

As Samra wastewater treatment Plant

A major asset for sustainability in Jordan

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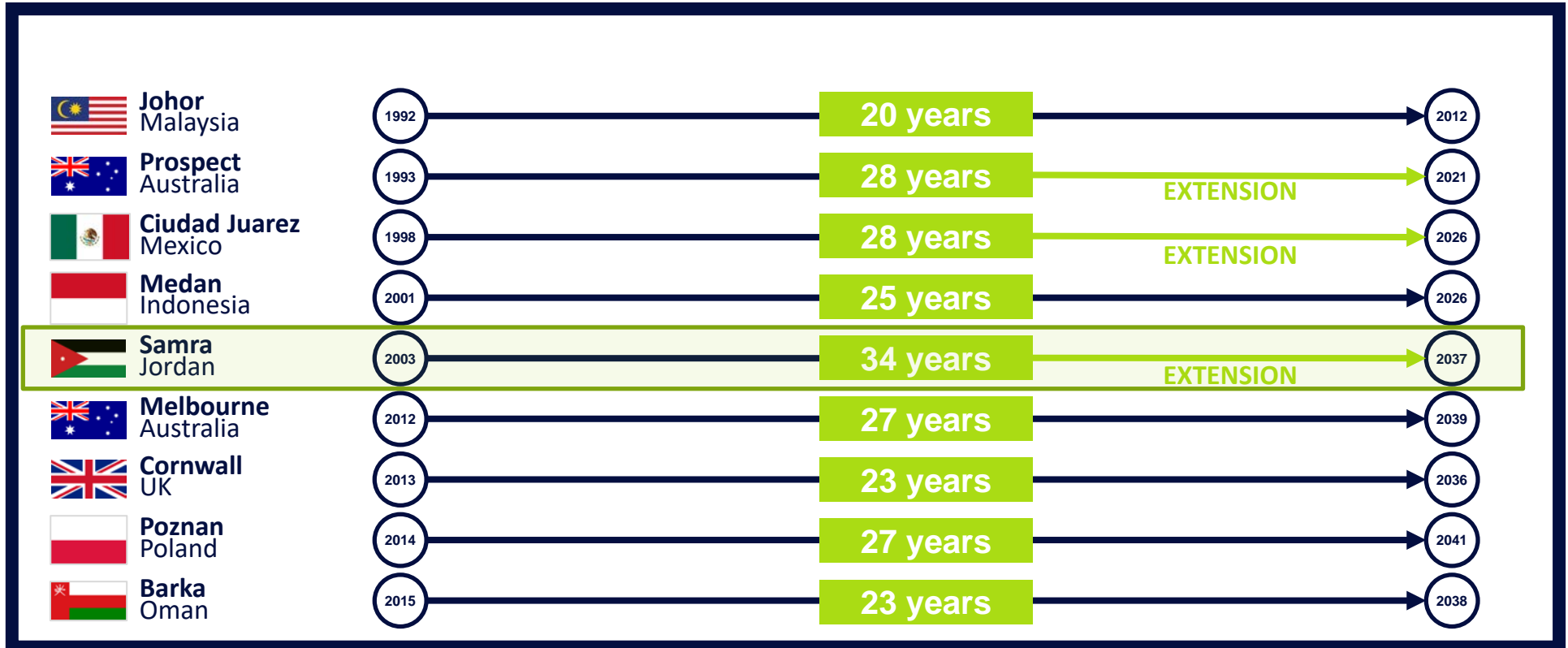
Stockholm World Water Week- 31th August 2017

Financing wastewater treatment and resource recovery
Session 2 - "Partnerships and business models for financing at scale"



LONG-TERM SUSTAINABLE PARTNERSHIPS@SUEZ

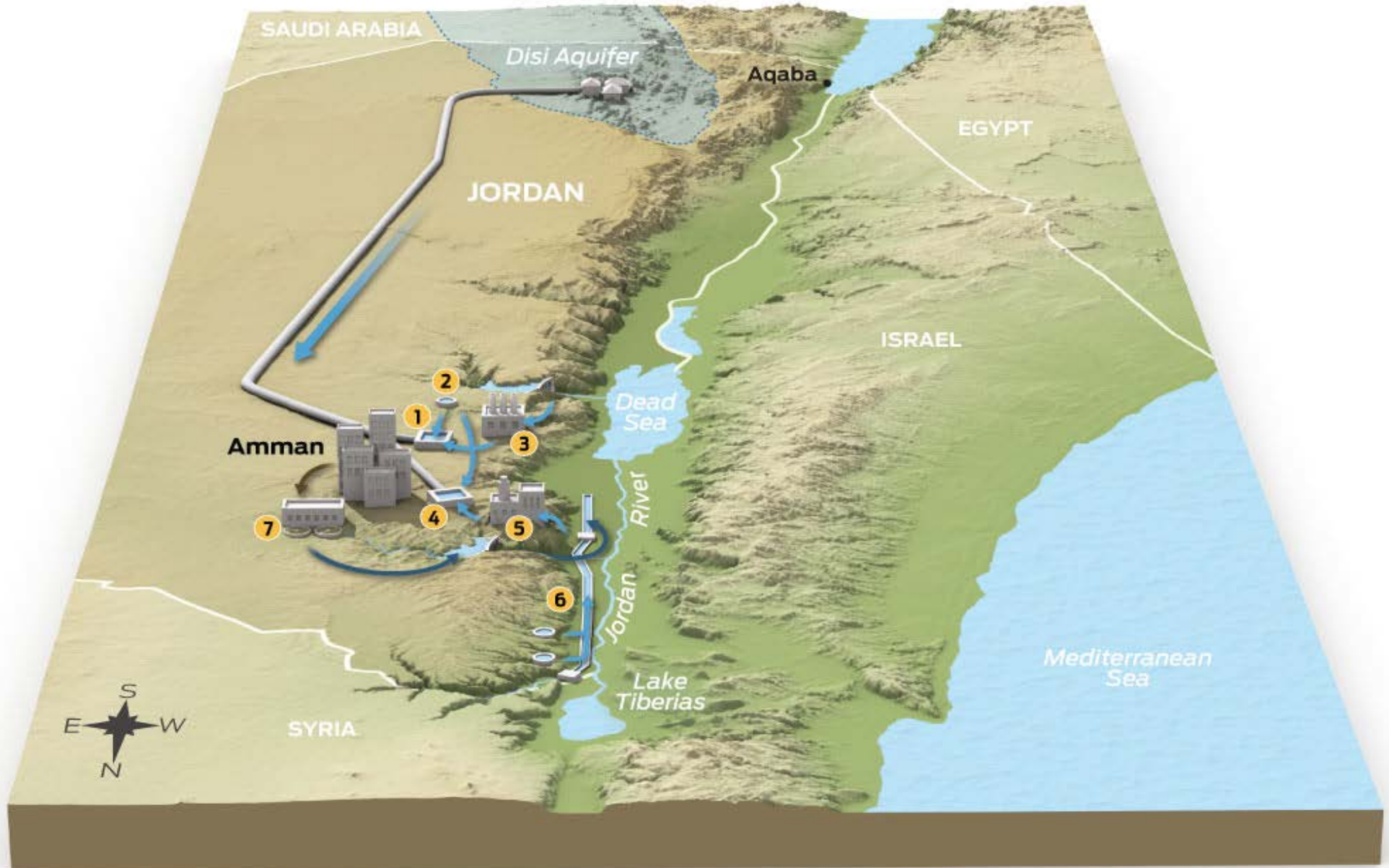
More than 20 years of track record, +25 years commitment



- 1. Project overview**
- 2. Project benefits**
- 3. A template for Viability Gap funding**

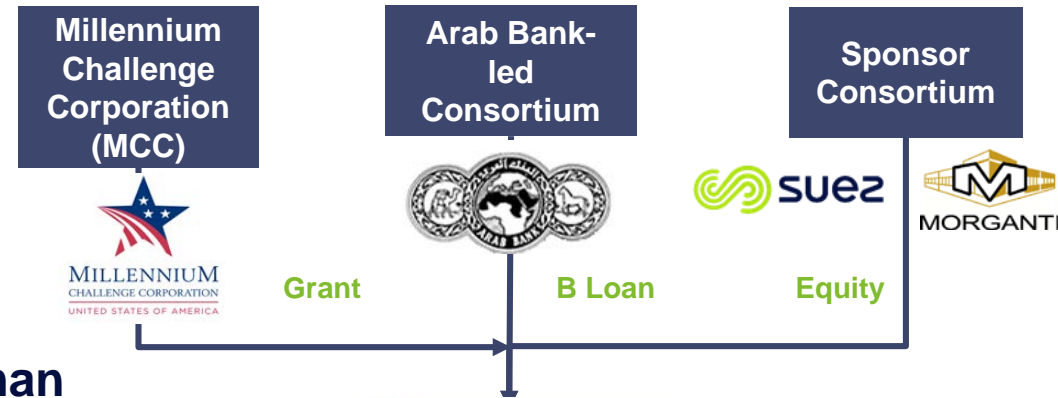
PROJECT OVERVIEW

THE WATER CYCLE IN JORDAN



KEY FEATURES

- BOT 25 years (until 2037)
 - Phase 1 with USAID
 - Phase 2 with MCC
- Serving the population of Greater Amman
- 90% energy self-sufficient
- Cheapest water tariff in Jordan for MWI



PROJECT BENEFITS

FOCUS ON RESOURCE RECOVERY

TREATED WATER FOR AGRICULTURE

The plant produces treated wastewater for agriculture usage which represents approximately **10% of the water supply available in Jordan**, freeing up fresh water for more valuable uses

70% OF THE WASTEWATER TREATED IN JORDAN

The plant produces **more than 70% of the total treated wastewater in Jordan** and treats the sludge from numerous septic tankers unloading in Ain Ghazal pre-treatment plant.

HIGH QUALITY WATER

High-quality water produced through professional O&M and expected to reach 134 million m³/year. The quality is in **compliance with international effluent standards**

95% ENERGY SELF SUFFICIENCY

Through **hydro energy and biogas production**, the potential **recovery is 95%** of its energy needs (Phase 1). Only the remaining 5% is drawn from the national grid.



The equivalent of **4,000 farms or 10,000 hectares** are irrigated with Samra high quality water

A CHEAP AND STABLE WHOLE-LIFE TARIFF

The benefits of private sector financing combined with public grant funding

A strong enthusiasm for the project

- Reputable and professional sponsors
- Reliable operator
- Same risk profile

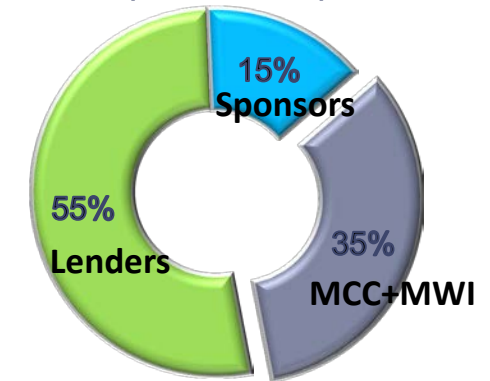
A unique financing package offered by Arab Bank

- Rare opportunity therefore strong competition from local banking industry
- Best conditions ever offered for an infrastructure project in Jordan

A template for 'Viability Gap' funding

- Approval & Disbursement Process during Construction
- Financial ratios
- Stringent environmental and social requirements, ...

FINANCING SOURCES
(270 MUSD)



2 international prizes:

- WEX global Award for innovative financing
- World Finance Infrastructure Award

Benefit for the Client = an affordable tariff over 22 years WITH risk transfer

THE SOLE SOURCE NEGOTIATION, A CHALLENGE

An innovative approach to direct negotiation supported by clear procedures ensuring full transparency

- Inter-ministerial Committee
- Cost analysis methodology
- External third party review

And

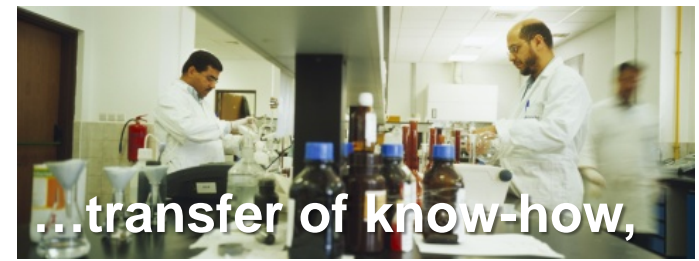
- Reputable and professional sponsors giving confidence to MCC
- Track record of First phase



A 2^{1/5} YEAR PROCESS THAT STRENGTHENED CONTRACTUAL ARRANGEMENTS AND RELATIONSHIPS

INCLUSION AND SUSTAINABILITY

A cornerstone of the water strategy in Jordan



A TEMPLATE FOR VIABILITY GAP FUNDING

A TEMPLATE FOR VIABILITY GAP FUNDING

1. **First WWT facility** in the Middle East to use a combination of **private, local government and donor financing**.

2. By bringing down the capital costs, the grant funding enabled the project to be **financially viable**, thus benefiting the government and local rate-payers, **without subsidizing the private sector**.



3. The **innovative financing** structure accommodated the inability of MCC to enter into any direct contractual relationships with the sponsors or the lenders

A TEMPLATE FOR FUTURE PROJECTS

that could be used where similar infrastructure development challenges are faced

A long-term performance-based contract forming part of the Jordan Water Strategy and contributing to the Renewable Energy programme

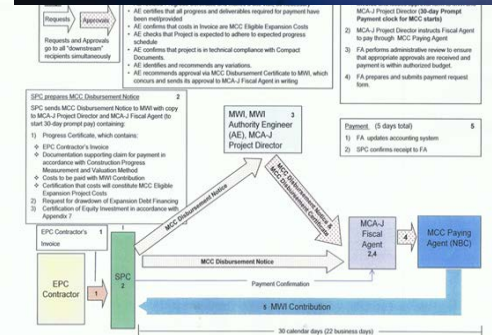
- Objectives of the contract derived from the overarching long-term sustainability strategy
- Guarantee of long term high quality and availability of treated water

A contractual framework offering flexibility

- where improvements and innovation are rewarded
- enabling further potential developments to meet the future water challenges of Jordan

A proven model for hybrid financing and direct negotiation

- Applicable at project or pipeline level
- Requiring anticipation, preparation and expertise from both parties ... and a strong collective will



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