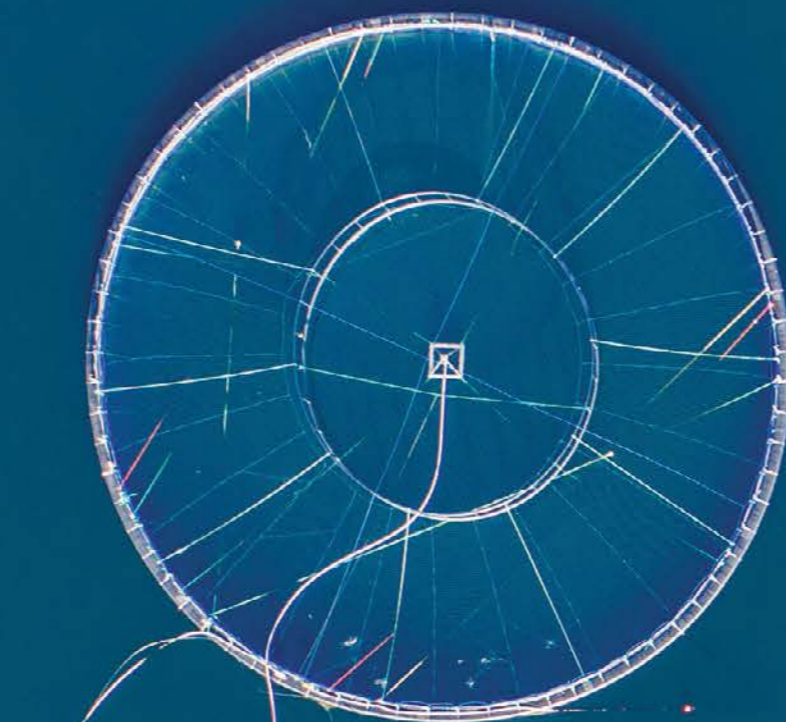
This initiative comes as a complement to the initiative of last year (2018), where a working group was formed to look into the Municipality's procedures for issuing licences and certificates. After that, the Petroleum Development Oman Company (PDO) held a three-week workshop to simplify the procedures for issuing building permits, using the "Lean" methodology for continuous improvement. A new KPI was added for the year 2019, which is the issuance of a construction permission licence, which aims at reducing the duration of procedures from 27 days to 21 days. This KPI exceeded the target, as Muscat Municipality managed to reduce the average number of days to issue a construction permission licence to 19 days.

#### Moving Forward



During 2020, the team seeks to continue improving all construction procedures and reduce the time required to obtain various permits.



#### Stakeholders

Muscat Municipality



**Fisheries**

Fisheries KPI Dashboard			
Initiative/ KPI		2019 Target	2019 Actual Achievement
<b>1</b>	<b>Commercial Fishing</b>		
1.1	Al Wusta Industrial Fisheries - Small Pelagic Fishing		
1.1.1	Start Phase 1 operations for small pelagic fishing	100%	100%
1.2	Al Wusta Industrial Fisheries - Large pelagic fishing		
1.2.1	Start construction of large pelagic commercial fishing vessels	100%	80%
<b>2</b>	<b>Artisanal Fishing</b>		
2.1	Coastal Fishing vessels		
2.1.1	Obtain licenses for 50 New Coastal Vessels	100%	100%
2.2	Modern Boats		
2.2.1	Obtain licenses for 48 New Modern Boats	100%	140%
2.3	Fishermen Villages in Sarab and Hitam		
2.3.1	Completion of Phase 1 of the consultancy study for fishermen village construction project in Hitam	100%	40%
2.3.2	Completion of Phase 1 of the consultancy study for fishermen village construction project in Sarab	100%	95%
<b>3</b>	<b>Infrastructure Projects</b>		
3.1	Development of 3 new fishing ports		
3.1.1	Tendering of construction works of Ash Shuwaimiyah Fishing Port	100%	65%
3.1.2	Tendering of construction works of Mahout Fishing Port	100%	25%
3.1.3	Tendering of design works of Dithab Fishing Port	100%	83%

Initiative/ KPI			
Initiative/ KPI		2019 Target	2019 Actual Achievement
<b>4</b>	<b>Shrimp Farming</b>		
4.1	Al Jazer Shrimp Farm		
4.1.1	Starting of conceptual designs	100%	70%
4.2	Quron Shrimp Farm		
4.2.1	Start construction of the Quarantine, and complete construction of over 50% of Quron Shrimp Farm	100%	63.25%
4.3	Khuweima Shrimp Farm		
4.3.1	Mobilisation and start of construction for Khuweima Shrimp Farming Project	100%	52%
4.4	Bar Al Hakman Shrimp Farm		
4.4.1	Complete Project Feasibility study and Submit EIA Scoping Report	100%	0%
<b>5</b>	<b>Algae Cultivation</b>		
5.1	Al Sharqiya Algae Farm by Feed Algae		
5.1.1	Starting of EIA scoping report	100%	50%
<b>7</b>	<b>Collection points</b>		
7.1	Appoint investors for 5 collection points	100%	85%
7.2	Secure 5 lands for collection points for the next phases	100%	100%

\* A sample of 30% of the KPIs were reviewed by Deloitte, and findings will be built upon in the future.

\* A number of projects might not be reflected in the dashboard above as they are under direct monitoring of specific authorities. However, ISFU follows up on their execution on a regular basis.

\* All forms of data are being continuously improved to be more representative of actual economic state. This is done in collaboration with NCSI and relevant government entities and aligned with international standards.

## Overview

Despite inherent advantages such as its 3000 km long coastline and its position as the leading fisheries producer in the GCC region, Oman's fisheries sector contributes less than 1% to the GDP, in addition to the sector being heavily reliant on artisanal fishing, contributing 99% to the total fish production. Globally, aquaculture production is nearly on par with catch, but in Oman the aquaculture industry is minuscule. Similarly, fisheries processing and exports are largely limited to raw fish and primary processing. However, with its long coastline, access to GCC markets, and potentially significant increases in production of higher-value species, there is significant potential for the industry to grow, as the sector achieved 59% growth in fish landing and the number of Omani fishermen reached 49,000 in 2018.

Based on the set plans for 2019, Fisheries sector has scored many achievements as the Ministry of Agriculture and Fisheries (MoAF) and Al Rafd have successfully signed a memo for Al Rafd to fund 20 modern boats per year. Moreover, Tenders were floated for the construction of Mahout and A'Shuwemiya fishing ports, and for the engineering designs of Dithab fishing port, where a consultant was assigned for Dithab port's designs, and the tendering process for Mahout and A'Shuwemiya is at the final stages. Also, Alwusta Fisheries Industries Company played a vital role in contributing towards increasing the amount of commercial fishing landing.

As ISFU works closely with MoAF and other initiative owners, many obstacles were resolved by this teaming strategy. In addition, ISFU has facilitated the process of obtaining approvals for the fishing ports to be taken into tendering process. The same process of following up the projects resulted in establishing shrimp aquaculture projects, collection points and fishermen villages by the Sea of Oman.

### New initiatives/projects added in 2019:

-  Alwusta Fisheries Industries Company – Large Pelagic Commercial Fishing
-  Fishermen Villages in Sarab and Hitam

## 1. Commercial Fishing



With its vast coastline, Oman has a substantial resource of fisheries that provide excellent opportunities for monetisation by commercial and artisanal fleets. By developing modern commercial fleets to serve the downstream industry, Oman can substantially increase its fisheries sector contribution to the GDP.

### 1.1 Al Wusta Industrial Fisheries - Small Pelagic Fishing

Owned by Oman Investment Funds, Al Wusta Industrial Fisheries intends to operate in the small pelagic commercial fleet-line that targets unfished species, and started trial-fishing for a period of two years in Phase 1. The fleet is targeting Horse Mackerel, an as-yet unfished small pelagic species located in Oman's Exclusive Economic Zone (EEZ). The chosen vessel is capable of netting 20,000 tonnes per year from the available 1.3 million tonnes, making a minimal impact on the stock. Meanwhile, the company will assess the true biomass and potential of this species in Omani waters.

## 2019 KPIs

### 1.1.1 Start Phase 1 operations for small pelagic fishing

the aim of this KPI is to charter a suitable vessel for 2 years of trial fishing. The success of this trial will determine the next phase's economic viability.

### The Journey

The biggest challenge the project had faced was in November 2018, and entailed finding a fishing vessel with the appropriate specifications. Once the correct vessel was selected, it sailed all the way from Spain, crossed the Mediterranean and Suez Canal, and arrived at Salalah Port on February 2019. Thereafter, the company finalised customs clearance and obtained permits and approvals. Once everything was in place, the fishing vessel commenced its operation in February 2019. It completed 12 fishing trips in 2019.

During the fishing trips, the company faced some challenges in terms of catch methods, but discussions between ISFU and MoAF resulted in positive response.

### Moving Forward

As per the plan, the company will continue its fishing trips for the trial-fishing period that will end by 2020. By the end of the trial phase, the company will analyse the collected data through its fishing trips and the results will determine whether to proceed to the next phases. Due to the seasonal variability in characteristics of the Arabian Sea, the fishing locations might change during the year, which will require approval from MoAF and facilitation from ISFU.

### 1.2 Al Wusta Industrial Fisheries - Large pelagic fishing

The plan is to develop an oceanic tuna purse seine fleet to assert Oman's rights as an Indian Ocean coastal state to avail of its tuna resources, as the migratory tuna species are being fished all over the Indian Ocean by the countries along its coast.

## 2019 KPIs

### 1.2.1 Start construction of large pelagic commercial fishing vessels

The target is to reach the stage of assigning shipyards to start constructing the requested fishing vessels.

### The Journey

Milestones	Status
Prepare Terms of Reference for the tuna vessels.	The company prepared them in January 2019.
Select the classification society.	The classification society was selected in March 2019, and serves to certify that the vessel's construction complies with relevant standards. It carries out regular surveys to ensure continuous compliance with survey standards.
Obtain MoAF approval for provisional drawing designs.	In May 2019, MoAF approved the provisional drawings, which are required to ensure they meet the Ministry's specifications.
Issue the work order for Part 1/Central Naval (engineering office)	The work order was issued.
Submit general arrangement drawings, and tender document.	They were submitted in June 2019.

Tender notification to the targeted shipyards.	The shipyards were notified in July 2019, and 6 shipyards submitted the proposals.
Test the hull tank and propeller design tank.	The milestone was completed.
Develop detailed design superstructure.	The milestone was completed.

## Stakeholders

Ministry of Agriculture and Fisheries (MoAF)	Al Wusta Industrial Fisheries Company
Ministry of Transport (MoT)	Oman Investment Fund
State General Reserve Fund (SGRF)	

## 2. Artisanal Fishing



The initiative supports and encourages artisanal fishermen to make use of modern boats and coastal fishing vessels to improve the efficiency of their fish harvesting activities. The boats allow the fishermen to explore and exploit new fishing areas outside territorial waters, and therefore serve to improve and increase their catch numbers, as well as their fish production efficiency. For 2019, the initiative targets the approval and licensing of a total of 50 new vessels for Oman's artisanal fishermen.

### 2.1 Coastal Fishing vessels

Compared to modern coastal fishing vessels designed specifically for artisanal fishing, many of the Dhows currently used by Omani fishermen are not viable for use because of their lack of catch quality, reduced stability and unsafe standards for overnight fishing. Therefore, this project aims to replace the Dhows and traditional boats with modern vessels that fulfill the fishermen's operational needs and safety requirements.

## 2019 KPIs

### 2.1.1 Obtain licenses for 50 New Coastal Vessels

## The Journey

To continue the application review/approval process that started in 2018, the responsible committee in MoAF carried out a series of monthly meetings during 2019. As a result of a new upgrade in this process, the number of applicants increased exponentially and the target set for the end of 2019 was met by Q3 of 2019. To abide by regulations, MoAF subsequently discontinued accepting further applications.

## Moving Forward

In 2020, ISFU will be supporting and following up on MoAF's target of providing licenses to a total of 70 coastal vessels and 40 modern boats.

### 2.2 Modern Boats

Fiberglass skiffs are the boats used by fishermen to access near-shore territorial waters. While these boats do have some advantages, they are expensive to operate, offer limited use for overnight trips, and tend to be unsafe in rough sea conditions. The aim of this project is to replace the fiberglass skiffs with modern boats. The designs of these new boats offer opportunities for longer overnight trips, enhanced catch quality and quantity, and reduced operating costs.

Moreover, this project plays a role as a potential pull factor to retain Omani youth that have marine or fisheries background in order for them to contribute back to the industry and receive the required training from MoAF to qualify them to use this kind of boats. However, as there are some difficulties and limitations to obtain the required funding for various fisheries related initiatives, the project aims to obtain financing through funding agencies. MoAF with ISFU's support is cooperating with Al Raffd Fund to finance the project – where applications are evaluated and qualified by MoAF, and subsequently financed.

## 2019 KPIs

### 2.2.1 Obtain licenses for 48 New Modern Boats

## The Journey

Milestones	Status
Approve 48 applications for modern boats, and issue the licenses.	Completed.

### 2.3 Fishermen Villages in Sarab and Hitam

While Oman's southern coastline is a relatively active zone in terms of fishing, the development of permanent fishing communities and accompanying infrastructure in the region has been limited. With this in mind, the aim of this project is to develop more infrastructure along this coastline, in order to attract additional fishing fleets and fishing communities. Furthermore, the project aims to support the management of fishing activity in the area by aggregating all current activities scattered around the area into more central locations – and by eradicating non-registered boats through administrative procedures and public awareness. The fishermen village developments at Hitam and Sarab will unlock the potential for more catch quantities and increased quantity and quality of fish processing activities.

## 2019 KPIs

### 2.3.1 Completion of Phase 1 of the consultancy study for fishermen village construction project in Hitam.

### 2.3.2 Completion of Phase 1 of the consultancy study for fishermen village construction project in Sarab.

## The Journey

### 2.3.1 Completion of Phase 1 of the consultancy study for fishermen village construction project in Hitam.

Milestones	Status
Obtain land approval from MoH for the development of fishermen village in Hitam.	The project faced difficulty regarding the land, however, with ISFU's efforts, the approval was obtained in April 2019.
Obtain initial approval from Minister and Undersecretary of MoAF for the tender documents.	Tender documents were approved in April 2019.
Obtain Ministry of Finance (MoF) approval for the project's budget.	The budget was approved in April 2019. ISFU contributed to obtaining the project budget approval after conducting several meetings with MoF and the Supreme Council for Planning (SCP).
Float the tender.	Completed.


### 2.3.2 Completion of Phase 1 of the consultancy study for fishermen village construction project in Sarab.

Milestones	Status
Obtain land approval from MoH for the development of fishermen village in Sarab.	Due to this land being surrounded by residential land, various challenges were faced in securing it. ISFU played a role in finding alternatives, and they successfully coordinated between MoAF and MoH to obtain the land.
Obtain initial approval from Minister and Undersecretary of MoAF for the tender documents.	Tender documents were approved in April 2019.
Obtain MoF approval for the project's budget.	The project budget was approved in May 2019. ISFU contributed directly to obtaining this approval through conducting several meetings with MoF and SCP.
Float the tender.	Completed.

## Stakeholders

Ministry of Agriculture and Fisheries (MoAF)	Tender Board
Ministry of Housing (MoH)	Al Raffd Fund
Ministry of Environment and Climate affairs (MECA)	Boat building companies

## 3. Infrastructure Projects



Through the development of Oman's ports, harbours and fishing infrastructure, this initiative ensures that a vital part of the Sultanate's fishing industry is established. Firstly, it enables traditional fishermen to continue and expand their commercial activities. Secondly, it enables them to make use of small to medium-scale modern fishing vessels to exploit resources that have been inaccessible with older boats. And thirdly, it serves to further encourage employment in Oman's modern fishing industry.

This infrastructure also brings the fish processing industry in Oman – involving everything from harvesting and landing the catch, to preserving and selling it with/without value additions – in line with international best-practice standards. In doing so, the Sultanate can successfully meet the demands of local and international markets. Looking ahead, the development of proper fisheries infrastructure in Oman is set to continue to form a key support and growth accelerator for this very important industry.

### 3.1 Development of 3 new fishing ports

A stock biomass survey carried out by MoAF revealed that an estimated 7.5 Million tonnes of fish are found in the Arabian Sea. In terms of annual fishing activity on this stock, 64% of the total catch is a result of artisanal fishing taking place in the Arabian Sea. In Oman, research indicates that the Al Wusta, Dhofar and South Sharqiyah governorates collectively see the highest harvests of fish annually, at 190 thousand tonnes. However, 60% of Oman's existing harbours are currently located on its northern coastline, far away from these regions of prolific fishing activity. As a result, 3 main areas on the central and southern coastline between Massirah Island and the Al Hallaniyat Islands have been identified to establish fishing ports and accompanying facilities – such as wholesale fish markets, boat and equipment repair facilities, cold storage, fuel stations and administration buildings etc.

## 2019 KPIs

### 3.1.1 Tendering of construction works of Ash Shuwaimiyah Fishing Port

Finalising the process of tendering and awarding the contractor for the construction of the port.

### 3.1.2 Tendering of construction works of Mahout Fishing Port

Finalising the process of tendering and awarding the contractor for the construction of the port.

### 3.1.3 Tendering of design works of Dithab Fishing Port

Finalising the process of tendering and awarding the contractor for the design of the port.

## The Journey

### 3.1.1 Tendering of construction works of Ash Shuwaimiyah Fishing Port

Milestones	Status
Float the tender by Tender Board.	Completed.
Complete and approve the technical evaluation.	Completed.

### 3.1.2 Tendering of construction works of Mahout Fishing Port

Milestones	Status
Float the tender by Tender Board.	Completed.

### 3.1.3 Tendering of design works of Dithab Fishing Port

Milestones	Status
Float the Consultancy Tender.	Successfully floated.
Complete the assessment/evaluation of tender documents for bidding of consultancy.	Port Department in MoAF analysed and evaluated the offers.
Review/award the consultant by MoAF.	Bidders' offers were revised, and consultant has been assigned.
Review the contract agreement for the contractor by Ministry of Legal Affairs (MoLA).	After several meetings coordinated by ISFU between MoAF and MoLA, the contract agreement was approved.

## Stakeholders

Ministry of Agriculture and Fisheries (MoAF)	Royal Oman Police (ROP)
Ministry of Regional Municipalities and Water Resources (MRMWR)	Haya water
Ministry of Legal Affairs (MoLA)	Rural Areas Electricity Company (Tanweer)
Public Authority of Water (Diam)	Omantel

## 4. Shrimp Farming



This initiative aims to take advantage of the ideal conditions present in Oman for shrimp farming, and to develop the Sultanate into an important shrimp producer in the region. Shrimp farming is one of the most profitable forms of aquaculture, and Oman's large swaths of usable land and easy access to clean seawater via its extensive coastline all allow for prime developments. Furthermore, studies indicate that there is an abundance of sites with the right soil, seawater and other naturally occurring conditions favorable for shrimp farming. To exploit these and other aquaculture conditions in the Sultanate, Fisheries Development Oman (FDO) is now taking the lead in shrimp farming in Oman. Four projects are being developed: Al Jazer, Quron, Khuweima and Bar Al Hakman Shrimp Farms. By the end of 2019, Quron and Khuweima projects will be in their construction phases, and the Quron project is set to begin operations in Q1 of 2020.

### 4.1 Al Jazer Shrimp Farm

Set up by FDO, Al Jazer Shrimp Farm is located in Al Wusta Governorate. The investment value of this project is around OMR 59.5 Million, and the farm will have the capacity to produce 17,600 tonnes of Indian White shrimp every year, as it becomes operational. The first harvest is expected to be in 2021.

## 2019 KPIs

### 4.1.1 Start the conceptual designs

The target for 2019 is to finalise the conceptual designs for the project, and carry out a site investigation. Once these have been achieved, the investor will be able to issue a work order to the Environmental Impact Assessment (EIA) consultant.

## The Journey

Milestones	Status
Complete topography and contour survey.	Completed.
Send Request For Proposal (RFP) to consultants for the bathymetric survey and geotechnical investigations.	The RFPs for the bathymetric survey and geotechnical investigations have been sent to bidders.
Complete geotechnical investigations.	Completed.
Obtain board approval to proceed with conceptual designs.	The board is currently studying the options whether to continue with the project or to reallocate the site since 40% of the site is not suitable for shrimp farming.
Complete bathymetric survey.	The bathymetric survey has successfully been carried out, and the report has been submitted to the company.

## 4.2 Quron Shrimp Farm

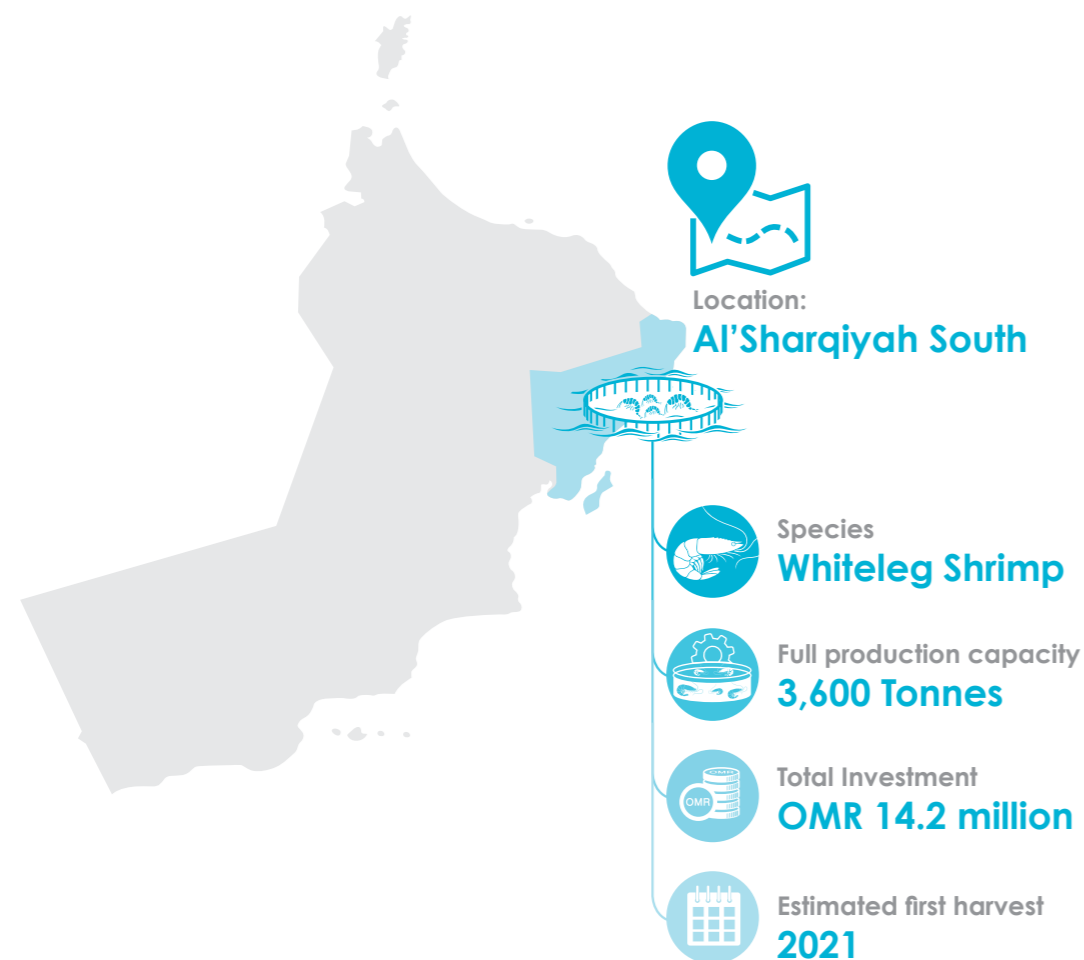
Set up by FDO, Quron Shrimp Farm is located in Al'Sharqiyah South Governorate. The investment value of this project is around OMR 14.2 Million, and the farm will have the capacity to produce 3,600 tonnes of Whiteleg Shrimp every year, once operational. The first harvest is expected to be in 2021.

### 2019 KPIs

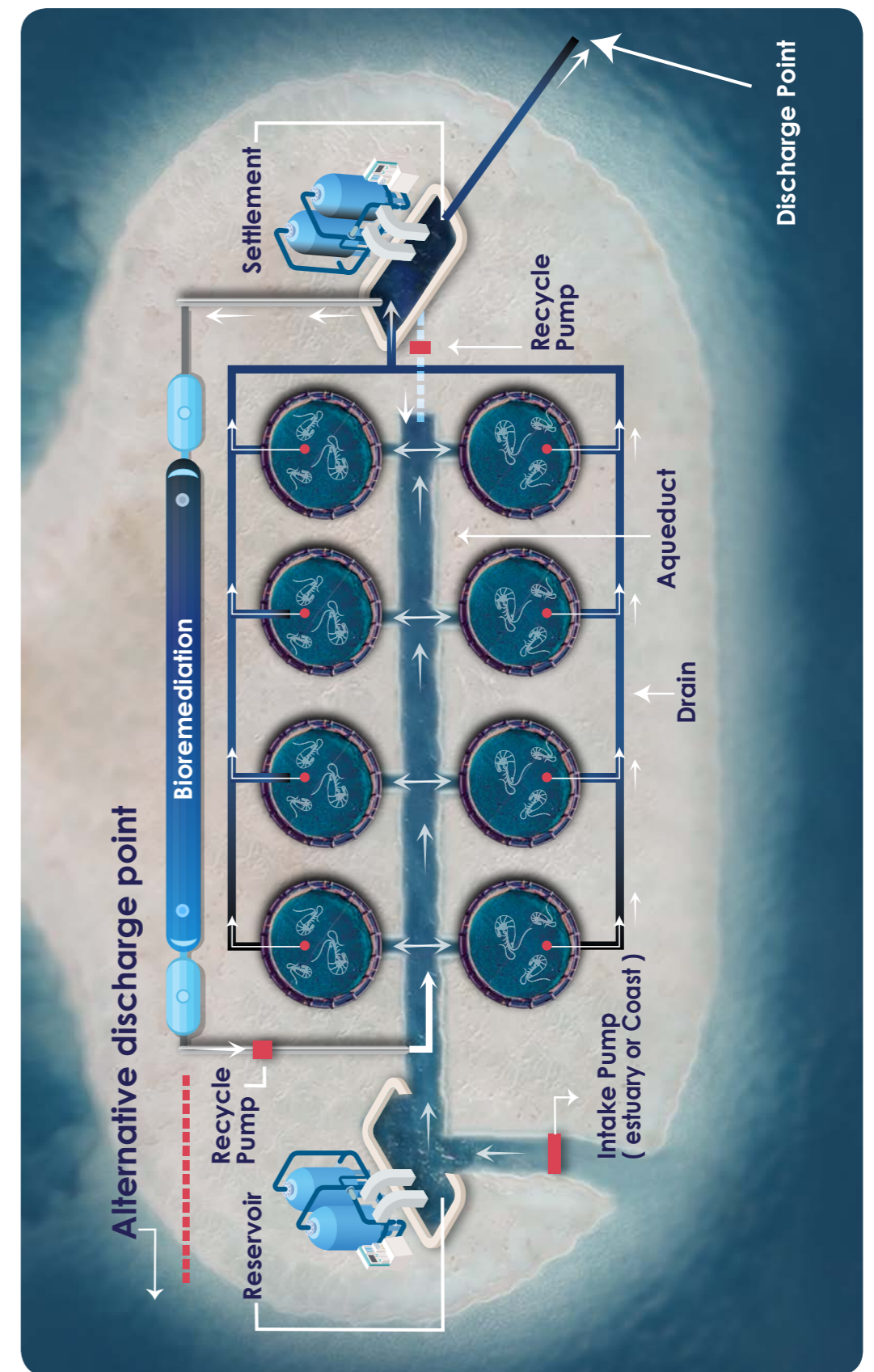
#### 4.2.1 Start construction of the Quarantine, and complete construction of over 50% of Quron Shrimp Farm

For this phase, construction of 6 main components will take place: The Quarantine Facility, Hatchery, Grow-out Ponds, Maturation Unit, Nursery, and Infrastructure Buildings.

### Project details



### Shrimp Ponds Aquaculture Layout



## The Journey

Milestones	Status
Select and approve quarantine site.	Completed.
Complete geotechnical investigations for quarantine site.	Completed.
Complete maturation unit construction (90%).	75.5% completed.
Complete hatchery construction (65%).	Completed.
Construct grow-out ponds in Block A (60%).	93% completed.
Construct nursery ponds (80%).	Completed.
Construct infrastructure buildings (40%).	93% completed.

### 4.3 Khuweima Shrimp Farm

Set up by FDO, Khuweima Shrimp Farm is located in Al'Sharqiyah South Governorate. The investment value of this project is around OMR 11.3 Million, and the farm will have the capacity to produce 3,000 tonnes of Indian White shrimp every year, once operational. The first harvest is expected to be in 2020.

## 2019 KPIs

### 4.3.1 Mobilisation and start of construction for Khuweima Shrimp Farm Project

After the detailed engineering designs are completed, the project will launch its construction phase.

## The Journey

Milestones	Status
Fence project site.	Completed.
Finalise engineering designs and Bill of Quantities.	Engineering Designs were finalised and approved.
Prepare tender documents.	Tender documents were prepared and approved.
Announce bid and issue bid documents.	The bid was announced and the company is received the offers. Negotiations with contractors are going on.

### 4.4 Bar Al Hakman Shrimp Farm

Set up by FDO, Bar Al Hakman Shrimp Farm is located in Al Wusta Governorate. This project is planned to be one of the largest shrimp farming projects in the world. For Phase 1, the investment value is expected to be around OMR 150 Million, and the farm will have the capacity to produce 43,000 tonnes of Indian White shrimp per year, once operational, and at full development, it is expected to produce more than 200,000 tonnes of shrimp. The first harvest is expected to take place in 2023.

## 2019 KPIs

### 4.4.1 Complete Project Feasibility study and Submit EIA Scoping Report

According to the 2019 plan, the investor is to assign a consultant to commence the works of site investigations as a preparation for the Environmental Impact Assessment (EIA) study. Once the site investigations are completed, an EIA consultant specialising in environmentally sensitive areas will be assigned.

## The Journey

Milestones	Status
Complete bathymetric survey.	Bathymetric survey did not take place due to difficulty in finding a consultant and, hence, hydrodynamic modelling was given priority after discussion with MECA.
Complete hydrodynamic modelling.	A consultant was assigned to prepare the hydrodynamic modelling.

## Stakeholders

Ministry of Agriculture and Fisheries (MoAF)	Ministry of Housing (MoH)
Fisheries Development Oman (FDO)	Ministry of Environment and Climate Affairs (MECA)
Ministry of Regional Municipalities and Water Resources (MRMWR)	

## 5. Algae Cultivation



Oman's unique natural environment and climate ensures that the Sultanate is ideal for farming algae stocks and tapping into a growing market that is expected to be worth USD 44.7 Billion by 2023, as more products are developed using algae as a base material. With this in mind, this initiative aims to construct Oman's first large scale capital intensive algae farm.

Algae is a fast-growing plant organism with many beneficial properties. It converts sunlight, CO<sub>2</sub>, and nutrients into organic matter that can replace many commonly used oils and animal and plant proteins. It is also an effective carbon sink, water nutrient filter, and an efficient land/water source of food and fuel energy. In addition, Algae has various applications in the biofuel, bioplastics, fertiliser, pharmaceutical, cosmetic, and nutritional supplement industries, as well as in animal and fish feed production. Moreover, as it contains a high percentage of protein and omega-3 fatty acids, Algae oil, for example, is an ideal alternative to the increasingly scarce and expensive fish oil, and in high demand in the aquaculture industry. Currently, this is the only Algae project in Oman, which is expected to be ready for EIA review at the end of 2019.

## 5.1 Al Sharqiya Algae Farm by Feed Algae

Feed Algae is a British algae farming company that has several algae farming projects in various countries. It has taken the decision to invest in Oman, and specifically at the South Al Sharqiya Governorate's Al Sharqiya Algae Farm – which will be considered one of the largest of its kind in the world once it becomes operational. The investment value of this project is around OMR 167.5 Million, and it has the capacity to produce 100,000 tonnes of Algae per year.

### 2019 KPIs

#### 5.1.1 Starting of EIA scoping report

This KPI aims to assign an EIA consultant and finalise site investigations, which will allow the EIA scoping report to commence by the end of 2019.

#### The Journey

Milestones	Status
Issue the land sketch	Land sketch has been issued by MoH. However, the investor has concerns regarding the allocated land for the project, and a meeting is being arranged with Municipal council to discuss relocation possibilities.
Obtain a Preliminary Aquaculture License (PAL) from MoAF.	MoAF issued the project's PAL.

#### Stakeholders

Ministry of Agriculture and Fisheries (MoAF)	Ministry of Interior (MoI)
Ministry of Housing (MoH)	Feed Algae Company
Ministry of Environment and Climate Affairs (MECA)	

## 6. Hatchery



The Sultanate of Oman has identified aquaculture as one of the key pillars to diversify its national economy. To achieve this objective, the formation of a commercial marine finfish hatchery is necessary, and towards this end, a marine finfish farming project has commenced in Quriyat. This will be the precursor of many more to come. Presently, marine fish seeds (juveniles) are imported, leading to higher cost of production, hence, there is a need for local produce. Once completed, Al Bustan Finfish Hatchery will be the first marine finfish hatchery in Oman.

### 6.1 Al Bustan Hatchery

Established by FDO, Al Bustan Finfish Hatchery is slated to be located in the Al Bustan area of Muscat. To be built at an investment value of around OMR 11 million, this project has the capacity of producing 40 million pieces of marine fish seeds (juveniles) per year. The first harvest is expected to be in 2020.

### 2019 KPIs

#### 6.1.1 completion of 80% construction of Al Bustan Hatchery

#### The Journey

Due to the unexpected high bids to construct the hatchery, and being in the process of merging Oman Investment Fund (OIF) with State General Reserve Fund (SGRF), the project was kept on hold by FDO until a clearer picture emerged. However, in order to meet the needs for juveniles, the company used a wet lab that belongs to MoAF to produce sufficient amount of seeds for the company. Presently, FDO is planning to construct the hatchery in the Sur Industrial Area, as this would be a more cost-effective location.

#### Stakeholders

Ministry of Agriculture and Fisheries (MoAF)	Fisheries Development Oman (FDO)
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## 7. Collection Points



In order to unlock Oman's full fishing industry potential, this initiative aims to improve general catch quality and processing standards. This will be achieved at a number of fish collection points, by establishing facilities to sort, wash, pack and auction fresh fish; supplying fishermen and trucks with flake ice; and providing data for various monitoring and tracking purposes. The target is to establish 15 collection points in the areas that experience fish landings and highest number of fishermen – but which currently lack adequate facilities.

### 2019 KPIs

#### 7.1 Appoint investors for 5 collection points

The target in 2019 is to appoint investors to 5 locations that were put up for public bidding.

#### 7.2 Secure 5 lands for collection points for the next phases

The target in 2019 is to obtain approval from MoH for 5 new lands.

#### The Journey

As this project is essentially a new concept for Oman, a number of challenges have been faced with regards to securing investment. With MoF approval, 2 locations were initially opened up for public bidding. However, these locations only received a limited number of offers from investors. Following this, 3 additional locations were opened up for bidding, bringing the total to 5. Approvals for all of the locations were obtained from MoH and MECA, and a series of workshops and meetings were held – with input from the Municipal Council – to clarify the importance of the initiative and the benefits that it will bring to the community.

#### Stakeholders

Ministry of Agriculture and Fisheries (MoAF)	Ministry of Finance (MoF)
Ministry of Environment and Climate Affairs (MECA)	Public Authority for Water (Diam)
Ministry of Housing (MoH)	Private Investors

## 8. Abalone Farming



The Golden Abalone (*Haliotis Mariae*) is considered one of the highest quality and most valuable species of Abalone in the world. Therefore, this initiative aims to produce high-value locally occurring species on a commercial scale. In 2019, the construction of two main abalone-farming projects will be initiated with the aim of sustaining the farming of Omani Abalone for local consumption, and for export to foreign markets.

### 8.1 Establish Mirbat Abalone Farm

OAC has a project that is currently in the construction phase in Mirbat, Dhofar Governorate, with an investment value of around OMR 5.7 Million. The project aims to have the capacity to produce 200 tonnes of Abalone on an annual basis, with the first harvest expected to be in 2020.

#### 2019 KPI

##### 8.1.1 Completion of farm construction

#### The Journey

Milestones	Status
Complete 100% of foundation, piping system, wall structure, and roofing.	Construction has started at the beginning of the year, but several obstacles were faced by the contractor, which caused a delay in the progress. Therefore, construction is planned to be completed by mid-2020.

### 8.2 Establish Sharbathat Abalone Farm

With Abalone farming in Oman being limited exclusively to the Dhofar Governorate, this second project – owned by Al Jazeera Investments – is located in Sharbathat. Investments in the project stand at OMR 5.6 Million, and the farm is projected to hit production figures of 450 tonnes per year, as it becomes fully operational.

#### 2019 KPIs

##### 8.2.1 Lakbi Hatchery & 50 tonne grow-out Farm Setup

This KPI involves the finalisation of the project's hatchery construction, and the installation of the grow-out ponds.

#### The Journey

Milestones	Status
Collect broodstock.	MoAF has obtained permit to collect 500 broodstock, with 400 of these already collected.
Construct Lakbi Hatchery.	Construction contractor has been assigned.
Commission hatchery.	Deep Blue Aqua has been appointed to commission the hatchery.

## Stakeholders

Ministry of Agriculture and Fisheries (MoAF)	Oman Aquaculture Company (OAC)
Al Jazeera Investments	Dhofar Municipality
Rural Areas Electricity Company (Tanweer)	Bank Dhofar

## 9. Recirculating Aquaculture System (RAS)



RAS is a land-based aquaculture system that is usually used for farming high-value species. Due to its closed system model and controlled marine environment, it is particularly advantageous in terms of low water consumption, protection against disease outbreak, and fish quality control. With its aim to enhance its aquaculture offerings for the local and international market, Oman has a number of RAS system projects in the pipeline that aim to catalyse a sustainable and high-yield fish farming industry. In 2019, this project is expected to reach the stage where all the permits and licenses are obtained, so construction of the various sites could be initiated in 2020.

### 9.1 Fins Salmon project by AquaSite

One of the key projects of this initiative – scheduled for development in Qurayat/Muscat – sees the Norwegian aquaculture company AquaSite investing around OMR 46 Million. The project has the capacity of producing 20,000 tonnes of Salmon (considered a high-value species) per year, with the first harvest expected to be in 2021.

#### 2019 KPIs

##### 9.1.1 Fins Salmon RAS: Finalise the Feasibility study

After the EIA has been approved by MECA, and once the land usufruct is signed, the investor's finalisation of the technical and financial feasibility study will be the only remaining step.

#### The Journey

Milestones	Status
Obtain approval to construct the site's electrical power supply.	The approval has been obtained.
Sign the land usufruct.	As a foreign direct investment project, an approval to sign the usufruct was requested and obtained from the Cabinet of Ministers, while the industrial license was received from Ministry of Commerce and Industry (MoCI).

## Stakeholders

Ministry of Agriculture and Fisheries (MoAF)	Ministry of Commerce and Industry (MoCI)
Ministry of Housing (MoH)	AquaSite Company

## 10. National Aquaculture Health Management



With several large-scale aquaculture projects either under construction or in the development stages in Oman, the country is getting set to establish itself as an important player in the rapidly-evolving global aquaculture market. At the same time, the Sultanate realises that aquafarming operations need to be carefully managed and under a rigorous set of regulations to avoid potential drawbacks, such as loss in stock due to disease outbreaks. Therefore, to ensure the long-term sustainable development of the sector, MoAF collaborated with the British Centre for Environment, Fisheries and Aquaculture Sciences (CEFAS) in 2019 to build up a new regulation plan for the aquaculture industry in Oman. This new plan is specifically applied to the quarantine and specialised laboratories.

### 10.1 National Aquaculture Health Management

Before processing these new regulations, the decision was taken to first enhance the capacity of MoAF to regulate the development of the aquaculture industry. This is set out in 2 phases: Phase 1 involves revising the current regulations and guidelines as well as providing plans for training and facilities development. Phase 2 involves the implementation of these new regulations.

#### 2019 KPIs

##### 10.1.1 Finalising the agreement with British Centre for Environment, Fisheries and Aquaculture Sciences (CEFAS)

The main target for 2019 is finalising the signing of the agreement/contract between MoAF and CEFAS. This will subsequently facilitate the National Aquaculture Health Management regulations processing.

#### The Journey

Milestones	Status
Carry out contract signing between MoAF and CEFAS.	MoAF, MoF and CEFAS are working on the details of the agreement.
Upgrade the existing laboratories based on the new plan of regulations.	The plan has been delivered to MoAF, and the upgrading is in progress.
Train staff on the new regulations.	A number of MoAF's staff in Aquaculture Centre have been nominated for training.

## Stakeholders

Ministry of Agriculture and Fisheries (MoAF)	Ministry of Legal Affairs (MoLA)
British Centre for Environment, Fisheries and Aquaculture Sciences (CEFAS)	

## 11. Developing skilled Fisheries labour via Private sector led training



The aim of this initiative is to ultimately provide the manpower that Oman's fast-growing fisheries and aquaculture industries will no doubt require in the future. This is being achieved by improving the existing training programmes in Oman's fisheries sector through providing a link between the public and private sectors: Firstly, for the development of training programmes through the formation of an Industry Advisory Panel (IAP), and secondly, for ensuring students get on-the-job practical training. Additionally, the initiative will contribute to establishing best-practices and occupational standards for Oman's fisheries industry. These will subsequently act as clear guidelines to companies and training institutes seeking to align themselves with the industry.

### 11.1 Implement revised training programmes in Vocational College of Marine Science in Al Khaboura

Through a public/private sector collaboration, this initiative aims to improve the current training programmes available at the Vocational College of Marine Science in Al Khaboura. Specifically, this is being achieved by placing a critical focus on practical, on-the-job training. In the long term, it is important that the fisheries industry's needs are aligned with the national guidelines. The initiative, therefore, also plans to develop occupational standards for the industry.

#### 2019 KPIs

##### 11.1.1 Finalising the process of revising the training programmes and modifying the curriculum

#### The Journey



Milestones	Status
Identify learning outcomes for each specialisation.	The advisory panel has carefully matched the learning outcomes for each specialisation.
Identify suitable courses and timelines for each curriculum, and provide a comprehensive description of each course.	The courses and timelines were identified and closely aligned with the targeted outcomes; and the course descriptions have been provided and implemented.



#### Stakeholders

Ministry of Manpower (MoMP)	Vocational College of Marine Science in Al Khaboura
Ministry of Agriculture and Fisheries (MoAF)	Private sector (Industry Advisory Panel)



Energy

Energy KPI Dashboard			
Initiative/ KPI		2019 Target	2019 Actual Achievement
<b>2</b>	<b>Sahim II</b>		
2.1	Pre-rollout preparatory work (Sahim II)	100%	78%
<b>3</b>	<b>Ibri II Solar IPP</b>		
3.1	Execution of Power Purchase Agreement (PPA)	50%	50%
3.2	Appointment of Supervisory consultants	10%	10%
3.3	60% completion of Engineering work	40%	14%
<b>4</b>	<b>Solar 2022</b>		
4.1	Submission of Statement of Qualification (SOQ)	100%	110%
<b>5</b>	<b>Tanweer 11 Site Hybrid System</b>		
5.1	Release Request for Proposal (RFP) to the prequalified bidders	100%	100%
<b>6</b>	<b>Dhofar Wind</b>		
6.3	Commissioning & Commercial operating of Dhofar Wind	100%	100%
<b>7</b>	<b>Wind 2023</b>		
7.1	Contract award for Wind Resource Assessment	85%	85%
7.2	Commencement of installation for Wind Resource Assessment	15%	10%
<b>8</b>	<b>Waste-to-Energy Project</b>		
8.2	Submission of Statement of Qualification	100%	20%
<b>9</b>	<b>North-South Interconnector</b>		
9.1	Duqm: Approve the route, and prepare the Engineering, Procurement and Construction (EPC) tender documents	70%	74%
9.2	Nahadah: Float and receive the Engineering, Procurement and Construction bids	30%	36%

			
Initiative/ KPI		2019 Target	2019 Actual Achievement
<b>10</b>	<b>Energy Auditing and Retrofitting Project</b>		
10.1	Establishment of Working Model for Energy Services Companies (ESCOs)	100%	85%
<b>11</b>	<b>Appliance Standards Project</b>		
11.1	Implement energy efficiency labels for air conditioners	50%	50%
11.2	Issue technical standards and specifications for electrical appliances. (For example: Heaters, lightings, washing machines, refrigerators and freezers)	50%	35%
<b>13</b>	<b>National Environmental Policy for the Energy Sector (NEPES)</b>		
13.1	Complete the Realisation of Oman's National Environmental Policy for the Energy Sector	100%	74%

- \* A sample of 30% of the KPIs were reviewed by Deloitte, and findings will be built upon in the future.
- \* A number of projects might not be reflected in the dashboard above as they are under direct monitoring of specific authorities. However, ISFU follows up on the execution on a regular basis.
- \* All forms of data are being continuously improved to be more representative of actual economic state. This is done in collaboration with NCSI and relevant government entities and aligned with international standards.

## Overview

As the Sultanate continues its efforts towards reducing dependability on fossil fuels, and exploiting renewable energy technologies, the country finds itself in a position to leverage its abundance of solar and wind potential as alternative resources for energy. This, along with several other factors, make the Sultanate an attractive environment for renewable energy investment. In line with this trend, the country is seeking diversification of energy sources by considering alternative energy and improving the energy efficiency to cater for the load growth. A national target of 30% non-gas sources was set to be achieved by 2030.

To achieve this, the energy sector has been consistently developing, resulting in the achievement of several accomplishments during the year of 2019. This includes several major energy projects such as Dhofar Wind project, which has been commercially operated. This operation is considered the first step towards exploiting renewable energy in the Sultanate to achieve the energy diversification target. Additionally, appliance standards for air conditioners have been completed and issued, and this will enhance energy efficiency.

Moreover, the National Environmental Policy for Energy Sector (NEPES) project was completed, which will facilitate the environmental aspects related to the sector.

ISFU played a significant role in supporting renewable energy and efficiency related projects. The provided support varies from connecting the stakeholders and expediting coordination, to obtaining the required approvals and permits, and unlocking challenges that face the projects.

## Renewable and Alternative Energy

### 1. Amin Solar



Amin Solar project, owned by Petroleum Development Oman (PDO), is the first large-scale solar project in the Sultanate of Oman. It is located in the PDO concession area in Amin, which is in the southern region of Oman approximately 210 kilometres north-west of Salalah.

With a power generation capacity of 100 megawatts (MW), it will be playing a key role in alleviating the dependency on gas to generate electricity in Oman, and also reduce CO<sub>2</sub> emissions by around 137,121 tonnes annually.

This is the first Independent Power Producer model that PDO is implementing in its operations, in which PDO will purchase the generated energy directly from the developer. It follows on from a competitive tendering process and contractual framework development in-line with other Independent Power Producer models carried out in Oman.

### 2019 KPIs

#### 1.1 Signing Power Purchase Agreement

PDO is to sign the contract agreement with the developer to purchase the generated power under Power Purchase Agreement.

#### 1.2 Complete Engineering & procurement

Deliver the design packages for the project.

#### 1.3 Site Mobilisation & Construction

Start the civil, electrical and mechanical construction activities, with a target for the completion of the final phase being the beginning of 2020.

### The Journey

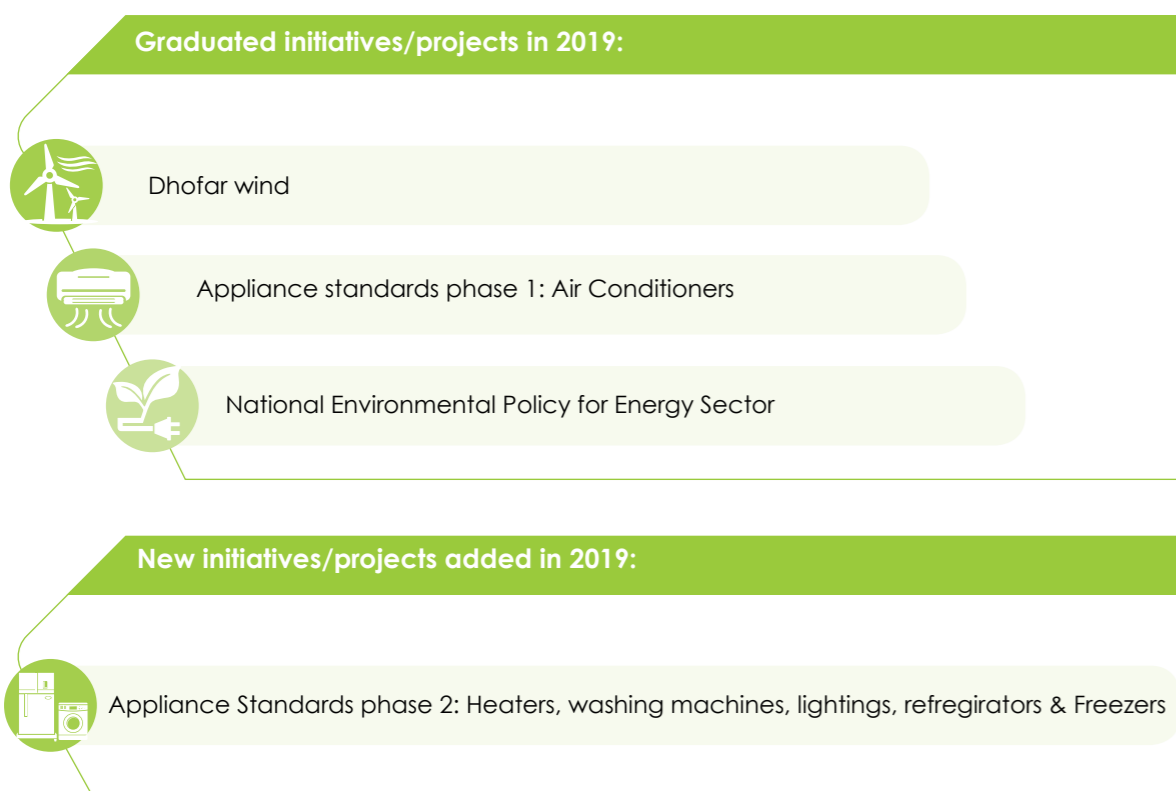
The project was awarded in 2018 to the Marubeni Consortium – comprising Japan's Marubeni Corporation as the lead founder, as well as Oman Gas Company (OGC), Bahwan Renewable Energy Company, and Nibras Power. PDO signed the contract agreement with the developer to purchase the generated power under Power Purchase Agreement (PPA), which is a new model that PDO is following.

Following this and other agreements between the stakeholders, the project progressed as planned into 2019 – with the scope including engineering, procurement and construction, all the permits and approvals were obtained before the project commenced construction.

One of the key milestones successfully achieved for 2019 was the delivery of the design packages for the project and procurement of equipment.

### Moving Forward

The construction activities will continue into 2020 before testing and commissioning will be undertaken to ensure the readiness of the plant. It is scheduled to be ready for commercial operations by Q2 of 2020.



## Stakeholders

Petroleum Development Oman (PDO)	Ministry of Housing (MoH)
Ministry of Environment and Climate Affairs (MECA)	

## 2. Sahim II



In-line with similar solar projects in Oman, Sahim II project, aims to add an additional green energy supply for the Sultanate and provide further opportunities for SMEs and the supply chain as a whole, as it gets ready to be completed in 2020.

Launched in 2017, the project enabled the installation of solar PV systems for customers' personal energy supply. Phase 2 of the project introduced a new mechanism that enables private developers to procure, install and operate the solar PV systems on residential premises – instead of the customers themselves.

## 2019 KPIs

### 2.1 Pre-rollout preparatory work (Sahim II)

This KPI consists of a set of preparatory milestones such as creating a monitoring system, regulatory and contractual framework, and carrying out various technical tasks – in order to facilitate the roll-out of small-scale solar PV systems on the rooftops of potentially up to 3,000 residential buildings in Muscat Governorate during the pilot stage.

### The Journey

This project was introduced by AER in order to reduce Oman's reliance on conventional energy resources. Due to its critical importance, it was endorsed during the Energy Lab in 2018.

A regulatory framework has been developed, and a contract has been signed with a technical advisor who recommended the appropriate technology for the project, and assisted in preparing the relevant procurement documents.

AER also contracted 2 more entities to assist in pushing the project ahead. The first contract was to carry out the development of a monitoring platform to register all PV systems and provide real time performance updates. The second was with a local web and mobile application developer, who helped build and launch the Sahim Android and iPhone mobile application for the general public.

The project faced some technical challenges that slightly impacted the progress of the project and shifted the finalisation of Sahim II to 2020.

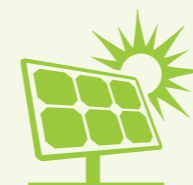
### Moving Forward

By 2020, AER with the support of ISFU will continue finalising the overall model of Sahim II.

## Stakeholders

Authority for Electricity Regulation (AER)

## 3. Ibri II Solar IPP



As the Ibri II Solar IPP project, owned by Oman Power and Water Procurement company (OPWP), is scheduled to be operational by the second half of 2021, it will be set to deliver a peak generation capacity of 500 MW – which will be enough to supply an estimated 33,000 houses with electricity, and enough to offset 340,000 tonnes of CO2 emission per year.

This is the first large-scale solar project with this capacity for generating electricity being synchronised with the Main Interconnection System. Not only will it encourage renewable energy facilitation (the feasibility of which has been proven through various studies) – it will also open the door to more large-scale solar energy projects that can embrace the abundance of solar energy available in Oman. The target capacity of 500 MW will be generated using PV technology.

## Highlights of the Project



Generation Capacity:  
**500 MW**

Location:  
**Ibri**



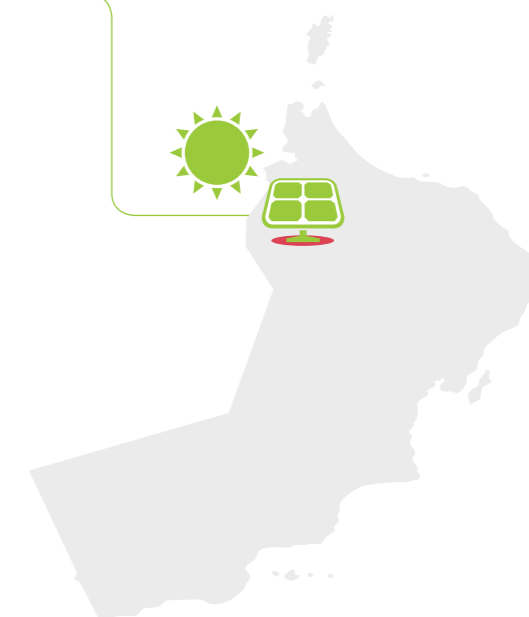
Land Area:  
**12,100 M<sup>2</sup>**

Offsetting CO2 Emissions:  
**340,000 Tonnes/year**



Electricity Supply:  
**33,000 Houses**

Operation:  
**2021**



## 2019 KPIs

### 3.1 Execution of Power Purchase Agreement (PPA)

### 3.2 Appointment of Supervisory consultants

### 3.3 60% completion of Engineering work

#### The Journey

The main target for the Ibri II Solar IPP in 2019 was to award the project and start the engineering activities. A competitive bidding process was conducted, and proposals from 3 bidders were received: A consortium led by Abu Dhabi Future Energy Company (Masdar), a consortium led by Marubeni Corporation, and a consortium led by ACWA Power.

Following a detailed financial, technical and legal evaluation of the bid proposals, the project was awarded to the consortium comprising Saudi-based ACWA Power, Kuwait-based Gulf Investment Corporation and Kuwait-based Alternative Energy Projects Co. The PPA was signed with the awarded consortium in Q2 of 2019.

The Energy Steering Committee played a key role in accelerating various tasks to facilitate awarding the project. ISFU also played a key role in securing the project site with other stakeholders. Overall, the collaboration between OPWP, AER, Authority Delivery Unit and ISFU achieved an acceleration of some of the project's major milestones.

#### Moving Forward

With the engineering phase having begun in 2019, the developer will continue into 2020 with the development of the design package. Following this, the construction activities will continue through until 2021 in which commercial operations are scheduled to begin.

#### Stakeholders

Oman Power and Water Procurement Company (OPWP)	Authority for Electricity Regulation (AER)
Oman Electricity Transmission Company (OETC)	Ministry of Housing (MoH)
Ministry of Environment and Climate Affairs (MECA)	

## 4. Solar 2022



Solar 2022 IPP, owned by Oman Power and Water Procurement company (OPWP), is another significant step forward for the Oman energy sector's target.

The development process of Solar 2022 was initiated in Q1 of 2019 and a detailed analysis on the technical aspects as well as the procurement methodology of the project was carried out. OPWP decided to merge the procurement of the two solar projects i.e. Solar 2022 and Solar 2023.

Each project will have a capacity of between 500 MW and 600 MW, and both projects will be located in Al-Dakhiliyah Governorate. Overall, the project is still in its development stage as OPWP completed the pre-qualification process in December 2019.

## 2019 KPIs

### 4.1 Submission of Statement of Qualification (SOQ)

#### The Journey

Milestone	Status
Appoint the Project Advisors.	At the beginning of 2019, the project's advisors were appointed to support the procurement process.
Submit the Request for Qualification (RFQ) to AER.	Completed.
Release the RFQ.	Completed.
Receive the Statement of Qualification (SOQ) submissions.	The SOQ submissions have been received. OPWP completed the evaluation of the SOQs and announced the pre-qualified Applicants.

#### Stakeholders

Oman Power and Water Procurement Company (OPWP)	Nama Holding
Authority for Electricity Regulation (AER)	Ministry of Housing (MoH)
Oman Electricity Transmission Company (OETC)	Ministry of Environment and Climate Affairs (MECA)

## 5. Tanweer 11 Site Hybrid System



Tanweer currently operates 34 diesel power plants in rural and isolated parts of the country. With individual capacities ranging from less than 1 MW up to 80 MW, these collectively serve around 38,000 customers. However, as a planned hybrid energy system, it works with a capacity of 48 MW solar power plants in order to alleviate fuel demand for the diesel plants, while aligning with the government's move towards energy diversification. In addition, the solar power plants will provide a cost-reduction benefit for the Rural Areas Electricity Company SAOC (Tanweer).

A total of 11 solar power sites are scheduled for development at Musandam, Duqm, Al Jazir, Dhofar, Masirah, Ibri and Jalan Bani Bu Ali.

Once operational, the solar power sites will reduce the need for diesel fuel used in the power stations, reduce overall operational and maintenance costs, and ultimately contribute to Oman's energy generating strategy.

## 2019 KPIs

### 5.1 Release Request for Proposal (RFP) to the prequalified bidders

#### The Journey

In 2019, Stage 2 of the project was initiated by preparing the tender documents, prequalification of bidders, and the process of securing land for the plants.

Rural Areas Electricity Company SAOC (Tanweer) worked with the assigned advisor to prepare the Power Purchase Agreement (PPA) and Request for Proposal (RFP), which includes the entire scope of requirements that would need to be carried out by the selected developer.

The RFP, received in July 2019 for floating, was submitted to AER for approval. Then, Tanweer released the RFP to the pre-qualified bidders in December 2019.

As the project utilises hybrid solar/diesel technology, there were some technical challenges which caused a delay in the timeline of the project. This was expected with a project of this nature, however, with collaboration between Tanweer and AER, the challenges were resolved and the overall project timeline for 2019 was not interrupted.

As with similar renewable energy developments, various challenges were also faced with regards to acquiring the appropriate land for the project. This was due to the large areas required, and due to some areas overlapping with other business operations. ISFU, together with the Steering Committee, played a significant role in resolving the matter with Tanweer and other stakeholders such as Ministry of Housing (MoH), Ministry of Defence (MoD), Ministry of Environment and Climate Affairs (MECA) and Ministry of Oil and Gas (MOG). This was achieved through meetings and daily follow-ups with stakeholders, site visits, and addressing the matter to MoH to accelerate the process. The result was that 11 of the sites were secured.

#### Moving Forward

In 2020, contract will be awarded to the selected developer, and the engineering and construction activities will be initiated.

#### Stakeholders

Rural Areas Electricity Company SAOC (Tanweer)	Ministry of Housing (MoH)
Authority for Electricity Regulation (AER)	Ministry of Defence (MoD)
Ministry of Environment and Climate Affairs (MECA)	Ministry of Oil and Gas (MOG)

## 6. Dhofar Wind



As the first large-scale wind farm in the GCC region to become operational, the Dhofar Wind project represents a significant shift towards clean and renewable energy generation not only in the Sultanate of Oman, but also in the region. This project is a result of the mutual cooperation between Tanweer and Abu Dhabi Future Energy Company "Masdar" and it is located in Fatkhait, Dhofar Governorate.

The total production capability of the plant will reach up to 50 MW of clean energy, capable of producing 160 gigawatts per hour annually. This can cover the energy consumption of approximately 16,000 houses in Dhofar. The plant also helps to reduce CO2 emissions by 110,000 tonnes annually, through installing 13 wind turbines (3.8 MW each) to generate clean energy.

## 2019 KPIs

### 6.1 Complete Engineering of the project

The engineering phase is to deliver the design packages for the whole project that are required for the construction stage. Procurement of the equipment is also considered part of this phase.

### 6.2 Complete Construction of the project

This post-engineering construction phase for the project is based on the delivered design schedule; and includes 13 turbines along with the electrical substation, civil work, and overhead lines.

### 6.3 Commissioning & commercial operating of Dhofar Wind

After construction, system testing for the plant is required to ensure it functions properly, and ensure that any apparent issues are rectified. The commissioning is the last stage before the plant's commercial operations are set to start in November 2019.

#### The Journey

In 2019, the project progressed successfully with the engineering, procurement, construction, testing, and commissioning phases.

Regarding the design packages that were delivered for the wind turbines, electrical substation, civil work and overhead lines; Tanweer coordinated with Oman Electricity Transmission Company (OETC) and PDO to interface with the existing power grids. As part of the engineering stage, all the equipment had been procured, and construction activities were carried out throughout the year. Post-construction, the testing and commissioning phases subsequently went ahead to ensure the plant was viable for commercial operations, which currently fall under Tanweer.

Some technical challenges were faced with the interfaces during the engineering phase, but they were resolved between the stakeholders with the support of ISFU.

## Moving Forward

The project became commercially operational by the end of 2019, and has successfully graduated from the Energy Dashboard.

### Stakeholders

Rural Areas Electricity Company SAOC (Tanweer)	Oman Power and Water Procurement Company (OPWP)
Abu Dhabi Future Energy Company (Masdar)	Ministry of Environment and Climate Affairs (MECA)
Oman Electricity Transmission Company (OETC)	Royal Oman Police (ROP)
Authority for Electricity Regulation (AER)	Petroleum development Oman (PDO)

## 7. Wind 2023



As part of its commitment to secure the national target, OPWP plans to carry out a number of wind energy projects over the next 7 years.

While solar energy is an obvious source of renewable energy for Oman, wind energy also has huge potential as an energy provider for the country. With Oman's coastline consistently receiving strong winds through the year, the decision was taken to establish 100 MW to 200 MW capacity wind farm projects in 7 key locations: Sur, Jaalan Bani Bu Ali, Duqm-1, Duqm-2, Al Jazir, Shaleem and Sadah.

Besides their energy provision benefits, these wind farms will also further boost the government's commitment to reduce greenhouse gases.

### 2019 KPIs

#### 7.1 Contract award for Wind Resource Assessment

The Wind Resource Assessment process involves gathering site parameters such as wind speed, turbulence and temperature for at least one year using Met Mast. This process is necessary in order to select the optimum location with the highest wind resources, in order to develop the most efficient design that would enable maximum power capacity. The site measurement will be carried out by a specialised contractor who was selected by OPWP through an open competitive tender.

#### 7.2 Commencement of installation for Wind Resource Assessment

Following the awarding of the contract for Wind Resource Assessment, the selected bidder is to commence the work. This will entail on-site mobilisation, followed by the installing of the Met Mast at the prioritised sites: Sur, Jaalan Bani Bu Ali, Duqm-1 within Special Economic Zone in Duqm (SEZAD), Duqm-2, Shaleem & Sadah. The relevant site parameters would then be measured for at least 12 months.

## The Journey

Following on from 2018, the granting of the Duqm-1 (within SEZAD) and Duqm-2 sites have been secured. ISFU and OPWP also successfully obtained the required environmental clearances for the project from MECA.

One of the main achievements for 2019 was awarding the wind resources assessment contract and it was initiated during Q4 of 2019. This means that the project can continue with the measurement of the wind parameters, which in turn will be analysed to determine each site's optimum location to leverage the full potential of the available wind resources. These parameters will also indicate the power capacity potential for each site.

As expected with a renewable energy project of this nature, some challenges were confronted relating to the securing of the large sites overlapping with business operations of entities such as SEZAD, and the oil and gas activities associated with MOG. However, ISFU played a significant role in coordinating and facilitating discussions with stakeholders – including MoH, MOG and SEZAD – to secure the 7 sites, and obtain the environmental permits from MECA.

The only site which has not yet been secured is Al Jazir. Nevertheless, this site does not form part of the first phase of the Wind Resource Assessment, therefore, it is not a priority. Further to securing this site, The National Center for Statistics & Information (NCSI) was approached for access to the national geographical map, which would support OPWP's decision to adjust Al Jazir site's orientation.

### Moving Forward

In 2020, the focus will be to gather site information and carry out wind resource assessments, which will be analysed for further engineering of the project. The qualification process for the project is set to take place in Q4 of 2020 and the project's commercial operations are scheduled to begin in Q4 of 2023.

### Stakeholders

Oman Power and Water Procurement Company (OPWP)	
Authority for Electricity Regulation (AER)	Ministry of Housing (MoH)
Oman Electricity Transmission Company (OETC)	Ministry of Environment and Climate Affairs (MECA)
The Special Economic Zone in Duqm (SEZAD)	Ministry of Oil and Gas (MOG)

## 8. Waste-to-Energy Project



Currently, Oman manages its municipal waste through the use of engineered landfill sites. However, with the expected increase in municipal waste generation in Oman reaching 4.1 Million tonnes by 2040 due to the increase in population and projected economic growth, the viability of an opportunity to maximise value creation from waste/bio-waste has been researched.

Oman Environmental Service Holding Company (Be'ah) conducted an economic feasibility study for the project in 2017. OPWP subsequently updated the technical and economic aspects of the feasibility study in 2018 with a focus on Waste to Energy Independent Power Plants, considering its strategic input to the fuel diversification sought by the electricity sector and building upon the studies and data existing with Be'ah.

The proposed result of Waste to Energy project would foresee a minimum of 100 MW capacity of electricity generated from waste, as the project becomes operational by 2025.

### 2019 KPIs

#### 8.1 Appointment of Project Advisors

In 2019, OPWP is to assign the advisors to support the project's legal, financial and technical aspects.

#### 8.2 Submission of Statement of Qualification

Like any other project process of OPWP, the Request for Qualification (RFQ) is needed to evaluate the qualifications of parties interested in obtaining the contract for the project. This stage will form an initial pre-qualification prior to the Request for Proposal (RFP).

#### The Journey

The procurement of the first Waste to Energy project in Oman requires careful investigations and analysis to ensure proper set-up of the project, especially when taking into account the high investment cost required for the project. Therefore, and following AER's approval of the feasibility study conducted by OPWP, the definition stage of the procurement process for a Waste to Energy project in 2019 was initiated.

However, due to the unique nature of the project and the involvement of various stakeholders, the project encountered delays and the milestones targeted for completion in 2019 were temporarily placed on hold. The ultimate concern is that the project should be economically viable for Oman and bankable for the investors. ISFU has been collaborating with all of the stakeholders – OPWP, AER, MOG, MoF and Be'ah – on the most suitable way forward for the project.

The project contractual framework outlining the procurement approach has also been escalated, for advice on how to successfully move ahead. Nevertheless, OPWP & Be'ah are continuing the development of the project including securing site, environmental permits and other technical aspects.

## Moving Forward

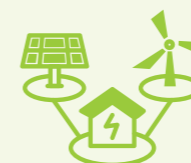
By 2020, the RFQ will be issued to the market, and the RFP will be released to the qualified bidder.

### Stakeholders

Oman Power and Water Procurement Company (OPWP)	Authority for Electricity Regulation (AER)
Oman Environmental Services Holding Company (Be'ah)	Haya Water
Ministry of Environment and Climate Affairs (MECA)	Ministry of Oil and Gas (MOG)
Oman Electricity Transmission Company (OETC)	Ministry of Finance (MoF)

## Grid Enhancement and Efficiency

### 9. North-South Interconnector



As the North-South Interconnector is set to integrate 4 key energy-infrastructure systems in Oman, this project is of vital strategic importance for the Sultanate. These 4 systems include the Main Interconnected System (MIS), PDO, Tanweer, and Dhofar Power Company (DPC).

The project will be an approximately 1,000 kilometre-long connection of key energy infrastructure points that will provide Oman with significant economic and environmental benefits. As it interconnects the north of Oman to its south, it will also serve as a base for attracting FDI (Foreign Direct Investment) into areas such as Duqm.

### 2019 KPIs

#### 9.1 Duqm: Approve the route, and prepare the Engineering, Procurement and Construction (EPC) tender documents.

#### 9.2 Nahadah: Float and receive the Engineering, Procurement and Construction bids.

#### The Journey

The North-South Interconnector is considered one of the most important projects for Oman's energy infrastructure. Following on from 2018, the route plan was revisited and shifted from its original coastal line to a new inland route through the PDO concession area. This revision was carried out without causing any delay in the project's progress, and it ensured that the line would leverage maximum benefits for the Sultanate once complete.

OETC together with PDO have proceeded with the re-routing and continued with the rest of the project development. PDO also applied for a further two connections for Barik and Swihat, in order to link the finished route all the way through to Duqm. Moreover, aligned with the technical/financial evaluation for both Duqm and Nahadah, the consultancy services contracts were awarded to the selected bidders. The Nahadah tender was also floated and OETC received the EPC bids.

Most of the challenges faced by the project were associated with the substation land within SEZAD – where some of this substation's development requirements caused inconveniences to various stakeholders, due to the nature of their business. However, ISFU along with the Authority Delivery Unit intervened to find appropriate solutions for each of these inconveniences.

### Moving Forward

By 2020, the engineering, procurement and construction work for both Duqm and Nahadah will begin.

### Stakeholders

Oman Electricity Transmission Company (OETC)	Authority for Electricity Regulation (AER)
Oman Power and Water Procurement Company (OPWP)	Petroleum Development Oman (PDO)
Rural Areas Electricity Company SAOC (Tanweer)	The Special Economic Zone Authority of Duqm (SEZAD)

## 10. Energy Auditing and Retrofitting Project



Currently in Oman, the opportunity exists for many governmental buildings with high energy demands to be retrofitted with energy efficient technology.

AER initiated an Energy Auditing project for governmental buildings, and the results showed significant potential for energy savings, and this subsequently led AER to pursue the Auditing and Retrofitting programme.

This programme aims to audit and retrofit Government Cost Reflective Tariff (CRT) buildings, reduce energy demand by utilising the Energy Services Companies (ESCO) model to increase the level of energy efficiency in the government sector.

Implementing the ESCOs model can lead to a potential savings in total energy consumption in the range of 25% to 40%, taking into consideration the applicable Energy Conservation Measures (ECMs) for each building. Therefore, the first phase of ESCOs model has been rolled-out for 14 buildings and this was conducted simultaneously with the development of new renewable energy projects in Oman.

### 2019 KPIs

#### 10.1 Establishment of Working Model for Energy Services Companies (ESCOs)

### The Journey

Milestone	Status
Award the Consultancy Service.	The Consultancy Service for a National Energy Efficiency Programme was awarded to the Danish Energy Management A/S in February 2019.
Finalise Report 1 (Working Model) for AER's approval.	The consultant finalised a draft of the working model (Report 1) for AER's approval in March 2019.
Finalise Report 2 (Programme Roll-out Design) for AER's approval.	The consultant finalised and submitted a draft of the programme roll-out design (Report 2) to the AER for review.
Issue the RFPs for ESCO.	Completed.
Appoint the ESCO.	Work is still in progress, due to facing challenges in gathering information from some government entities. However, it will be achieved early 2020.

### Stakeholders

Authority for Electricity Regulation (AER)	Ministry of Finance (MoF)
The selected 14 CRT Government Entities	

## 11. Appliance Standards Project



This project aims to develop prescribed efficiency standards for electrical appliances such as air conditioners, lights and refrigerators in the Sultanate.

These efficiency standards will serve to rationalise the power consumption of these appliances, while also improving their environmental performance. In essence, the project seeks to improve energy consumption, which would in turn decrease the demand on Oman's energy resources.

### 2019 KPIs

#### 11.1 Implement energy efficiency labels for air conditioners

#### 11.2 Issue technical standards and specifications for electrical appliances. (For example: Heaters, lightings, washing machines, refrigerators and freezers)

### The Journey

This project was commenced by the Ministry of Commerce and Industry (MoCI) in order to improve the efficiency standards and energy consumption of electrical appliances. The appliance standards for air conditioners was implemented by MoCI with the support of ISFU, Steering Committee and Authority Delivery Unit in July 2019, following on from a ministerial decision issued in 2018 – which imposes a commitment on the part of suppliers to maintain the required standards. ISFU along with stakeholders held multiple meetings to facilitate the provision of this decision by the required date.

The overall outcome was that efficiency and energy consumption standards of air conditioners imported into the country are higher than before. Due to regional standardisation, the project also marks an opportunity to increase electrical product trade exchange with other countries in the GCC region. Moreover, efforts are currently underway to prepare standards for the other appliances simultaneously.

One of the key challenges for the project was to deploy the appliance standards through the ROP's Bayan system – the online customs procedures system provided at all of Oman's entry/exit points to enhance trade facilitation. Specifically, the challenge came in the required uploading and integration of MECA environmental permits for gases in air conditioners into the Bayan system, as well as the technical standard permits from MoCI. ISFU, with support from stakeholders, managed to resolve the matter by adopting a new mechanism to standardise the process of granting permits to suppliers before the system became operational in July 2019.

Due to a delay in receiving key inputs from regional entities, the project experienced a delay in issuing Omani technical standards and specifications for household electrical appliances. However, the Steering Committee, with support from ISFU and AER, managed to collaborate with MoCI to accelerate the process by agreeing to appoint a consultant to assist in developing standards for heaters, lightings, washing machines, refrigerators and freezers.

### Moving Forward

By 2020, it is intended to issue and implement Omani technical standards and specifications for household electrical appliances such as heaters, lightings, washing machines, refrigerators and freezers etc.

### Stakeholders

Ministry of Commerce and Industry (MoCI)	Royal Oman Police (ROP)
Ministry of Environment and Climate Affairs (MECA)	Authority for Electricity Regulation (AER)

## Natural Gas

### 12. Gas Allocation



While Oman's gas resources are being exploited efficiently to generate power, this project seeks to find ways to further enhance the use of this multi-purpose utility – firstly by ensuring local industries get maximum benefit in its use, and secondly by exporting it as a Liquefied Natural Gas (LNG).

However, there is a need to standardise gas allocation quotas for the industry, by enhancing gas allocation criteria and establishing transparent allocation processes. This will mean that Oman is in a stronger position to operate more projects, achieve higher revenues, and ultimately leverage more beneficial economic returns for the country.

## 2019 KPIs

### 12.1 Follow up with the operation of the Gas Allocation Committee

#### The Journey

After the Gas Allocation Committee was formed in 2018, it has continued to meet every month to discuss all gas requests put forward by the relevant industries, and allocate gas to projects based on the criteria established in the Energy Lab.

ISFU together with stakeholders are facilitating the new process required for requesting the gas, according to pre-established criteria that has been communicated to the industrial estates, who have in turn communicated this to investors.

One of the project's ongoing challenges is to improve the gas allocation process – where the solution is to streamline the gas infrastructure ownership to optimise the allocation process from upstream to downstream.

The project successfully graduated in 2018. However, ISFU continues to follow the operation of the gas allocation and the process of requesting gas from local industries under the energy sector.

### Moving Forward

The committee will continue meeting on a monthly basis to allocate the requested gas to the Sultanate's relevant industry sectors. At the same time, ISFU will support the committee with regards to the allocation process, when appropriate. The Committee will also continue to collaborate with stakeholders to explore ways to further improve, enhance and expedite the process of allocating gas to local industry, to ensure the maximum benefit for the Sultanate.

### Stakeholders

Ministry of Oil and Gas (MOG)	Supreme Council for Planning (SCP)
Ministry of Manpower (MoMP)	Ministry of Commerce and Industry (MoCI)
Ministry of Finance (MoF)	Oman Gas Company (OGC)

## Enablers

### 13. National Environmental Policy for the Energy Sector (NEPES)



The Ministry of Environment and Climate Affairs (MECA) is currently developing a set of environmental standards for the use of natural gas and combined-gas cycle technology, however, these standards do not focus on the adoption and use of alternative fuels or technologies.

Therefore, NEPES was established to provide an integrated and comprehensive environmental policy that provides clear regulations, guidelines and standardisation of requirements based on international norms. This is for the use of all alternative fuels and technology.

In doing so, it will lay the foundation for future economic development and energy supply security for Oman, and it will raise stakeholders and civil society awareness on matters pertaining to Oman's energy security.

## Stakeholders

Ministry of Environment and Climate Affairs (MECA)	Ministry of Oil and Gas (MOG)
Oman Power and Water Procurement Company (OPWP)	Authority for Electricity Regulation (AER)
Ministry of Regional Municipalities and Water Resources (MRMWR)	Ministry of Health (MoH)
Ministry of Commerce and Industry (MoCI)	Ministry of Finance (MoF)
Petroleum Development Oman (PDO)	The Research Council (TRC)
Oman Environmental Services Holding Company (Be'ah)	

## 2019 KPIs

### 13.2 Complete the Realisation of Oman's National Environmental Policy for the Energy Sector

This KPI aims to launch the final environmental policy and to develop the Geographic Information System (GIS) based web toolbox, incorporating the site's environmental data feed.



#### The Journey

Milestone	Status
Complete the Development Phase.	The Field survey related to the project was awarded in order to collect fresh data on air quality, marine water and sediment from 6 locations. MECA successfully developed the GIS toolbox. With support from ISFU and the Authority Delivery Unit, MECA has worked to reduce any project delays in order to continue as per schedule.
Complete the Establishment Phase.	The first draft of the policy has been completed and reviewed by stakeholders with the support of the Steering Committee, Authority Delivery Unit and ISFU – who all contributed to expediting the process.
Deployment & Implementation.	The final environmental policy has been completed, and will be launched in early 2020.



**Mining**

Mining KPI Dashboard			
Initiative/ KPI		2019 Target	2019 Actual Achievement
1	<b>Integrated Downstream</b>		
1.1	<b>Al Hae'l Ceramic Project</b>		
1.1.1	Obtain Exploration and Mining Licenses for 4 Sites	100%	59%
1.2	<b>Kunooz Dolomite Project</b>		
1.2.1	Realisation that Dolomite Exploration Programme Can Deliver Magnesium Metal, Dolomite and Aggregates	100%	65%
3	<b>Copper Mines and Upstream Concentrator Plants</b>		
3.1	<b>Mawarid's Ghuzayn Underground Mine</b>		
3.1.1	Ghuzayn Project Preparations and Development	100%	23%
3.2	<b>Yanqul Copper and Gold Exploration and Concentrator Plant</b>		
3.2.1	Development of OMCO's Block 10 Yanqul mines and concentrator plant	100%	85%
3.3	<b>Wash-hi Magazah Mine and Concentrator Plant</b>		
3.3.1	Development of Al Hadeetha Resources Wash-hi's Mine and Concentrator Plant	100%	18%
5	<b>Implementing a Dynamic Royalty Rate for the Mining Sector</b>		
5.1	Establishment of a Dynamic Mining Royalty Framework	100%	100%
6	<b>Outsourcing of PAM's Monitoring and Inspection</b>		
6.1	Outsourcing of PAM Monitoring	100%	86%
7	<b>Outsourcing PAM's Laboratory Services</b>		
7.1	Outsourcing PAM's Laboratory Services	100%	60%
8	<b>Establishment of E-Mining Platform</b>		
8.1	Consultancy Study for Mapping Process	100%	100%
8.2	Development of the system	100%	100%

Initiative/ KPI			
2019 Target		2019 Actual Achievement	
12	<b>Improving the Mechanisms of Financial Resources Appropriation and Management of PAM</b>		
12.1	Improving the Mechanisms of Financial Resources Appropriation and Management for PAM	100%	40%
13	<b>Establishment of Pre-Approved Mining Blocks System</b>		
13.1	Obtaining Approvals and Classifying Mining Blocks	100%	45%
13.2	Competition and Awarding Process	100%	74%
15	<b>Accelerate Review of Inactive Chromite Mining Licenses</b>		
15.1	Classification of inactive licences to: Cancel and Renew	100%	100%
16	<b>Simplification of Exploration and Mining Licensing Process</b>		
16.1	Simplification of licensing process	100%	60%
16.2	Linking Geographical Maps System	100%	100%

- \* A sample of 30% of the KPIs were reviewed by Deloitte, and findings will be built upon in the future.
- \* A number of projects might not be reflected in the dashboard above as they are under direct monitoring of specific authorities. However, ISFU follows up on the execution on a regular basis.
- \* All forms of data are being continuously improved to be more representative of actual economic state. This is done in collaboration with NCSI and relevant government entities and aligned with international standards.

## Overview

The Mining Sector is considered one of the most promising sectors for economic diversification in Oman. Due to its geographical diversity, many types of minerals are found all across the country. Initial estimates indicate that most of the Sultanate's reserves of minerals are still unexploited, reaching almost 97% of the total estimated sources in the Sultanate until 2018.

In 2019, Establishment of Mining Blocks initiative obtained approvals from eight entities for 15 Blocks, and are now being prepared for auctioning. Also, Ghuzayn copper project received the no-objection letter from PAM to start the Mining activities. The GIS integration with some government entities is finalized, and the system is currently ready to be used by PAM to choose coordinates for new Mining Blocks.

ISFU conducted several meetings with the related entities to discuss their responses for the Mining Blocks and urge them to send the responses to PAM. In regards to the Ghuzayn project, ISFU helped the project to obtain the Mining approval from the Ministry of Housing, which was the only pending approval. It also pushed PAM to send a no-objection letter to the company to start the Mining Activities, since the Mining Licenses were stopped until the executive regulations is issued. Also ISFU conducted a meeting with the Ministry of Regional Municipalities and Water Resources and convinced them to give the approval for blasting.

### Graduated initiatives/projects in 2019:



## 1. Integrated Downstream

### 1.1 Al Hae'I Ceramic Project

Al Hae'I Ceramic Project aims to manufacture porcelain and ceramic products in the Sultanate using the most modern and technologically advanced methods, in order to become among the best internationally. For ceramic products, 80% of the raw material is to be Omani, as five different sites are going to supply the raw material which will be manufactured according to the highest Italian standards and quality, with a full capacity of 45 thousand square meters per day.

By the end of 2019, the plan is to obtain the exploration licenses, complete the exploration studies, and obtain the mining licenses for the 4 sites. Also, the project team aims to start the production from the mines in addition to the plant, which already started the production from two lines with a capacity of 5000 square meters per day.

## 2019 KPIs

### 1.1.1 Obtain Exploration and Mining Licenses for 4 Sites

This KPI aims to obtain the exploration licenses then mining licenses for 4 sites, from the Public Authority for Mining (PAM). The sites are located in the following areas:

- Wadi bani Khalid
- Al Kamel Wa Al Wafi
- Dima Wa Al Tayeen
- Quriyat

### The Journey

Milestones	Status
Obtain exploration licenses	Four exploration licenses were obtained.
Complete the required studies for mining licenses for 4 sites	The company completed 2 out of the 4 required studies.
Obtain Mining Licenses for 4 sites	2 mining applications were sent to the concerned entities for approval, others are pending.

### Stakeholders

Public Authority for Mining (PAM)	Ministry of Housing (MoH)
Ministry of Interior (MoI)	Ministry of Tourism (MoT)
Ministry of Heritage and Culture (MoHC)	Ministry of Defence (MoD)
Royal Oman Police (ROP)	Ministry of Environment and Climate Affairs (MECA)
Ministry of Regional Municipalities and Water Resources (MRMWR)	

### 1.2 Kunooz Dolomite Project

With the aim of producing up to three million tons per annum of raw dolomite, this exploration programme will delineate different dolomite material types based on Magnesium Oxide content. High grade dolomite will be used for Magnesium, whereas low grade aggregate and dolomite with less than 1% Silica will be targeted for the steel industry. The project will be located in Quriyat, where a scoping study suggests resource potential to be more than 250 million tons.

## 2019 KPIs

### 1.2.1 Realisation that Dolomite Exploration Programme Can Deliver Magnesium Metal, Dolomite and Aggregates

By the end of 2019, the target for the Exploration programme is to complete the following:

- Topographical surveys as well as sampling, chemical analysis, physical and metallurgical tests.
- Open Pit and Mine Plan.
- Comprehensive technical report.
- Infrastructure Preparation.
- Applying for Mining license.

## The Journey

Regarding the achievements, the road to the site has been developed and it is already accessible, and the topographic survey is completed 100%. Moreover, the chemical analysis was completed and the resource/reserve results are positive.

However, the project faced some challenges that caused delays. In the beginning of 2019, the exploration work got stopped and a payment for clearance was requested, which the company was not aware of. The process took three weeks until the company could resume its exploration activities. Then, in February 2019, it was stopped again due to a misunderstanding, as the company was thought to be carrying out mining activities instead of exploration activities. Therefore, the Implementation Support and Follow-up Unit (ISFU), with the help of the Ministerial Delivery Unit (MDU), discussed the above issues in several meetings and helped the company solve the problems and continue its work.

## Moving Forward

In 2020, the team aims to obtain the mining license. Also, the results of the resource studies are to be ready and clear, in order to decide whether they are promising for downstream work and building a plant to produce magnesium metal, dolomite and aggregates, or not, which means the raw material will be exported.

### Stakeholders

Public Authority for Mining (PAM)	Ministry of Housing (MoH)
Ministry of Interior (MoI)	Ministry of Tourism(MoT)
Ministry of Heritage and Culture (MoHC)	Ministry of Defence (MoD)
Royal Oman Police (ROP)	Ministry of Environment and Climate Affairs (MECA)
Ministry of Regional Municipalities and Water Resources (MRMWR)	

### 1.3 Gulf Potassium Potash Project

This project aims to extract potassium from Umm Al Samim in the Rub' Al Khali desert, in order to produce potassium chloride. The area is also a large brine resource, with the potential for the factory to sustain production volumes of over 1,000 tons per day of dry salt products over an expected project life of 20 years. It can produce potassium chloride of 99% purity for the fertilizer and oil and gas industry, which can be used in drilling fluids.

## 2019 KPIs

### 1.3.1 Development of Potash Exploration Programme

The aim for 2019 is to work on the exploration programme, starting from drilling and mobilisation, then developing the Environmental Impact Assessment and the market study, finishing with a final reserve feasibility study.

## The Journey

Milestones	Status
Phase 1 Exploration & Drilling - Mobilisation	Not achieved, because the company needed to commission special drilling and in addition to other technical issues. Moreover, companies in Oman do not have the suitable equipment for this project.
Surface Geophysical Studies (Brine Extent Studies)	
Completion of Geotechnical Assessment	
Completion of final reserve feasibility study	Not achieved, because it depends on the previous milestones.

## Stakeholders

Public Authority for Mining (PAM)	Ministry of Heritage and Culture (MoHC)
Ministry of Housing (MoH)	Ministry of Environment and Climate Affairs (MECA)
Ministry of Interior (MoI)	Ministry of Environment and Climate Affairs (MECA)
Ministry of Tourism(MoT)	Ministry of Defence (MoD)
Royal Oman Police (ROP)	Petroleum Development Oman (PDO)
Ministry of Regional Municipalities and Water Resources (MRMWR)	

### 1.4 Kunooz Basalt Project

This project aims to produce Continuous Basalt Fiber (CBF) from basalt, a product that is used in construction and building materials, power engineering, road construction and oil refining industry. The project will be based in the basalt-rich area around Sohar and will be offering significant downstream opportunities.

By the end of 2019, it is expected that the exploration licenses for 2 sites will be issued, then the exploration process will start.

## The Journey

Milestones	Status
Obtaining Exploration License for site 1	The license is approved by MoI, MECA, MoT, MoD, ROP, and MRMWR, but still pending from MoH.
Obtaining Exploration License for site 2	The license is approved by MoD and ROP, however, approvals from MoI, MECA, MoT, MRMWR and MoH are still pending.
Phase I Study, with conclusion and recommendation for detailed work in Phase II.	Phase I Study will start 30 days after obtaining the exploration license from PAM. The study will take 60 days to be completed.
Phase II Study	Phase II study depends on Phase I results. It will take 4 months to be completed.

## Stakeholders

Public Authority for Mining (PAM)	Royal Oman Police (ROP)
Ministry of Housing (MoH)	Ministry of Regional Municipalities and Water Resources (MRMWR)
Ministry of Interior (MoI)	Ministry of Tourism (MoT)
Ministry of Heritage and Culture (MoHC)	Ministry of Environment and Climate Affairs (MECA)
Ministry of Defense (MoD)	Kunooz Oman Holding

### 1.5 MDO Attapulгите Project (2 sites)

Attapulгите mineral is primarily used for pet litter, oil well drilling applications, liquid fertilizers, absorbents and desiccants. Therefore, this project aims to utilise attapulгите in the downstream production process. Another objective is to see if there is a market for attapulгите, which will add value to the current available minerals in the Shaleem area. Also, the Sultanate should take advantage of its attapulгите resource as it is not produced by many countries.

In 2018, the team worked on the Attapulгите project (2 sites) as an individual application, however, the Ministerial Committee made a decision in 2019 to give Minerals Development Oman (MDO) company the Shaleem Area (Manji and Shuwaimia) to develop it, and since Attapulгите Project (2 sites) coordinates are within this area, it is now considered one whole project.

By the end of 2019, the project team aims to study the market of attapulгите and determine the required quality, and if the market study is positive, the detailed geological study will be conducted.

### The Journey

Milestones	Status
Study the market of attapulгите	Not achieved. Attapulгите blocks currently fall within Shaleem mining area, therefore, PAM is now working on obtaining all the required approvals in order to make the area ready to be mined by MDO.
Detailed geological study	

## Stakeholders

Minerals Development Oman (MDO)	Public Authority for Mining (PAM)
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## 2. Downstream Innovation



Currently, the downstream industry in Oman is very nascent to complement and enhance rich and large mineral resource potential available in the country. The concept of this initiative is mapping of raw materials based on availability of local mineral resources, and market consumption of imported goods versus what is already produced in local downstream. Industrial Innovation Center (IIC) collaborates with Public Authority for Mining (PAM) to sequentially select a focus area/mineral yearly.

The initiative aims to develop a Mining Innovation strategy that will provide knowledge base of information and human capital for continuous sector development. By the end of 2019, the Mining Innovation Strategy is expected to be completed.

## 2019 KPIs

### 2.1 Development of Mining Innovation Strategy

The innovation strategy is a road map for innovation in the mining sector. The target is to develop an innovation strategy, starting with meeting the stakeholders to gather information that helps in preparing the strategy. The outcome of the innovation strategy is to prioritise the minerals based on their availability in Oman and their value. After preparing the strategy, it will define the possible innovated opportunities for each chosen mineral and develop them into business opportunities. It will also boost the performance of the sector and make it globally competitive by improving existing industries and creating new SMEs.

### The Journey

Milestones	Status
Gather information and meet stakeholders	Meetings were conducted with relative stakeholders (PAM, exploration companies, mining companies, etc.) to discuss the current status, challenges and opportunities of mining in Oman. Also, global overview of innovation in mining was conducted.
50% completion of Mining Innovation Strategy	The 1st part of the Mining Sector Innovation Strategy was developed and discussed by the technical committee (IIC and PAM).
100% completion of Mining Innovation Strategy	The final draft of the strategy was completed, and has been approved by PAM.

## Stakeholders

Industrial Innovation Center (IIC)	Public Authority for Mining (PAM)
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## 3. Copper Mines and Upstream Concentrator Plants



Majan is the ancient name of the current Sultanate of Oman. It was called Majan because it means the Land of Copper, indicating that copper is one of the country's biggest resources.

Although there are no currently active copper mines in Oman, there are many applications for mining and exploration licenses awaiting approval.

### 3.1 Mawarid's Ghuzayn Underground Mine

Located in the north of Oman, Wilayat of Khabourah, with an estimated JORC (Joint Ore Reserves Committee) reserve of 6.5 million tons of mineable ore, Ghuzayn underground mine is the largest copper discovery in Oman and the first unique advanced underground copper project in the country. The project aims to utilise an advanced underground mining method to extract the ore, applying standardised HSE levels. It is anticipated to take two years or less to become accessible and seven years to be mined and productive, giving it an expected lifespan of nine years or more.

#### 2019 KPIs

##### 3.1.1 Ghuzayn Project Preparations and Development

The main aim of the project is to develop the Ghuzayn copper deposit, then process the ore at the Lasail concentrator and sell the copper-rich concentrate to be exported.

By the end of 2019, the project will finalise the following:

- Project preparation, recruitment and financing.
- Project construction and commissioning at mining site.
- Project portal development.

#### The Journey

With the support and follow up of ISFU and the MDU, the mining approval was obtained from the Ministry of Housing (MoH). Also, the approval for blasting was obtained from the Ministry of Regional Municipalities and Water Resources (MRMWR).

Moreover, obtaining a license for mining at this stage is not possible, because PAM decided to postpone the issuance of the license until the executive regulations of the new mineral wealth law come into force, therefore, a no objection letter was issued instead of the mining license.

The company has updated the feasibility study and achieved the detailed metallurgical and plant start-up review. However, the project faced some challenges regarding the issuance of the mining license due to several reasons:

1. After reviewing approvals of the eight entities and realising that MoH's approval was for exploration only, PAM re-sent a formal letter to MoH asking for an approval for Mining. ISFU followed up with MoH to accelerate their response.
2. MRMWR's approval was a conditional one, stating that it is only approved if the project will not use blasting in the mining activities, which was an impossible thing for a copper project. PAM and ISFU conducted a meeting with MRMWR and Mawarid to solve this issue. The company presented the technology of blasting to the ministry and it got the approval afterwards.
3. Since the mining license could not be issued, ISFU escalated the matter in the Steering Committee, after the company explained that the project feasibility study cannot be finalised by the consultant unless a mining license was granted. PAM agreed to send a go ahead letter to the company to start the mining development activities.
4. Local objections to the project due to perceived environmental concerns. PAM, ISFU, MECA, MRMWR, and Mol are working together with the company to resolve the local community's concerns.

### Moving Forward

In 2020, the project will continue with the mine portal development. Then, it will start the ramp portal development and support, followed by procurement and placing the order for manufacturing/buying underground mining equipment.

#### Stakeholders

Mawarid Mining LLC	Ministry of Interior (Mol)
Ministry of Housing (MoH)	Public Authority for Mining (PAM)
Ministry of Regional Municipalities and Water Resources (MRMWR)	

### 3.2 Yanqul Copper and Gold Exploration and Concentrator Plant

This project aims to utilise the significant upside potential within and outside existing resource area for copper-gold mineralisation, which was evident after conducting a detailed analysis of all the exploration campaigns carried out till date in Block 10.

#### 2019 KPIs

##### 3.2.1 Development of OMCO's Block 10 Yanqul mines and concentrator plant

The KPI will be achieved after developing Yanqul mines and the concentrator plant for operation, then, the ore will be transferred from the mines to the concentrator plant.

By the end of 2019, the project is expected to obtain the environmental permit for mining, and then the licenses will be obtained by end of 2019 and start of 2020.

#### The Journey

The company achieved the following:

1. Exploration and modelling - Measured Mineral resources
  - a. In-fill drilling
  - b. Logging and sampling
  - c. Compilation of geological data
  - d. Estimate geological resources and sign off
  - e. Pit optimisation and mine design
  - f. Processing plant, tailings design and other engineering work

2. Applying for mining license

Currently, the applications for 5 mining licenses have been reviewed and approved by PAM, and letters were sent to the eight entities for approval. All entities approved the mining applications, except MoH and MECA, as some sites are close to local community houses and farms.

### Moving Forward

In the upcoming year, the project should obtain the mining license for 5 sites.

## Stakeholders

Oman Mining Company L.L.C (OMCO)	Ministry of Tourism (MoT)
Minerals Development Oman (MDO)	Ministry of Heritage and Culture (MoHC)
Public Authority for Mining (PAM)	Ministry of Defence (MoD)
Ministry of Housing (MoH)	Royal Oman Police (ROP)
Ministry of Interior (Mol)	Ministry of Environment and Climate Affairs (MECA)
Ministry of Regional Municipalities and Water Resources (MRMWR)	

### 3.3 Wash-hi Magazah Mine and Concentrator Plant

Wash-hi Magazah Copper-Gold ore deposit lays within mountains at approximately 160 km south west of Muscat, which can be reached via Muscat-Nizwa or Muscat-Ibra highways, through Magazah town (5 km) north of Al Wash-hi village.

Wash-hi deposit was discovered in 1976-1977, and the exploration work on it was extended by the government and the private sector until 2011, where Al Hadeetha started its comprehensive exploration programme from 2011 to 2018, delivering the project to a detailed feasibility study stage through a JORC certified ore reserve.

The ore deposit area was licensed for exploration in 2011 by PAM, and after 7 years of extensive exploration work done by Alara Resources, PAM has awarded the company a 5-year renewable mining license, to perform the copper and gold ore extraction activities.

The main aim of the project is to supply produced copper concentrates to the regional and international smelters.

## 2019 KPIs

### 3.3.1 Development of Al Hadeetha Resources Wash-hi's Mine and Concentrator Plant

The KPI will be achieved after the Engineering, Procurement and Construction (EPC) and project management contracts have been finalised for the mine and the processing plant.

## The Journey

The company finalised the project finance agreement in the first quarter of 2019. It also awarded the mining contract and EPC, awarded limited notice to proceed with project engineering, and commenced the fencing (30%) and the Front End Engineering Design (FEED)(30%).

However, the company faced many challenges this year as follows:

1. Regarding the mining license, infrastructure facilities appeared to be planned outside the mining coordinates for safety reasons, and to build them, the company needs to obtain several permits and approvals. Therefore, all milestones were paused since they are mainly connected to the construction and preparations of the processing plant and tailing dam. The company presented the challenges to Steering Committee and the issues are being followed up by ISFU and PAM with MoH.

2. The company has also been struggling to get the approval from Mazoon Company for the power application. ISFU contacted Mazoon, then explained to the company (Al Hadeetha Resources) that they have not made any changes in the power application as required and has not replied to any offer.
3. Another challenge is in the employment. Some activities were blocked by the Ministry of Manpower from employing expats. ISFU conducted a meeting including Ministry of Manpower, PAM and the company to understand the issue and how to solve it. The company was advised to present a full employment plan with the Omanisation rates.

## Moving Forward

By the end of 2020, the project aspires to have commenced mine production and finalised the construction of the concentrator plant.

## Stakeholders

Al Hadeetha Resources LLC ('AHRL') is a Joint Venture between (Alara Oman Operations Pty Ltd, Al Hadeetha Investment Services LLC, Al Tasnim Infrastructure LLC)	
Public Authority for Mining (PAM)	Ministry of Environment and Climate Affairs (MECA)
Ministry of Housing (MoH)	Al Mudhaibi Municipality

## 4. Downstream Ferrochrome Plants

### 4.1 Expansion of Ferrochrome Smelting Plant



This project aims to expand the current ferrochrome plant that covers 60,000m<sup>2</sup> area, with a potential of 40,000 m<sup>2</sup> for the production of high and low grade ferrochrome pellets. The expansion will include addition of 2 furnaces to existing facility, with a production capacity of additional 100 ktpa, making the total 150 ktpa.

In 2019, the company will start working on obtaining the approval from the Board of Directors (BOD) for the expansion project, then finalising the cost and equipment. The next step will be transferring the slag (ferrochrome waste) from the plant to Be'ah's landfill to create the space required for expansion. The company will then obtain the approval from Sohar Freezone and Majan Electricity, and it will award the EPC and PMC to contractors, which will then work on the design of the expansion.

The company will also order the required materials and equipment. By the end of the year, the project will be at the stage of commencing the civil work, mainly the foundation.

## 2019 KPIs

### 4.1.1 GMFA's Ferrochrome Plant Expansion

The aim of the KPI is to commence and finish the expansion of the Gulf Mining Ferro Alloys LLC's ferrochrome plant to start producing ferrochrome.

## The Journey

Milestones	Status
Approval from chairman and BOD	Achieved.
Finalise project cost, profitability projections, equipment, and payments.	Achieved.
Transfer of ferrochrome slag	A meeting including MECA, Be'ah, PAM, ISFU and the company was held in September. They reached to an agreement, and the company started the transfer.
Approval from Sohar slag and Majan Electricity	The company sent the applications and it is awaiting the approval.

## Stakeholders

Gulf Mining Ferro Alloys LLC (GMFA)	Ministry of Environment and Climate Affairs (MECA)
Sohar FreeZone	Oman Environmental Service Holding Company S.A.O.C (be'ah)

## 5. Implementing a Dynamic Royalty Rate for the Mining Sector



The current royalty rate in the mining sector is fixed for all commodities and activities, therefore, there is a need for a dynamic royalty rate that will attract and increase investment in the sector.

The aim of this initiative is to study and evaluate the outcomes of the Mining Lab and the Mining National Strategy, focusing on how the royalty rate is calculated, then suggesting other alternatives.

By the end of 2019, the initiative is expected to graduate.

## 2019 KPIs

### 5.1 Establishment of a Dynamic Mining Royalty Framework

To achieve this KPI, the working group of the initiative will structure a framework of the suggested royalty rate, to include it in the executive regulations under the Mining Law.

## The Journey

During this year, the working group have finalised the second draft of the evaluation report and presented it to the Board of Directors. There were three alternatives:

1. The first was based on the outcomes of the Mining National Strategy: to have 6% as a royalty rate for the metals and 10% for the industrial minerals.
2. The second was not to change the current situation, fixed 10% for all minerals.
3. The third was based on the recommendation from the Mining Lab, which states that the royalty rate should be dynamic and have a number of criteria for discounting the rate at a maximum of 5%.

The board of directors approved the first recommendation. Then, the working group drafted the legal articles and included them in the executive regulations.

## Moving Forward

The initiative has graduated.

## Stakeholders

Public Authority for Mining (PAM)

## 6. Outsourcing of PAM's Monitoring and Inspection



This initiative aims to study the possibility of outsourcing a number of inspection/monitoring services that are currently provided by PAM. It also aims to introduce modern techniques and methods in the field of inspection, strengthen the role of inspection in mining activities, reduce the administrative and technical burdens on the Monitoring and Inspection Department, encourage the private sector to participate in the development of the mining sector, and enhance the confidence of the community surrounding the mining organizations in the role of PAM.

By the end of 2019, the tender for outsourcing the monitoring services of meeting the Environmental, Occupational, Health and Safety criteria would be floated and awarded for the chosen company, after evaluating the proposals.

## 2019 KPIs

### 6.1 Outsourcing of PAM Monitoring

This KPI will be achieved after outsourcing some of the monitoring services currently provided by PAM to a private company adhering to PAM's criteria.

## The Journey

Milestones	Status
Completion of the second draft	Achieved.
Board of Directors' approval	Achieved. The second draft of the evaluation report was presented to the board of Directors, and they approved outsourcing the monitoring services of meeting the Environmental, Occupational, Health and Safety criteria.
Completion of the final evaluation report	Achieved.

Preparation of RFP (request for proposal) document	Achieved. The working group discussed the technical criteria and scope of work of the tender with MECA. The RFP was approved by the CEO.
Floating the tender and receiving the proposals	The tender was floated, but a technical issue happened in the website. The team then re-floated the tender, however, only one company bought the RFP. Therefore, the team decided to change the selection process.

#### Stakeholders

Public Authority for Mining (PAM)	Ministry of Environment and Climate Affairs (MECA)
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### 7. Outsourcing PAM's Laboratory Services



Currently, the laboratory services are increasing the overall expenditure of PAM and diverting resources away from other areas, leading to decreased efficiency. Therefore, outsourcing laboratory services is a profitable alternative for PAM.

#### 2019 KPIs

##### 7.1 Outsourcing PAM's Laboratory Services

The KPI is about outsourcing the PAM's laboratory services according to PAM's criteria through floating a tender. The tender is based on an evaluation report approved by the Board of Directors.

By the end of 2019, the tender is to be awarded for the company that will run the laboratory.

#### The Journey

Millstones	Status
Completion of the second draft of the evaluation report	Achieved.
Board of Directors' approval	Achieved. The board approved the recommendation of the working group.
Completion of the final evaluation report	Achieved.
Approval from the related entities	Approval from MoCI was obtained. In addition, letters were sent to MoF and MoH in regards to this matter.
Preparation of the RFP document	The team finished the document, but the rental fee is still pending from MoF.

#### Stakeholders

Public Authority for Mining (PAM)	Ministry of Finance (MoF)
Ministry of Commerce and Industry (MoCI)	

### 8. Establishment of E-Mining Platform



The aim of this initiative is to assess the e-readiness of PAM to deliver government online services and develop a detailed scope of work for transforming the services by a consultant, then implementing it. The primary objective of implementing this initiative is to improve the delivery of government services and e-Services in PAM by simplifying and streamlining government processes required to deliver the online services, and enabling customer-centric government e-Services for individuals and businesses.

By the end of 2019, the working group would have finished preparing the RFP Document for the Development of the system.

#### 2019 KPIs

##### 8.1 Consultancy Study for Mapping Process

This KPI will be achieved after choosing the right company (contractor) to perform the consultancy study through tendering. Then, this company will implement the outcomes of the study.

##### 8.2 Development of the system

This KPI will be achieved after developing the system that will be recommended by the consultant to start the implementation phase in 2020.

#### The Journey

##### 8.1 Consultancy Study for Mapping Process

After receiving the proposals, the working group chose a company based on an evaluation sheet. Then, the tender was awarded to the consultant company that was chosen (Ernst and Young LLC), and the contract was prepared and signed by PAM and the company.

Within the implementation of the consultancy study, the company finished the following:

- Phase 0: service catalogue development
- Phase 1: Assess PAM Business Processes (AS-IS)
- Phase 2: Recommend the To-Be Business Process and Enhancements
- Phase 3: Review The AS-IS IT Landscape
- Phase 4: Align to e.Oman Strategy, Core Infrastructure and Mining Lab initiatives
- Phase 5: Define The "TO-BE" IT Architecture
- Phase 6: Develop SLAs and KPIs

##### 8.2 Development of the system

The team is currently developing the Scope of work of the final RFP for the System.

#### Moving Forward

In 2020, the tender will be floated and a tendering process will be followed to select a contractor based on certain criteria to implement the outcomes of the consultancy study, which will be finalised through certain phases. Also, the initiative will enter the implementation phase of the system, and PAM will run trials of the system and will focus on solving any issues until the system is ready to be run for all users.

## Stakeholders

Public Authority for Mining (PAM)	Ernst and Young LLC
Ministry of Technology and Communications (MoTC)	

### 9. Targeted Technical Training for PAM Staff



The main objective of this initiative is to develop certain criteria for education and training, data management, and authority empowerment to ensure sector sustainability. In addition, it aims to improve PAM employees' capability through technical training and international exposure, enriching their knowledge in the fields related to mining and administration, equipping them with the skills needed to develop their productivity, and enhancing their professional conduct.

By the end of 2019, the team is expected to start executing the training programme for PAM employees, and the programme will continue till the end of 2020.

## 2019 KPIs

### 9.1 Establishment of Training Framework

To design a technical training programme specifically for PAM staff, in order to enhance their knowledge and skills.

### 9.2 Identify the number of Staff Trained

## The Journey

Milestones	Status
Identification of knowledge/skill gaps based on the projected needs of the organization.	Achieved.
Develop training map with details on internal/external technical training along with the international exposure.	Achieved. The team worked on a plan for conducting the training locally and internationally.
Allocate training Service Providers.	Achieved.
Define training participation details (Names & Dates).	Achieved.
Execute training programmes.	Seven different programmes were executed, including a total number of 73 staff.
Establish evaluation mechanism and standards to assess the effectiveness of the training.	Work in progress.

## Stakeholders

Public Authority for Mining. (PAM)	The Geological Society, London, UK.
The Center of Community Service and Continuing Education, Sultan Qaboos University.	Wardell Armstrong, London, UK.
The Institute of Materials, Minerals and Mining (IOM3), London, UK.	Institute of Topographical Science.
German University of Technology, Oman.	

### 10. Structuring a Centralised Corporate Social Responsibility Mechanism for the Mining Sector



The main objective of this initiative is to create a regulatory framework to collect, calculate, and spend the social responsibility contribution of corporates in the mining sector. This is through a practical mechanism that will be included later in the executive regulation of the mining law. It aims to ensure that the community effectively benefits from the CSR (Corporate Social Responsibility) contributions through a centralised body, in addition to achieving optimal expenditure of CSR contribution. It also aims to achieve sustainability of the projects through a centralised implementation and monitoring, as well as the effective community engagement between investors and locals.

The primary orientation of the initiative was to establish a centralised CSR office to regulate the corporates' contribution in the mining sector, but the study, which is a proposal for collection, expenditure, and object of expenditure, recommended that PAM shall regulate the contribution through local committees in the Wilayats.

By end of 2019, the team is expected to finish the draft of the legal text of the CSR regulating and monitoring study, to include it in the executive regulations.

## 2019 KPIs

### 10.1 Regulating and activating the social contribution in the Mining Sector

## The Journey

Milestones	Status
Form the working group.	Achieved.
Prepare a detailed study about regulating and activating the social contribution in the mining sector.	Achieved.
Board of Directors' approval of the study recommendation.	Achieved.
Inclusion of the required legal texts in the executive regulations of mining law.	Achieved.

## Stakeholders

Public Authority for Mining (PAM).	Municipal Affairs Committees in the Wilayats.
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### 11. Establish Quality Management System to Improve PAM's Operational Performance



The main objective of this initiative is to enhance the internal processes within PAM, through establishing a quality management system that complies with international quality management standards, and ensures a consistent high-level quality control. It also aims to improve performance quality and efficiency in order to ultimately achieve customer satisfaction of services.

By the end of 2019, the working group is expected to finalise the manual of the quality management system.

## 2019 KPIs

### 11.1 Establishment of PAM's Quality Management System

#### The Journey

Milestones	Status
Form work team, including an expert.	Achieved.
Create a list of major functions and procedures.	Achieved.
Re-engineer procedures.	Achieved.

## Stakeholders

Public Authority for Mining (PAM).	Consultant Company.
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### 12. Improving the Mechanisms of Financial Resources Appropriation and Management of PAM



This initiative's main objective is to enhance the mechanism of allocating the annual budget for PAM. It also aims to create a more flexible approach in managing the financial resources within a governance system, in compliance with the current laws.

By the end of 2019, the working group should finish amending the proposal then send it to ISFU for revision. Then, the proposal is to be presented through ISFU in the Ministerial Committee meeting to get the approval from the related entities. After obtaining the approvals, the team will work on implementing the outcomes of the meeting in the new budgetary for the year 2020.

## 2019 KPIs

### 12.1 Improving the Mechanisms of Financial Resources Appropriation and Management for PAM

This KPI will be achieved when the proposed mechanism is approved and implemented for 2020 budgetary.

#### The Journey

Milestones	Status
Amendment of initiative proposal by PAM.	Achieved. The working group made the required amendments on the proposal after the approach of the initiative was changed after agreement between PAM and ISFU.
Submission of the proposal to ISFU.	Achieved.
ISFU to review the proposal and suggest the appropriate amendments.	Achieved.
Approval of the proposal by the concerned authorities through ministerial committee.	Not achieved.

## Stakeholders

Public Authority for Mining (PAM)	Ministry of Finance (MoF)
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### 13. Establishment of Pre-Approved Mining Blocks System



Mining Blocks are vast areas with indications denoting minerals and resources that can be exploited. Thus, several approvals are required from relevant authorities in order to enable companies operating in the mining sector to make use of these minerals as well as carrying out mining activities in various locations. Later, these areas are to be provided to the appropriate investors on a competitive basis through bidding at local and international levels.

## 2019 KPIs

### 13.1 Obtaining Approvals and Classifying Mining Blocks

This KPI aims at obtaining approvals from 8 government entities for each proposed mining block (110 blocks). Then, the Public Authority for Mining (PAM) studies and evaluates the responses submitted by all entities and classifies mining blocks to:

1. Approved blocks.
2. Blocks that should be downsized or displaced as per the requirement of one of the relevant entities.
3. Rejected blocks due to technical reasons or interference with the boundaries of the rejecting entity or one of the relevant entities.

Thereafter, PAM decides on each mining block, for example, obtaining all approvals for the block, then classifying it as an approved block. In the event that some entities reject to approve the block, the entity will be negotiated, but if it persists, the block should be classified as a rejected block, which will not be included for bidding. After that, PAM works on preparing pre-approved mining blocks to be presented to investors through bidding.

### 13.2 Competition and Awarding Process

This KPI aims at preparing a proposal for standards of competition and bidding that are in line with the best international practices. Then, such standards are to be included in Mining Law Regulations. A marketing programme for mining blocks will also be prepared through various media channels; in addition to preparing a guide that includes standards for evaluation and competition, studying the possibility of offering the first group of mining blocks for bidding, then evaluating the offers and awarding the block.

### The Journey

Following the receipt of responses from some entities regarding (110) mining blocks, which came either with mining approval, exploration approval, downsizing/displacement, or rejection, PAM studied all responses and obtained 15 pre-approved mining blocks, and 7 rejected mining blocks. Furthermore, PAM has studied downsizing and rejection cases submitted by all entities, and came up with a new proposal for the remaining 88 mining blocks.

The proposal considers all reservations presented by all entities regarding each mining block and brings out the coordinates in a new form. The proposal was sent in May 2019 to the same entities as directed by the Ministerial Committee, to study the proposal and respond to PAM. A response was received from the Ministry of Regional Municipalities and Water Resources (MRMWR), Ministry of Environment and Climate Affairs (MECA), Ministry of Heritage and Culture (MoHC), Ministry of Housing (MoH) and Ministry of Tourism (MoT). Therefore, PAM has studied and evaluated the responses of some entities and responded to them, and work is in progress for the other responses.

After the Mining Lab, a committee was formed to accelerate mining projects, consisting of members from all relevant authorities to follow up mining blocks and mining requests, provided that its meetings are held on a bi-monthly basis. However, membership of the committee has ended at the end of 2018, but ISFU, in collaboration with PAM, sent a renewal request for membership of the committee for six months. Due to the large number of tasks assigned to this committee and its follow-up on issues related to mining blocks, it was not able to finish its work by the end of its membership period. Thus, its membership was renewed for the second time, so that meetings continue until the end of 2019. The committee completed 85% of mining and exploration projects and licence requests referred to it after the Mining Lab, reaching 81 projects.

In addition to the current work assigned to the committee, ISFU's mining team, in cooperation with PAM, held meetings with most of the relevant authorities separately, to discuss their responses regarding mining blocks and address the challenges that exist in some blocks before the entity officially responds. After preparing a proposal for the standards of competition and bidding, it was approved by the Board of Directors of PAM. Moreover, investment and competition regulations for mining blocks were prepared, in addition to developing a marketing programme for the blocks and promoting them at the mining conference held on April 14, 2019. The initiative team prepared a guide for mining blocks that includes competition and evaluation standards, from which the investors will benefit by learning the standards applied in the evaluation process. Work is underway to prepare pre-approved mining blocks for the first batch to be offered for bidding.

### Moving Forward

In 2020, PAM aims to offer several mining blocks for bidding, as well as preparing marketing brochures including details of the blocks for the investors.

### Stakeholders

Public Authority for Mining (PAM)	Ministry of Tourism (MoT)
Royal Oman Police (ROP)	Ministry of Heritage and Culture (MoHC)
Ministry of Defence (MoD)	Ministry of Environment and Climate Affairs (MECA)
Ministry of Housing (MoH)	Ministry of Legal Affairs (MoLA)
Ministry of Interior (MoI)	Ministry of Finance (MoF)
Ministry of Regional Municipalities and Water Resources (MRMWR)	

## 14. Regulation of Gypsum Prices



The negative competition of companies, which hold mining licences for gypsum ore, has led to a decline in prices of Omani gypsum in comparison with the international prices, despite the current Administrative Resolution No. 264/2016 regarding regulating prices of gypsum. This initiative aims to create the appropriate mechanism to raise the prices of Omani gypsum ore to keep up with the international prices through identifying the shortcomings of the current mechanism, and to learn about the experiences of other countries such as Thailand, and come up with a proposal for the appropriate mechanism.

### 2019 KPIs

#### 14.1 Regulation of Gypsum Prices

During 2019, the initiative aims at preparing a draft that includes proposals to regulate gypsum pricing mechanism as well as identifying the best proposal, in addition to submitting the final report of the initiative's outcomes and its recommendations to PAM's Board of Directors to take the right decision.

## The Journey

Milestones	Status
Identifying the current mechanism of gypsum pricing and preparing a draft of proposals for regulating the mechanism	<p>A summary of shortcomings of the current mechanism and ways to address them has been made. The following proposals have been developed:</p> <ol style="list-style-type: none"> <li>1. Establishing a government company to export gypsum ore.</li> <li>2. Establishing a private company to export gypsum ore.</li> <li>3. Fixing the current price through improving and codifying the current mechanism.</li> <li>4. Creating an electronic platform for purchase and sell of gypsum ore under supervision of PAM.</li> </ol>
Benefitting from Thailand experience in gypsum pricing	A proposal to benefit from Thailand experience regarding gypsum pricing has been made.
Identifying the main proposal for the mechanism	After investigating the 4 proposals and perusing the information provided regarding Thailand experience, the team recommends expediting implementation of the third proposal and starting the formation of the relevant supervisory team.
Approving gypsum prices regulation mechanism	It was submitted to the Board of Directors, which recommended the establishment of a private company in which Minerals Development Oman Company (MDO) is a main investor.

## Stakeholders

Public Authority for Mining (PAM)	Private companies that run gypsum-related businesses
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## 15. Accelerate Review of Inactive Chromite Mining Licences



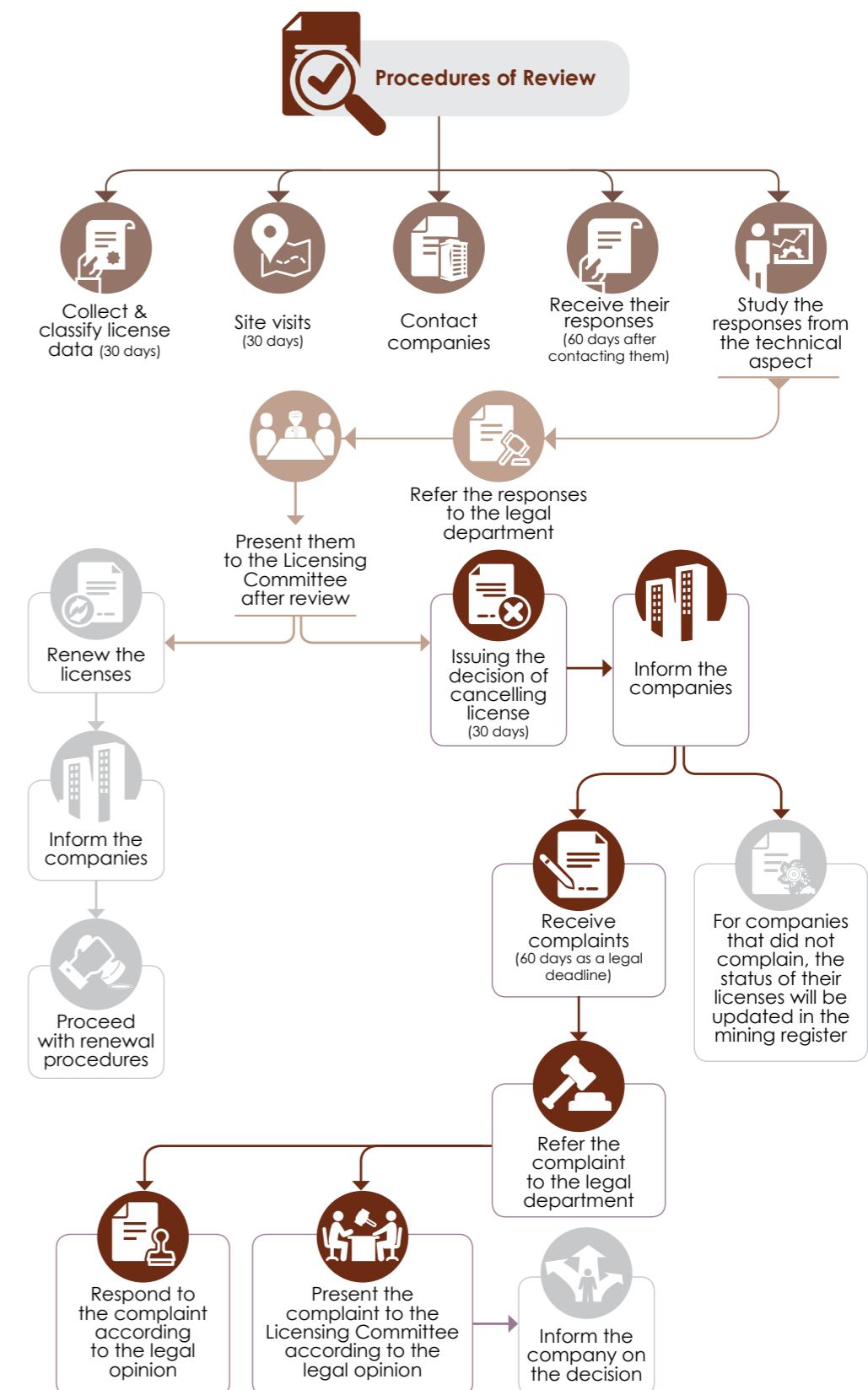
Many Omani lands contain valuable chromite ores that have not been exploited yet, although many factories need it to cover their expansion plans, and thus increase revenues of the Sultanate. Therefore, in order to make the best use of such raw materials, the initiative aims to review previous and inactive licences to be classified, as well as exploiting the sites that still have mineral resources.

## 2019 KPIs

### 15.1 Classification of inactive licences to: Cancel and Renew

This KPI aims to determine the category of 50 licences, whether it is a cancellation category or a renewal one, after being presented to the licensing committee in PAM, as this committee is responsible of renewing or issuing licences. At the end of 2019, the categories will be identified, then the companies will be informed on the decision of the committee, then their responses will be transferred to the legal department in case any company files a grievance along with justification. Consequently, the team will complete the necessary procedures for renewal or cancellation.

## Review of Inactive Chromite Mining Licenses



## The Journey

Milestones	Status
Presenting the licences to the Licensing Committee and taking a decision on them	All licences were presented to the committee and it decided to cancel the 40 licences that expired before 2015, as well as completing renewal procedures for 10 licences that expired in 2015 onwards.
Informing the companies about results of the licensing committee	The team informed 38 companies out of 40 that their licences were cancelled, after reviewing the letters by legal department and giving them (60) days to respond.  The remaining two companies were not informed about the decision of cancellation due to having judicial files that should be independently reviewed first.
Receiving companies' responses to the committee's decision	About 7 grievances have been received.
Presenting responses to the legal department	The responses were presented to the legal department, and 5 companies were apologised to, according to the legal opinion, and grievances presented by two companies were considered and referred to the Licensing Committee.
Preparing the final report	The report has been completed and delivered to the relevant parties.

## Stakeholders

Public Authority for Mining (PAM)	Companies that own inactive chromite-related sites.
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## 16. Simplification of Exploration and Mining Licensing Process



This initiative aims to streamline the procedures that every investor goes through in order to obtain exploration and mining licences. These procedures include eight government entities: Royal Oman Police (ROP), Ministry of Defence (MoD), Ministry of Housing (MoH), Ministry of Interior (Mol), Ministry of Tourism (MoT), Ministry of Heritage and Culture (MoTC), Ministry of Environment and Climate Affairs (MECA), and Ministry of Regional Municipalities and Water Resources (MRMWR).

In 2019, efforts are to be made to simplify licensing procedures and obtaining approvals from the relevant authorities, as well as getting the approval of PAM. This is in addition to reviewing service level agreements (SLAs) to be approved by PAM and the relevant authorities, and aligning between SLAs and measures of procedures simplification, with the Mining Law.

## 2019 KPIs

### 16.1 Simplification of licensing process

This KPI focuses on facilitating the procedures applied by the relevant authorities through creating a simplified system for the investor to execute transactions with PAM as well as the relevant authorities. This can be done by developing SLAs with each entity, in which several elements are identified such as boundaries of the authority, its requirements or precautions for exploration, excavation and mining processes.

### 16.2 Linking Geographical Maps System

This KPI focuses on completing the process of linking the geographical system; to collect data from the entities that have agreed to be linked in a single window, including sites of their premises and their boundaries. The linking process, data sharing and system launch will be tested in 2019.

## The Journey

With regard to simplifying licensing and approval procedures, a number of meetings were held with the relevant authorities that reviewed stages of exploration and mining licences issuance, discussed the conditions and precautions of the authorities and contacted them before issuance of the licence, in addition to the electronic linking with government authorities.

As for alignment between SLAs and measures of simplifying licences procedures with the Mining Law, the agreement drafts have been reviewed and aligned with the mining law draft and its executive regulations, as well as developing the agreements legally.

The second KPI " Linking Geographical Maps System" has been accomplished in full, despite the reservation of 4 entities regarding linking its geographical systems to PAM.

However, the initiative faced several challenges with the relevant authorities, such as not providing PAM with conditions set by the authorities regarding the prescribed distance from residential, agricultural and archaeological sites, streets, graves, aflaj (narrow, mud-walled water channels), springs, and valleys. In addition, majority of the authorities' request to be notified twice, once to approve exploration and the other to approve mining, which caused delay in procedures-simplification process.

Due to presence of major and diversified challenges along with the different boundaries and conditions of the 8 authorities, ISFU and PAM, in cooperation with a consultant, prepared a proposal for alignment and standardisation of boundaries based on the experiences of leading countries in mining, which will be presented to the authorities to obtain their approval.

## Moving Forward

In 2020, amendments to the agreements will be made and sent to the relevant government authorities, and the legal department will conduct a final review, then PAM will approve the final draft of the SLA, to be finally signed by relevant authorities.



## Stakeholders

Public Authority for Mining (PAM)	Ministry of Interior (Mol)
Royal Oman Police (ROP)	Ministry of Tourism (MoT)
Ministry of Defence (MoD)	Ministry of Heritage and Culture (MoHC)
Ministry of Housing (MoH)	Ministry of Environment and Climate Affairs (MECA)
Ministry of Regional Municipalities and Water Resources (MRMWR)	



# Information & Communication Technology

ICT KPI Dashboard			
Initiative/ KPI		2019 Target	2019 Actual Achievement
1	<b>Digitisation of Key Public Services</b>		
1.1	Approve and Roll out digital transformation roadmap	100%	100%
2	<b>Establish a Vibrant Cybersecurity Industry</b>		
2.1	Company set-up and preparation for commercial operations	100%	85%
3	<b>Stimulate the local cybersecurity market</b>		
3.1	Launch the government IT compliance programme and the private sector IT accreditation programme, and circulate and mandate the new IT companies' accreditation programme	100%	87%
4	<b>Establish ICT Shared Solutions Company</b>		
4.1	Company set-up and preparation for commercial operations	100%	90%
5	<b>Last Mile Services to Support SMEs (LMX)</b>		
5.1	Achieve 100% Completion of the project targets	100%	100%
6	<b>Introduce a Special Incentive Programme to Attract High Value ICT Activities into Oman</b>		
6.1	Design and approval of incentive programme	100%	30%
7	<b>SAS 4th Industrial Revolution Hub/Sandbox</b>		
7.1	Establish SAS 4IR Technology Hub and Sandbox programme as a national technology business hub	100%	100%
8	<b>Accelerating the Transformation of the Sultanate into a Cashless Society</b>		
8.1	Formation of National Payment Company (NPC)	100%	60%

Initiative/ KPI			
2019 Target		2019 Actual Achievement	
9	<b>Promote Oman as the Region's Hub for Disaster Recovery Services</b>		
9.1	Completion of planning and preparing the promotion campaign, and preparing a list of service providing companies in Oman	100%	100%
10	<b>On-the-Job Training and Placement Programme for Locals</b>		
10.1	Launching the programme and signing with the partners to train 100 job seekers in 2019	100%	100%
11	<b>Use and Manufacture of Internet of Things (IoT) Devices</b>		
11.1	Completing the First Phase: establishing a factory for Internet of Things devices	100%	69%
11.2	Approving the technical standards for metering systems	100%	65%

\* Deloitte did not review ICT KPIs because they were added in the middle of 2019.

\* A number of projects might not be reflected in the dashboard above as they are under direct monitoring of specific authorities. However, ISFU follows up on their execution on a regular basis.

\* All forms of data are being continuously improved to be more representative of actual economic state. This is done in collaboration with NCSI and relevant government entities and aligned with international standards.

## Overview

Information and Communication Technology (ICT) sector is a driver of growth, innovation and transformation for other sectors. It primarily depends on knowledge and skills, which leads to achieving high income and providing job opportunities for job seekers. Moreover, the development of the ICT sector will cause an increase in the productivity and effectiveness of other sectors like manufacturing, agriculture, health and finance.

ICT sector is growing incredibly fast and this opens the door for utilizing modern technology for a better lifestyle. The Sultanate has great potential that allows it to keep up with these developments, as this sector directly contributes to the welfare of the citizens. Also, the projects of ICT will contribute to the direct and indirect investment which will help enhance the diversification of the national economy.

One of the major achievements of the sector is the design and approval of the roadmap for the transformation of a number of government services to e-services. Another accomplishment is the completion of the planning and preparation of a promotion campaign, to promote Oman as a disaster recovery hub in the region. This is in addition to completing the training and placement of 152 job seekers in the ICT field.

Moreover, one of the major projects of the sector is the creation of 17 SMEs in the Last Mile Connectivity Service project, and the completion of the technical training of 60 technicians in the same project.

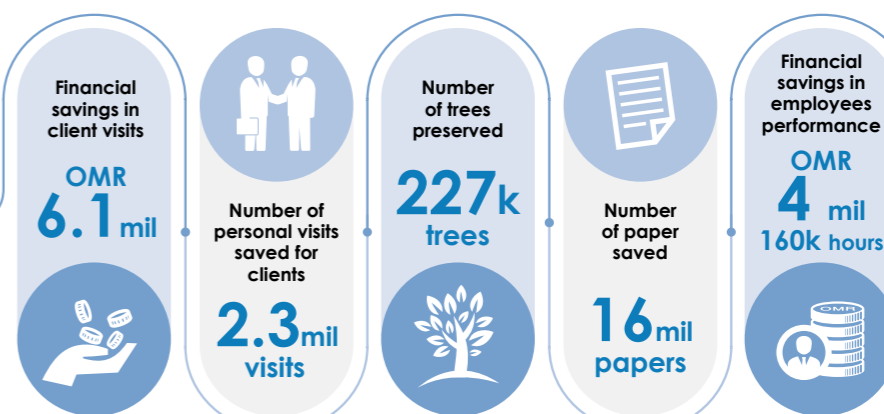
ISFU has worked hard during the second half of the year to achieve the milestones of the ICT sector projects, which were added to the dashboard in June 2019. ISFU, in collaboration with the Ministry of Technology and Communications (MTC), coordinated a lot of meetings with the relevant entities such as MoCI, MoH, MoF, MoFA, SCP, AER and TRA for the purpose of clarifying any misunderstandings, reaching a common understanding of the strategic purpose of the projects, and making sure the financial requirements are well understood.

### 1. Digitisation of Key Public Services



The existing digital government services in the Sultanate of Oman serve to facilitate many transactions for citizens, as well as government and private entities. Compared to previous non-digital services, these provide substantial savings in terms of time, money and human resources. This project therefore intends to further accelerate the digital transformation of the most important government services in order to improve their quality and increase demand.

**By digitising 4 governmental services:  
Invest Easy, Education Portal, Environmental Permits, and Muscat Municipality  
Services (Baladiyeti), the government have made the following savings:**



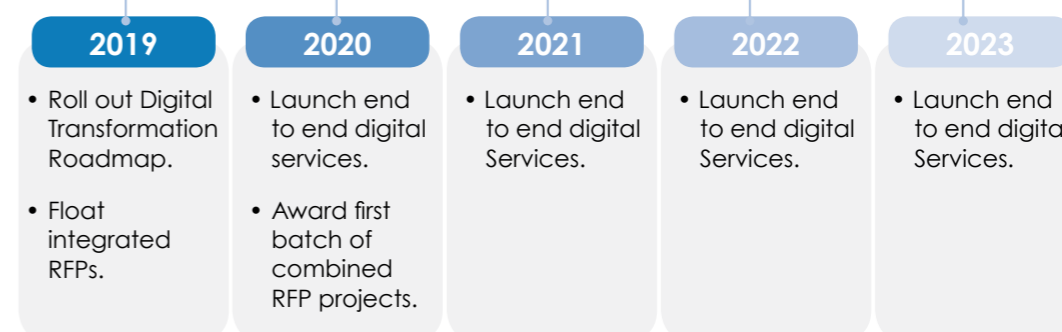
In four years

**OMR 136.1 mil**  
Total revenue

**OMR 18.5 mil**  
Total savings

The project will target 64 government entities over the period of 5 years – carried out through the implementation of a public-private partnership financing model. It is expected to create opportunities to improve the overall efficiency and performance of the government, while also raising levels of transparency.

### Project Timeline



## 2019 KPIs

### 1.1 Approve and roll out digital transformation roadmap

The purpose of this KPI is to come up with an approved digital transformation roadmap.

#### The Journey

Milestone	Status
Submit the digital transformation roadmap.	Achieved. The transformation roadmap has been developed by MTC, which has also prepared options to finance the project. ISFU has facilitated the discussion with related entities to explore more creative solutions to sustain the project fund after its initial year.
Obtain approval for, and roll out the digital transformation roadmap.	Completed.
Draft the scope of work for the 5 Integrated Request for Proposals (RFPs).	Completed. The 5 integrated RFPs are the Public Authority for Consumer Protection (PACP), Sohar Municipality, Dofar Municipality, Oman Medical Specialty Board (OMSB), and Public Authority for Civil Aviation (PACA).
Complete the scope of work drafts for 3 combined RFPs.	Completed.
Submit the list of services.	Completed.

#### Stakeholders

Ministry of Technology and Communications (MTC)	Government entities
Private Sector	

## 2. Establish a Vibrant Cybersecurity Industry



In recent years, the Sultanate of Oman has made significant progress and achieved numerous milestones in the field of cybersecurity.

It has also achieved top positions in the Global Cybersecurity Index: In 2017 cybersecurity readiness index, Oman was ranked first in the Arab world and fourth in the world, while also receiving the World Summit on the Information Society (WSIS) Award in the category "Building confidence and security in the use of ICTs". Oman also established the first cybersecurity centre in the region – which is affiliated with the International Telecommunication Union, and hosted by MTC (represented by Oman National Computer Emergency Response Team).

Despite this progress, there are currently no entities specialising in the provision of comprehensive and integrated cybersecurity services in Oman, except for MTC – which renders such services to public organisations but does not commercialise them. With this in mind, the ICT Lab identified the need to create an active and vibrant cybersecurity industry.

The project focuses on 3 key areas of cybersecurity: Managed security services; cybercrime analysis; and cybersecurity services such as security incident management and security consultancy. The Lab also came out with a cybersecurity business model that included the establishment of a new cybersecurity company with global standards; and proposed to separate the operational tasks of some government institutions and establish a partnership with local and international companies, to introduce new technologies and skills to be used in the local market.

In addition, the project will contribute to increasing the Sultanate's competitiveness in the near future, while also attracting investment, and increasing the contribution of the private sector to the establishment of cybersecurity business.

## 2019 KPIs

### 2.1 Company set-up and preparation for commercial operations

The purpose of this KPI is to establish a company to provide cybersecurity services. The KPI will also track the development of the list of services that will be provided by the company.

#### The Journey

Milestone	Status
Finalise the business plan and formation strategy.	Completed.

#### Stakeholders

Oman ICT Group	Private sector
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## 3. Stimulate the Local Cybersecurity Market



Currently in Oman, there are no specialised entities that provide comprehensive cybersecurity services except for MTC, which provides these only to government institutions but not in a commercial context. Therefore, ICT Lab discussed a range of measures to address this situation, which would ultimately stimulate demand for local cybersecurity services.

One of the key measures was the development of a set of proposed policies that would enable existing and future companies to successfully do business in this sector. It also proposed establishing a cybersecurity accreditation programme, which would enable the private sector to provide relevant services at the appropriate time.



Cybersecurity services include security incident management, web and network security assessment, security consultancy, web portal protection, security architecture review, physical security assessment, and mobile security assessment.

## 2019 KPIs

### 3.1 Launch the government IT compliance programme and the cybersecurity accreditation programme, and circulate and mandate the cybersecurity accreditation programme.

#### The Journey

Milestone	Status
Finalise the business plan and formation strategy.	Completed.
Recruit employees for the Compliance Department.	Employees have been recruited and trained in IT audits and compliance.
Initiate the Government IT Compliance Programme.	The Compliance Programme has been piloted and the IT compliance checklist has been developed.
Initiate the Cybersecurity Accreditation Programme.	The marketing campaign has been rolled out and training for the Accreditation Programme has been conducted.

#### Stakeholders

Ministry of Technology and Communications (MTC)	Private sector
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## 4. Establish ICT Shared Solutions Company



As the world heads into a high-tech future, it is predicted that there will be an increasing demand for ICT experts on temporary contracts in all sectors. In fact, the number of global cybersecurity jobs is expected to reach 3.5 million by 2021.

Therefore, this project aims to align itself with this trend and establish a company that provides various services in the ICT field. At the same time, it seeks to enhance ICT skills and build ICT capacity in Oman through partnerships with specialised international companies such as Microsoft, Oracle, and others. In doing so, it can meet the ICT needs of local and international markets. The scope of this company will cover 3 areas:

1. Shared ICT solutions and services.
2. Providing professional services by qualified Omani employees through temporary or part-time contracts for placement in ICT roles.
3. Development of intellectual property for product commercialisation.

## 2019 KPIs

### 4.1 Company set-up and preparation for commercial operations

The purpose of this KPI is to form the company; track the progress of the development of service offerings in the market; and initiate commercial operations.

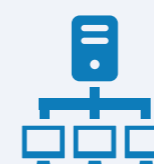
#### The Journey

Milestone	Status
Finalise the business plan and formation strategy.	Completed.
Identify initial partnerships, start negotiations, and finalise the 2 initial partnership agreements.	Completed.
Recruit the first batch of employees.	Completed.

#### Stakeholders

Ministry of Technology and Communications (MTC)
Telecommunications Regulatory Authority (TRA)
Oman Information Technology and Communications Group (OITCG)

## 5. Last Mile Services to Support SMEs (LMX)



This project aims to analyse the workflow with regards to connecting Oman's Last Mile of broadband – the portion of the broadband network that physically reaches houses, residential complexes, companies, etc. This project initially focuses on internet connections and it may include Internet of Things (IoT) devices and CCTV services etc. It seeks to propose a viable framework that integrates Omani SMEs and technicians in the ecosystem so they can provide LMX services, while considering the operational needs of the service providers. It also aims to build national capacity, provide more jobs for Omanis, and support start-ups and SMEs specialising in this field.

## 2019 KPIs

### 5.1 Achieve 100% Completion of the project targets

This KPI will track the progress of the project to ensure its successful implementation. It aims at training 60 Omani technicians and establishing 17 SMEs with the target of 50% omanisation.

#### The Journey

Milestone	Status
<b>Batch 1:</b> Conduct Technical Training for Last Mile Connectivity (LMC) services.	32 technicians have been trained in LMC services.
<b>Batch 1:</b> Establish SMEs to provide LMC services to operators, while targeting 50% Omanisation.	8 companies were established and the target of 50% Omanisation was achieved.
<b>Batch 1:</b> SMEs to sign contracts with the operators for the LMC service.	Contracts were signed with operators (Omantel and Oman broadband).
<b>Batch 1:</b> Report SMEs progress.	AMAN reported the progress of the project to the Telecommunications Regulatory Authority (TRA).
<b>Batch 2:</b> Conduct the Technical Training for the LMC services.	28 technicians have been trained in LMC services.
<b>Batch 2:</b> Establish SMEs to provide LMC services to operators, while targeting 50% Omanisation.	9 companies were established and the target of 50% Omanisation was achieved.
<b>Batch 2:</b> SMEs to sign contracts with the operators for the LMC service.	Contracts were signed with operators (Omantel and Oman broadband).
Monitor the KPI targets.	AMAN monitored the agreed-upon KPIs for the project and reported performance to TRA.
Negotiate the funding model for the next phase of the project.	AMAN and TRA reached an agreement for the funding model of the project for 2020.

#### Stakeholders

Telecommunications Regulatory Authority (TRA)	Oman Broadband
The Public Authority for Small and Medium Enterprises Development (Riyada)	Oman Development Bank (ODB)
AMAN Technology and Engineering Consultancy (AMAN)	Omantel

## 6. Introduce a Special Incentive Programme to Attract High Value ICT Activities into Oman



Many countries that are considered world leaders in the ICT sector have designed and implemented incentive programmes to attract further ICT company development and activity in their economies. In order for Oman to align itself with this trend, the Lab has foreseen the need for the country to adopt a similar programme in order to attract high value ICT activity to the Sultanate.

In line with a number of initiatives in the National ICT Strategy, a proposal was developed for a programme that would provide the incentive for more ICT business development in Oman. 3 central components for this programme were identified:

1. Providing an attractive package of incentives: This includes a complete package of material incentives such as discounts, tax exemptions and other incentives such as e-residence, and ease of restrictions on recruitment controls.
2. Determining the programme management and market access strategy.
3. Developing a world-class infrastructure: This would first entail identifying a specific location with ample office space – where new technologies could be tested, and which would function as a platform from which to create a high-quality network with competitive tariffs. It is expected that the adoption of such a programme will increase the Sultanate's competitiveness and make it a hub for major investors. This will result in the creation of many jobs and the improvement of the business environment in general.

## 2019 KPIs

### 6.1 Design and approval of incentive programme

#### The Journey

Milestone	Status
Form the Incentive Technical Team.	Completed.
Finalise and submit the first draft for the scope of work and incentive framework.	Completed.
Release the RFP.	The team reviewed the submitted proposals and discussed the initial plan of technical evaluation.
Evaluate the received proposals.	Technical proposals have been evaluated and commercial evaluation is in process.

## Stakeholders

Ministry of Transport and Communications (MTC)	Ministry of Manpower (MoMP)
Telecommunications Regulatory Authority (TRA)	Royal Oman Police (ROP)
The Public Authority for Investment Promotion and Export Development (Ithraa).	Knowledge Oasis Muscat

## 7. SAS 4th Industrial Revolution Hub/Sandbox



MTC has established SAS as a national centre for technological entrepreneurship in the Sultanate, which will accommodate the 4<sup>th</sup> Industrial Revolution (4IR) Technology Hub and Sandbox. The project aims at bringing together local and international stakeholders, including inventors, start-ups, SMEs, regulators, and technical and industrial experts.

In doing so, it will create a flexible and unrestricted environment to develop new products and solutions that utilise and test the 4IR technologies before allowing them to enter the local market. This will ensure that the needs of the Sultanate in this area are met, and that it can expand into regional and global markets.

Finalise the scope of work including the identification of key functions.	The scope of work has been finalised and the key initial logistics and health care functions have been identified. Moreover, a Memorandum of Understanding (MoU) was signed with ASYAD as the logistic partner on SAS 4IR, while official confirmation was received from Ministry of Health (MoH) to be the project's health care partner.
Develop a specific framework (for each sector) to drive, implement and adopt emerging technologies.	Completed.

## Stakeholders

Ministry of Technology and Communications (MTC)

## 8. Accelerating the Transformation of the Sultanate into a Cashless Society

In line with global trends, and in response to the recommendation of the World Bank to separate the operator from payment systems, the Central Bank of Oman (CBO) is currently privatising services related to national payment systems through the establishment of a private payment company owned by a group of banks in Oman.

Currently, CBO has a number of national payment systems such as Oman Net and Automated Clearing House (ACH) – which are both operated and developed by CBO. It also issues, supervises and monitors the laws and regulations concerning these systems to ensure the security of financial transactions.

Looking ahead, the new company, called the "National Payment Company (NPC)" will be involved in the management of payment systems, and will also provide public services such as printing cheque books and cards, and providing a customer call centre. At the same time, CBO will be responsible for issuing legislation, supervising and monitoring these systems.

CBO also seeks to raise community awareness on the importance of using electronic payment systems instead of banknotes. They will achieve this by carrying out awareness and marketing campaigns, and by conducting surveys through various media channels such as radio, television, social networking sites etc.

This is considered as a significant project as it will reduce tax evasion and alleviate the risk associated with the use of banknotes. It will also enhance the level of transparency and reduce the potential for corruption.



## 2019 KPIs

### 7.1 Establish SAS 4IR Technology Hub and Sandbox programme as a national technology business hub

#### The Journey

Milestone	Status
Form an internal committee within MTC.	Completed.
Design the general framework for the Sandbox operations.	Completed.
Form the SAS 4IR Technology Hub and Sandbox technical committee from various sectors (sector owners, regulators, SMEs, start-ups etc) – led by MTC.	Completed.
Form the Enablers and Working Groups.	A number of key entities were contacted to get their support for the project.

## 2019 KPIs

### 8.1 Formation of National Payment Company (NPC)

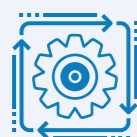
#### The Journey

Milestone	Status
Float the RFP in order to appoint a consultant.	The RFP was floated and the vendors were subsequently evaluated and shortlisted. Some clarifications on the project were provided to the vendors on request.
Provide clarifications to the vendors if they request any.	
Receive and review proposals.	
Short-list the vendors.	

#### Stakeholders

Central Bank of Oman (CBO)	Banks in Oman
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## 9. Promote Oman as the Region's Hub for Disaster Recovery Services



Due to its political stability, and its unique geographical location; the Sultanate of Oman is in an ideal position to provide Disaster Recovery Services in the region. These are defined as a facility used by institutions to host basic applications and data – which can be recovered and operated after they become unavailable in their original sources, due to various reasons.

In addition to these advantages, the Sultanate can also provide competitive Disaster Recovery Services due to it being connected to most of the major submarine cable systems in the region. It is also connected to the Asia-Africa-Europe line, which is a major new link connecting more than 6 billion people to the Internet. To leverage the Sultanate as a leading hub for Disaster Recovery Services, a promotional programme has been proposed for action.

## 2019 KPIs

### 9.1 Completion of planning and preparing the promotion campaign, and preparing a list of service providing companies in Oman

This KPIs aims to unify efforts and coordinate with several stakeholders to prepare the appropriate platform for Oman to become a leader in Disaster Recovery Services in the region. (This would especially apply to establishing appropriate technical platforms – besides the designing and provision of a catalogue). In cooperation with related parties, it also aims to launch a campaign to promote Oman as the Region's Hub for Disaster Recovery Services.

## The Journey

As part of the development of this initiative, ISFU and MTC organised several meetings and workshops between MTC, TRA, Oman Broadband, Omantel and data centres.

During these meetings, various suggestions to ensure the successful development of the project were presented; and the need to create a list of services that could be provided in other countries was realised. In coordination with Ministry of Foreign Affairs (MoFA), a visit to Qatar's Information Technology and Communications exhibition (QITCOM) 2019 was organised to promote the available services.

## Moving Forward

In 2020, the project will work on promoting Oman regionally and internationally as a regional hub for disaster recovery services. At the same time, issuing Oman's data protection law, which is expected in 2020, will accelerate the implementation of this initiative.

## Stakeholders

Ministry of Technology and Communications (MTC)	Omantel
Ministry of Foreign Affairs (MoFA)	Ooredoo
Telecommunication Regulatory Authority (TRA)	Oman Broadband Company
Data centres	Ithraa

## 10. On-the-Job Training and Placement Programme for Locals



This project was established to increase the number of appropriately skilled ICT graduates in Oman in order to meet the increasing demand for certain ICT skills. Essentially, the project will serve to meet these needs with on-the-job training – which remains one of the most effective ways to provide a solution to a problem of this nature.

### The project will be carried out in 2 phases:

**Phase 1:** This will entail a two-year on-the-job training programme that will be rendered by local and international companies. Job seekers will acquire basic expertise and skills in ICT under the supervision of experts and specialists in the field. It will consist of both theoretical and practical aspects.

**Phase 2:** This will entail a one-year programme for recruiting national competencies. It is derived from Ministry of Oil and Gas (MOG) experience in increasing the Omanisation rate, and after the trainees acquire the necessary skills and expertise during the training period, a plan will be carried out to replace expatriates with these graduates.

## 2019 KPIs

### 10.1 Launching the programme and signing with the partners to train 100 job seekers in 2019

This KPI targets obtaining the approval of the on-the-job training programme in line with the ICT sector's national competencies. This will be achieved through the National Training Fund (NTF), and via joint financing with some of the specialised companies in this sector. In addition, the project aims to form a technical committee to establish a flexible framework specifically for this programme.

#### The Journey

In 2019, a workshop with various information technology companies was conducted, then it was agreed to train and recruit 100 job seekers in these companies – with this process being supervised by a technical committee overseen by NTF.

Moreover, a flexible framework was developed to ensure the training systems would incorporate the rapid changes and dynamic nature of this sector. By the end of 2019, 152 job seekers were trained and recruited in ICT companies.

#### Moving Forward

The programme aims to achieve all of its remaining targets, and train and recruit more job seekers in 2020.

#### Stakeholders

Ministry of Technology and Communications (MTC)	Recruiting companies
The National Training Fund (NTF)	

## 11. Use and Manufacture of Internet of Things (IoT) Devices



Currently, there is a worldwide trend to install and adopt the use of smart meters in residential and other properties. However, the use of smart water and electricity meters in Oman is limited, and in some cases non-existent. This project therefore aims to expand the use of these smart meters for water, electricity and gas.

Its importance lies in the opportunity to reduce the cost of using conventional meters, and also to monitor/reduce leakages. Smart meters also provide timely and accurate data on water, electricity and gas consumption – enabling users to adjust their consumption and thus reduce monthly cost.

The National Energy Center (NEC) has successfully implemented a pilot project for the installation of smart meters in Musandam Governorate, and it also plans to establish a factory for the manufacturing of a range of smart meters.

## 2019 KPIs

### 11.1 Completing the First Phase: establishing a factory for Internet of Things devices

This KPI aims to follow up the progress achieved in establishing the factory, as locally manufacturing such devices may lead to achieve other goals, such as localising technical knowledge, building local skills, increasing imports, and contributing to Oman's GDP.

### 11.2 Approving the technical standards for metering systems

This KPI aims to issue the approved technical standards for metering systems.

#### The Journey

The approvals of the technical standards for metering systems is an important step towards the adoption of technology in Oman, as well as an important step towards the localisation of technology throughout the country. Therefore, ISFU organised a meeting between MTC, Authority for Electricity Regulation (AER) and Ministry of Commerce and Industry (MoCI) to accelerate the issuance of technical standards for metering systems.

Subsequently, it was agreed that AER would write and prepare the technical standards in cooperation with MoCI, while MoCI will continue the process of issuing the standards. Moreover, with regards to the establishment of the factory, the contract was signed with the consultant for the first stage of construction, and the factory is currently being constructed.

#### Moving Forward

In 2020, the focus will be on obtaining the approval for the technical standards for metering systems, and completing the first stage of the factory's construction.

#### Stakeholders

Ministry of Commerce and Industry (MoCI)	National Energy Center (NEC)
Authority of Electricity Regulation (AER)	



# Independent Advisory Review (IAR)

## Independent Advisory Review (IAR) Panelists



**Dr. Amer Awadh Al Rawas**

Group CEO of Tasneea Oil & Gas Technology.  
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**Asma Humaid Al Ghabshi**

HR Manager at Shell Oman.  
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**Abdullah Zahran Al Hinai**

Chief Wholesale Banking and Strategic Growth Officer at Bank Muscat.  
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**Dr. Faheem Abdullah Al Marhoobi**

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**H.E Dr. Ahmed bin Mohsen Al Ghassani**

Chairman of Dhofar Municipality.  
Business Environment and Labour Market & Employment Sectors.



**Ibrahim Said Al Amri**

Chief Operation Officer of Flour Mills.  
Mining Sector.



**Alinah Aman**

Director of Technologies at ASM Technologies.  
Business Environment and ICT Sectors.



**David Paterson**

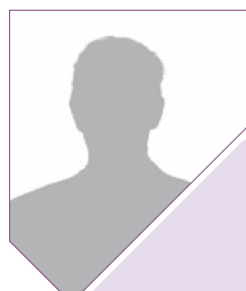
Management Consultant at Emergent Advisory.  
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## Independent Advisory Review (IAR) Panelists



**Hussain Jawad Al Lawati**

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**Ali Mohammed Tabouk**

CEO of Salalah Free Zone.  
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**Abdullah Said Al Badri**

CEO of Voltamp Group.  
Energy Sector.



**Eng. Hamed Salim Al-Maghdiri**

CEO of Al Maha Petroleum Products Marketing Company SAOG.  
Energy Sector.

## Independent Advisory Review (IAR) Panelists



**Dr. Steffen Hertog**

Associate Professor at  
The London School of Economics & Political Science.  
Labour Market & Employment Sector.



**Rene Honig**

Consultant.  
ICT and Manufacturing Sectors.



**Martin Hackl**

General Manager at Kuehne + Nagel.  
Logistics Sector.



**Kaiser Naseem**

Consultant.  
Business Environment Sector.



**Joseph Payet**

Consultant.  
Fisheries Sector.



**David Leeder**

Director & Managing Partner at Transport Investment Limited.  
Logistics Sector.



**Randall Tinkerman**

Consultant.  
Energy Sector.



**Andreas Hilz**

Founder & Managing Director of HI and Consulting.  
Tourism Sector.



**Mohammed Ali Al Barwani**

Founder and Chairman of MB Holding.  
Manufacturing Sector.



**Mohammed Zaman**

Chairman & CEO of Al Zaman Group.  
Tourism Sector.

## Independent Advisory Review (IAR)



**The Independent Advisory Review (IAR)** is an important platform in which the results of the initiatives and projects are reviewed, aiming to provide an independent assessment on the progress achieved. This event touches upon the achievements and challenges of the previous year.

### IAR Objectives:

To learn from the experiences and perspectives of the experts hosted in the event to provide their feedback regarding the progress of the initiatives and projects.



### IAR Members:

Economic experts from the public and private sector.



### Introduction:

The annual Independent Advisory Review (IAR) conducted this year reviewed and challenged nine different sectors on their progress, achievements and obstacles. The sessions saw government representatives from the sectors brainstorm with a panel of local and foreign distinguished experts. Their key objective was to find the best practices and recommendations to accelerate efforts in economic diversification. Enhancements were made to the IAR methodology this year which brought about improvements in the outcomes of the sessions. The sessions were highly effective with plenty of ideas exchanged regarding areas of improvements and potential new initiatives to bring the Sultanate into the new decade. Through open healthy discussions and innovative problem solving techniques, participants were able to bring back with them long and short term action plans which will contribute to the nation's future.



## Manufacturing

The Manufacturing sector has demonstrated a robust contribution to Oman's economy in terms of GDP, job creation and attracting foreign investments. It has also shown a strong performance over 2019, with a number of ongoing projects realizing first production and new projects taking Final Investment Decision (FID). The sector is characterized by a wide variety of projects, ranging from petrochemicals to metals and food.

Key achievements over the review period included commercial production of Mazoon Dairy project, Sebacic Acid Plant and Polymer Manufacturing project.

To further strengthen the contribution of the sector, several measures are suggested. Firstly, it is recommended to lower the sector's financing threshold by consolidating the existing development funds and taking into account the potential new projects' contribution to the sector's strategic direction when they apply for loans. Secondly, it is imperative that competitive and high quality local products and services are sourced with priority, to expand the local supply chain. Lastly, the strengthening of the manufacturing innovation ecosystem, including stronger links with research and academic institutions could be considered.

The sector has initially leveraged the existing natural resources in Oman, resulting, for example, in a significant percentage of the sector's GDP contribution stemming from petrochemical projects. Research on new technologies, like innovative advanced material (e.g. based on nanotechnology), and productizing them could help achieving continuous diversification. Also, increased collaboration with international institutions could be beneficial to realize this.

Overall, the Manufacturing sector is well positioned to grow its material impact on Oman's long term strategic objectives, in terms of GDP contribution, foreign direct investment and local employment.



## Tourism

Tourism sector has improved throughout 2019 by strengthening its regulation framework to drive professionalization, and selecting positive investment in projects such as the Alila project. However, the sector needs to improve its data, research and insights management and create digital capabilities including all stakeholders.

The sector should have a driven approach to develop tourism products and assist SMEs which are a huge potential and have an impact on the economy. Also, the current initiatives are important but there is no clear distinction between major and minor initiatives based on their impact on the economy.

Moreover, Oman's tourism sector should have the ability to further develop authentic, experiential and sustainable tourism products as the country enjoys rich nature and culture. The sector is currently focusing on these areas, however, it will take time to increasingly capitalize on them which is expected and reasonable.

Looking into global trends and the regional geopolitical status, the sector is heading to the correct direction, but better data driven insights can clarify the direction and make policies and regulations more effective.



## Logistics

In today's rapid and ever changing landscape, Oman needs to constantly stay ahead of the game by embracing technology, which is a very powerful enabler. Technology today is known to drive any logistical operation towards higher productivity and efficiency, which could be the main key selling point for attracting more businesses into the country. There are many success stories around the globe that embraced technology, which could be beneficial case studies for the Sultanate. This should be taken into consideration where the country would then be able to learn from the experience of other nations to the most minute and finest detail. Technology offerings may come at a price, but based on the panel of experts, price war may not be the ultimate factor to the viability of a port. Other factors like port turn-around time, efficiency of port clearance and type of service offerings play a huge deciding factor for any logistics hub. These factors would be able to help the Sultanate to propel forward from a small regional hub to a mega regional player in the future.

Another key factor to look into would be the privatisation of the existing sea ports and airports. This strategy has been tried and tested across the world and has brought about success, by reducing the burden on government expenditure and at the same time enabling the ports to function as a full commercial entity. This ensures that there are stakeholders to the port to ensure its commercial independence and its own sustainability.



## Labour Market & Employment

The Labour Market & Employment initiatives sound impressive but their impact is hard to evaluate. Therefore, more efforts need to be carried out on a) labour cost and mobility gaps between nationals and foreigners, which currently make foreigners more attractive as employees, and b) a clearer signal needs to be provided that there are no more implicit government employment guarantees, while government employment conditions need to converge on those in the private sector.

Omani workforce has competitive edges with their deep cultural and local knowledge and excellent social skills – useful especially in the hospitality sector, in addition to a huge number of labour that are experienced with infrastructure and engineering. The sector's capitalization on these competitive edges is good compared to other GCC countries. However, these can improve further if incentives for national job-seekers and firms are aligned with private sector needs.

All around the world, governments are characterized by "silo" structures in which individual government agencies pursue their own strategies without coordinating with other agencies and without facing critical trade-offs and synergies between policies. The inter-departmental process in general is essential for overcoming these challenges – especially for an essentially cross-cutting policy area like labour regulation and job creation.

During the session, the discussion was open and collaborative with the participation of private sector stakeholders who contributed their practical insights on the feasibility of various policy related ideas. Despite very different starting points, participants came to a general agreement on new directions of labour policy that should be further investigated in the near future.



## Business Environment

The Business Environment (BE) team has done very well in facilitating and integrating a huge number of services from various government entities, which is a painstaking task. The key to effective and efficient integrated online services is business process re-engineering, to eliminate bottlenecks and streamline the internal process. While more services are being integrated to facilitate and empower the business environment in the country, efforts should also be taken to encourage government stakeholders to adopt a pro-business strategy in order to attract more Foreign Direct Investment (FDI) and encourage more locals to become successful entrepreneurs through knowledge acquisition and innovation.

Another key factor which can enhance the business environment is customer-centric services online and at the frontline. Frontline staff at the various government entities need to acquire certain skills in order to professionally deal with customers. A positive customer experience goes a long way in promoting Oman as an attractive destination to invest and start business.

The sector should not only focus on BE ranking, but the essential growth of the economy through various indicators such as the GDP, FDIs and employment trends. There is also a need to review the banking regulations to provide support for SMEs as they form about 80% of the economy. In order to effectively diversify the economy, SMEs are the "infantry" which could play a significant role in boosting the economy. However, SMEs need sound financial support from the local banks, pro-business approach by the government, skilled workforce, and local, regional and international market connectivity. A vibrant and active SMEs community will bring about economic diversification, boost the BE and bring economic prosperity to the country.



## Fisheries

It was noted that bureaucracy has been a major impeding factor for most local and foreign investors participating in this lucrative industry. Such lack of participation from investors in fisheries projects limits the growth that this industry deserves. Oman still heavily depends on artisanal fishing which limits the catch, though a good measurement of catch should not be based on its tonnage but on the type and quality of the catch. Obtaining quality catch would then increase its value, enabling better economic contribution. Therefore, more efforts would be needed in identifying catch and pre & post fishing activities.

Moreover, most leading countries in aquaculture production have an initial policy of subsidising the private sector with up to 50% of investment cost. Hence, it is highly recommended that Oman's government adopts this best practice which has been proven to spur and promote the industry.



## Energy

The advisors at the Energy sector session acknowledged the synergy of efforts between ISFU and the sector players, private and public alike. This was seen a crucial part towards improving the sector and achieving the potential market liberation, which should take place in any developed energy market globally. As they recommended, the issue of subsidy has to be closely examined and monitored from all angles, i.e. the power generation, electricity tariff, fuel subsidy, etc., as this would have a great impact on the bottom line of the country. Another aspect is the importance of social and public education on the need for power and electricity, where various mediums of communication need to be utilised to ensure the maximum outreach for the message.

Upon liberalisation of the Energy Market, it was recommended that the government looks into forming a center for energy efficiency which would then serve as an entity that looks into the standards of service delivery and standards of equipment that are allowed into the Sultanate, which would not pose a spike or threats to the power generation capacity. These efforts will then result in an impact on the demand of energy in the country, which should potentially lead to a more efficient demand of power and cause a more sustainable and manageable power demand growth, rather than an exponential demand as society grows.



## Mining

The Mining sector was identified by the panel of experts as a sector that requires a lot of efforts to attain sectorial maturity both tangibly and non-tangibly. Currently, major companies in Oman are highly dependent on upstream activities with negligible downstream activities, which can potentially vastly contribute to In Country Value. This needs to be deeply explored, since new advancements of technology in mining and refining raw produce has enabled far lower impacts to the natural environment. This can be championed by the formation of a center for innovation which can study the downstream activities and bring them to fruition in the country. However, the role of this center should not be limited to this activity.

The center can be empowered with the topography and geological study of the available land resources. Though a huge funding is required for this, it will then become an asset to the country in further attracting FDI, which currently lacks proper business proposals and case study. This, along with the absence of clear process and regulations, has created a high barrier and risk of entry for potential investors, local and foreign alike.

Besides the economic and financial implications, another consideration to look into would be the local community engagement and its social impact, which needs to be mitigated across all levels. This is key as the locals would then be enabling this industry by being land asset investors, skilled workforce and partners. This will help achieving social acceptance and minimize the potential disputes and disruption in investments and operations in the future.



## Information & Communication Technology

The Information and Communication Technology (ICT) sector has made significant progress towards its stated multi-year targets over the review period. It is underpinned by a balanced collection of domains, addressing disruptive digital technologies, key deployment verticals, development and commercialization practices, capability development and a set of enabling initiatives ranging from demand stimulation to a supporting legislative environment.

Key achievements exceeding expectations include the digital transformation of public services, with an increasing number of services provided online, the SAS Entrepreneurship program, the progress of Open Source Initiative and the modernization of the country's communications infrastructure.

Overall, Oman is well positioned to play a leading role in ICT in the region, leveraging its geopolitical position. In particular, the Cybersecurity and Industry 4.0 domains could serve as steppingstones towards building a truly competitive ICT sector, providing challenging and highly skilled job opportunities for the current and next generation of the workforce.

The accelerated building of a strong and globally recognized ICT eco-system, encompassing industry, local ICT companies, academia and R&D institutions, investors and startups should be considered as a priority, as it will function as a catalyst for achieving the sector's strategic vision. Targeted international collaboration could also be considered as a means of acceleration of the program.

Considering the breath and pace of technology change, it is imperative that educational curricula are regularly reviewed and updated to ensure a seamless supply and demand for the sector's crucial technology skills and that top talent is directed towards the sector. In addition, softer skills like entrepreneurship, design thinking and agile methods should be addressed.

Given the above, the ICT sector is poised to make a significant and sustainable contribution to Oman's long term strategic objectives, in terms of both GDP contribution and local employment.

## Conclusion

During the IAR sessions, the advisors presented a set of recommendations that aimed at providing independent validation of the sectors' achievements, offer outside-in perspectives, learn from others' (local and international) experiences, and find creative and practical solutions for the issues and challenges faced by the sectors. Additionally, the advisors discussed ways to improve the sectors' performance and effectiveness in delivering the main mission of ISFU, which is economic diversification. Another recommendation is that all sectors need to work on aligning their projects together and enhancing the regulations and policies, which will lead to attracting foreign and local investments, hence, fulfil the mission.

This year's sessions were interactive and attempted to solve the problems these sectors are facing and building up a set of solutions and initiatives that can help on resolving the problems. The overall outcome of this IAR was a set of initiatives per sector that were categorized into three parts: 1. Solutions that are known to the stakeholders and considered to be ongoing, 2. Solutions that are considered as quick wins, and 3. Solutions that require more work and further analysis to land on a concrete way forward. Many of these solutions are being treated as initiatives on their own because of their impact on the sector and the need to have them followed up rigorously. Subsequently, a plan will be in place to implement each solution/initiative according to each sector's requirements.

## Agreed-Upon Procedures



### Overview by ISFU

2019 saw the third Agreed Upon Procedures (AUP) being conducted for a sampled size of the KPIs and milestones as part of the pursuit of credibility, transparency and accuracy of ISFU's reporting to the public. This exercise is part of ISFU's annual processes, however, there is a stark difference of improvements as compared to the previous years. Deloitte was engaged to do the external verification three months earlier than previous years, allowing better outcome clarity in any findings and shortcomings.

To facilitate the changes, the various teams were internally guided to ensure a smooth and seamless transition. This has brought about a substantial improvement of performance and a more precise representation of the achievement of the economic sectors in the diversification process.

### Verification by Independent Third Party

Implementation Support and Follow Up Unit "ISFU" endeavours to report the performance of the National Programme for Enhancing Economic Diversification (Tanfeedh) projects alongside business environment projects. The annual report is an important part of ISFU as it includes Key Performance Indicators (KPIs) dashboards of different sectors, which highlights the efforts taken by the public and private organizations to enhance economic diversification and business environment. It also includes efforts taken by ISFU to follow up and support programmes' projects and new labs (extensive discussions with public and private stakeholders).

ISFU reinforces the key principles of transparency and accountability, which are revealed through this annual report. The annual report lists the KPIs of the initiatives alongside the targets compared to the actual achievement for each KPI. ISFU has strived to report these achievements transparently by putting extensive time and diligence and ensuring that the collection, computation and tabulation of data were accurate.

In order to ensure consistency and accuracy in the methods of data collection and calculations reported in the annual report, ISFU has appointed Deloitte & Touche (M.E) Co. LLC ("Deloitte") as an independent third party to conduct Agreed Upon Procedures (AUP) on a selected sample of KPIs, in accordance with the International Standards on Related Services "4400" ("ISRS 4400"). The reported achievements were validated based on the guidelines, documents, records, and information provided by ISFU and the respective initiative owners.

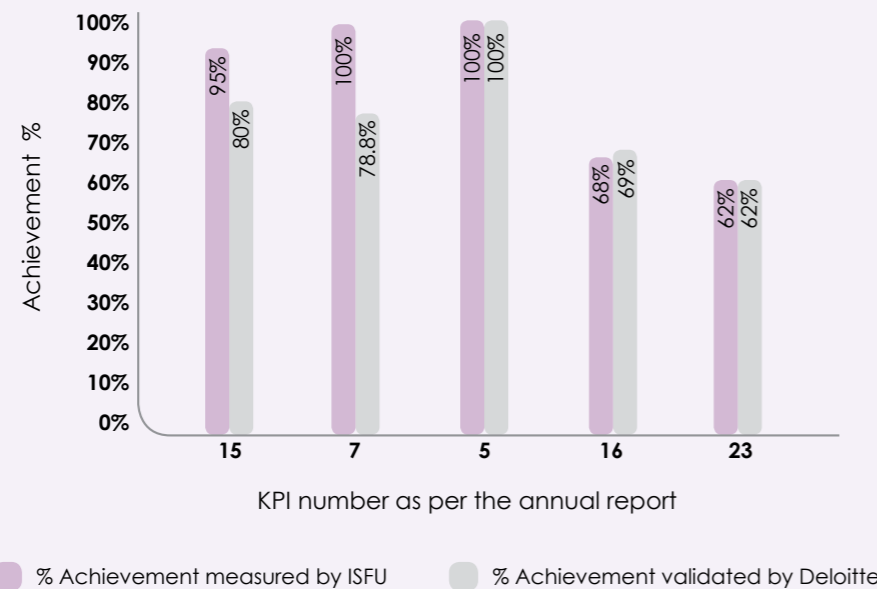
### Deloitte.

Over the course of this exercise, Deloitte's report highlighted a number of exceptions on the selected samples, which are detailed in the "Appendix". Deloitte has also identified opportunities to improve the processes and the quality of the information. ISFU, together with the relevant stakeholders will be taking positive prescriptive actions to realise these improvements.

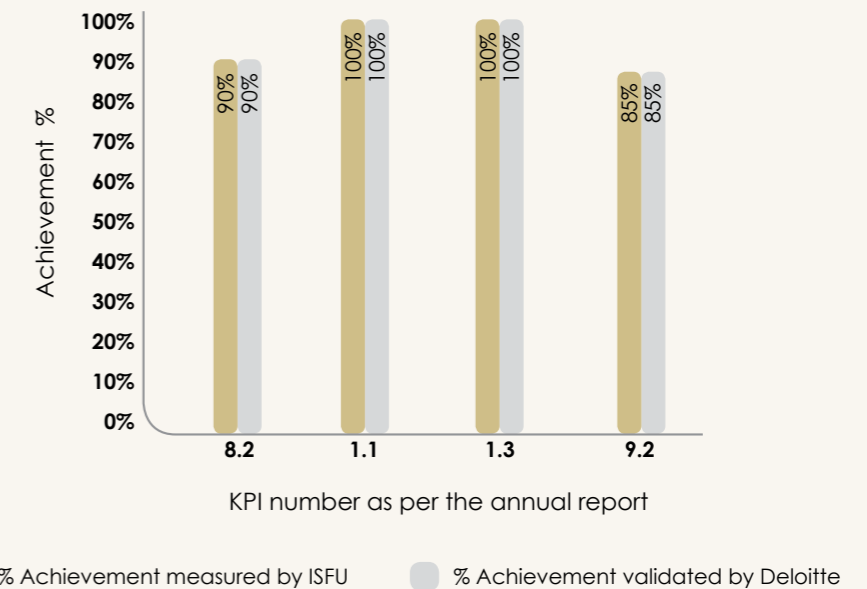
## Appendix: A comparison between the achievement percentages measured by ISFU and achievement percentages after Deloitte validation



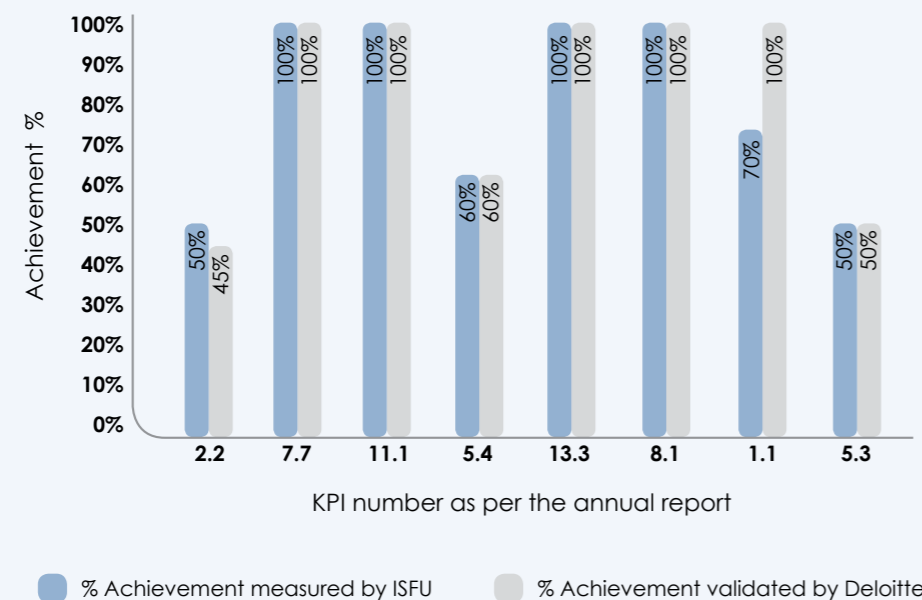
### Manufacturing



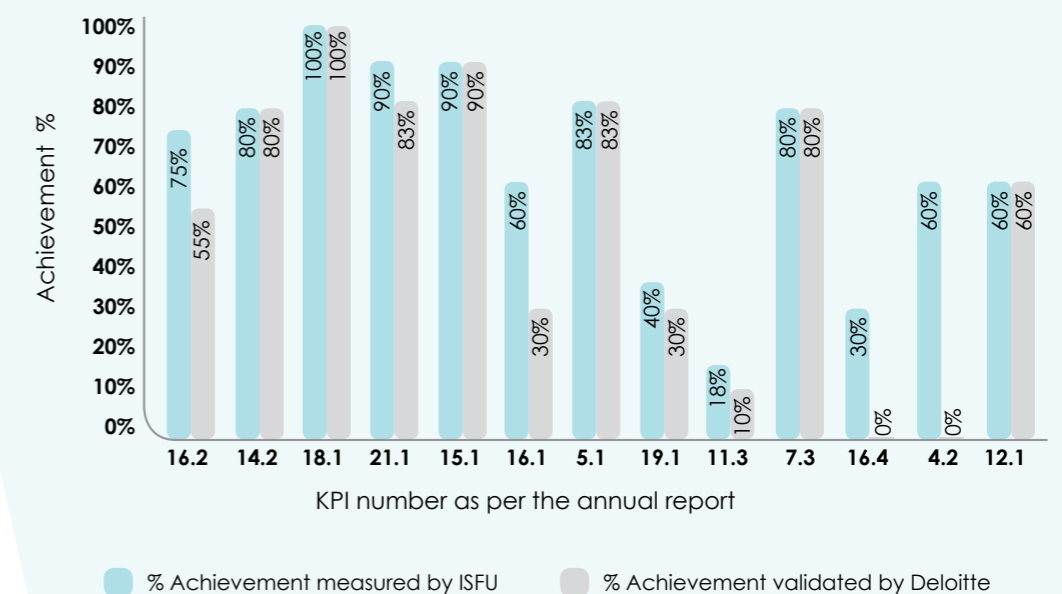
### Labour Market & Employment



### Tourism



### Logistics

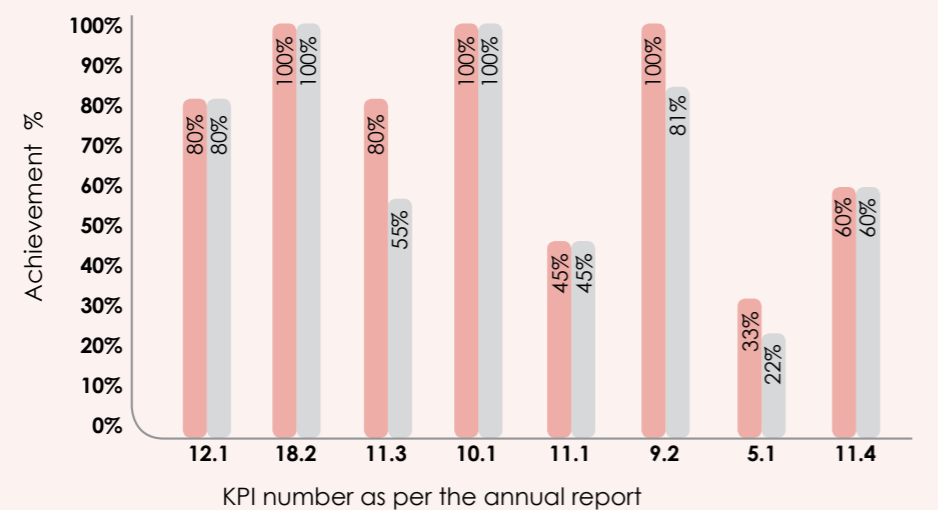


**Note:** The number of KPI is stated as per this annual report.  
Refer to the section of each sector to learn the names of KPIs.

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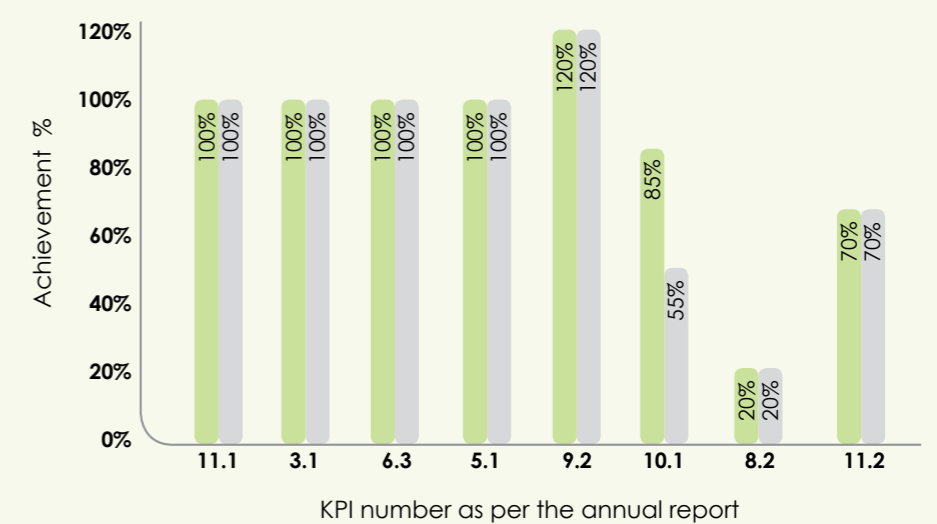
## Business Environment



■ % Achievement measured by ISFU ■ % Achievement validated by Deloitte



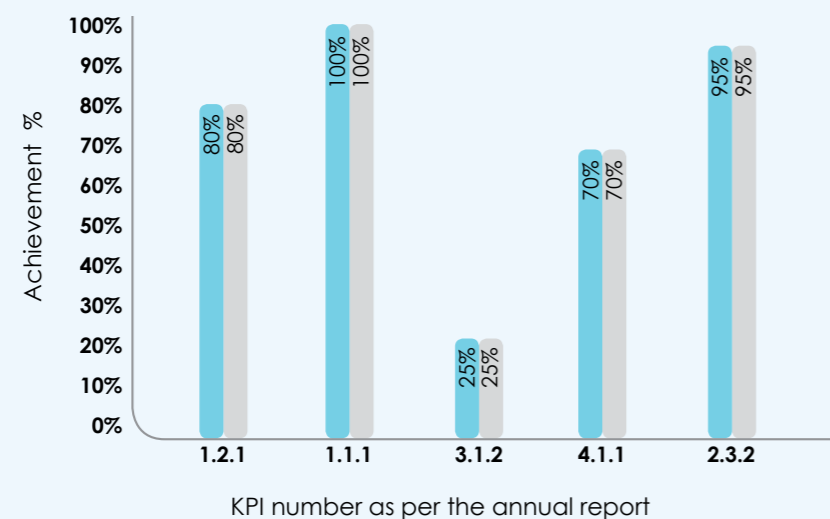
## Energy



■ % Achievement measured by ISFU ■ % Achievement validated by Deloitte



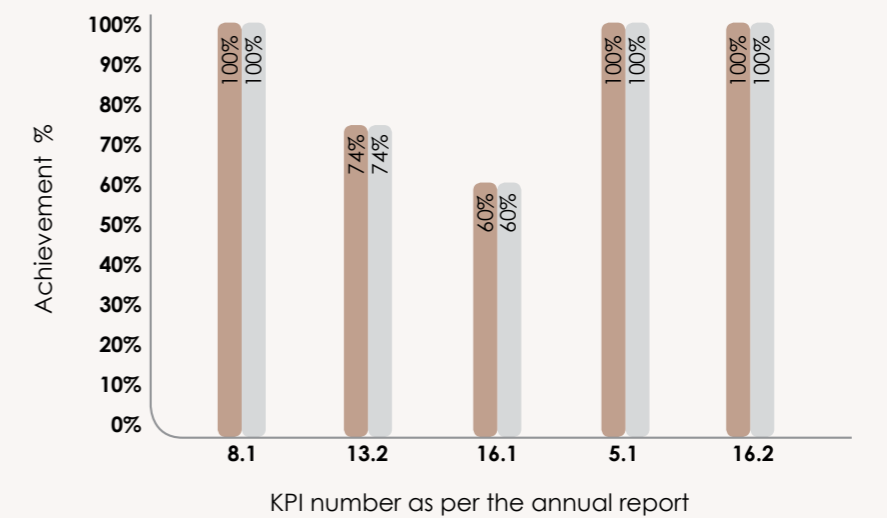
## Fisheries



■ % Achievement measured by ISFU ■ % Achievement validated by Deloitte



## Mining



■ % Achievement measured by ISFU ■ % Achievement validated by Deloitte

**Note:** The number of KPI is stated as per this annual report.  
Refer to the section of each sector to learn the names of KPIs.

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