

# Arana ISTP (Independent Sewage Treatment Project)

INVESTMENT OPPORTUNITY SCORECARD

**Environment Services**

OCTOBER 2021

## Arana ISTP (Independent Sewage Treatment Project)

High Potential

Moderate Potential

Low Potential

**OPPORTUNITY'S DESCRIPTION:** Develop, finance, procure, implement, operate and maintain a sewage treatment plant with capacity of 25,000 expandable to 50,000 m<sup>3</sup>/day to serve cities, towns, and villages by the wining consortium.

### INVESTMENT OVERVIEW

#### INVESTMENT HIGHLIGHTS

- Expected Investment size of SAR 84-168Mn
- Investment model: Build, Own, transfer (BOT)
- Opportunity to be part of a greenfield project with a STA of 25 years
- Location: Arana
- Capacity : 25,000 m<sup>3</sup>/day-50,000 m<sup>3</sup>/day

#### VALUE PROPOSITION

- Water is considered one of the most important strategic sectors in the Kingdom, as is highlighted by the inclusion of sustainable water resource management as a key objective of the Kingdom's Vision 2030
- 95%+ targeted increase in sewage network coverage by 2030
- All projects tendered are 100% ISTP/STP backed by 25-year Sewage Treatment Agreement (STA) with the Saudi Water Partnership Company as an off-taker

### MARKET OVERVIEW

#### GLOBAL TREND

- Over \$875 billion will be spent on water and wastewater management by utilities and industrial end users worldwide in 2021. Two thirds of that spend is on operations and maintenance, but the fastest growth is in capital investment (around 4% per year) with the costs of adapting to environmental and demographic changes compounded by the need to address increasingly consumers and investors.
- .Gradual global shift from non-renewable to non-conventional water sources (e.g., water reuse) in order to satisfy demand
- Increased use of treated effluent for landscape irrigation and horticulture globally

#### VALUE CHAIN ANALYSIS

Opportunity Focus



#### KEY DEMAND DRIVERS

- The Kingdom plans to increase its wastewater treatment capacity by 5.5 million m<sup>3</sup> by 2030 to accommodate for the growth in demand, while increasing its sewage network coverage to over 95% by 2030.
- Ambitious goals of 100% wastewater treatment by 2030 and 90% water reuse by 2040 have been set, with the goal of transforming current and future wastewater treatment assets into strategic water supply units for the industrial sector.

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