

المركز الوطني للتخصيص
NATIONAL CENTER FOR PRIVATIZATION & PPP



Jubail 3B Independent Water Producer Project (IWP)

A case study issued by the Department of Knowledge Management
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الشركة السعودية لشراكات المياه
Saudi Water Partnership Company



رؤية
2030
المملكة العربية السعودية
KINGDOM OF SAUDI ARABIA



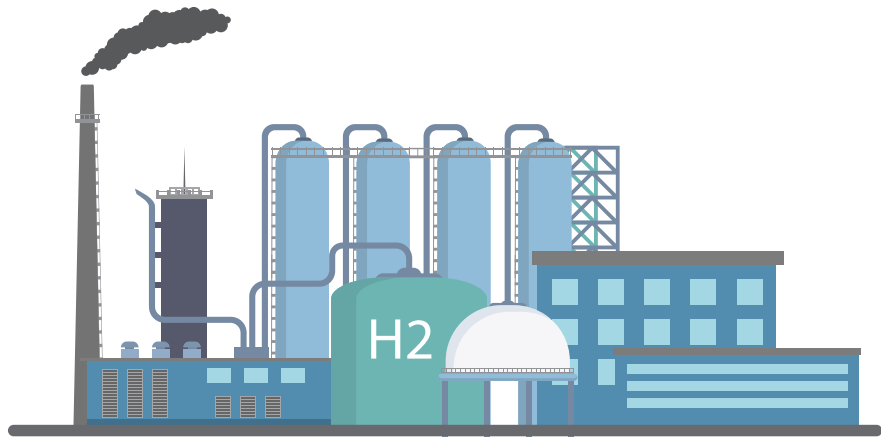
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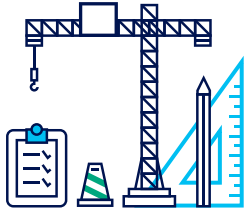
وزارة المالية
Ministry of Finance



وزارة البيئة والمياه والزراعة
Ministry of Environment Water & Agriculture



Project



Jubail 3B Independent Water Producer Project (IWP)

Description

The project involves the construction of Jubail 3B desalination plant with the capacity to produce 570,000 million cubic meters per day of water.

Project Location

Eastern province,
south of Jubail.



Production capacity

570,000 m³/Day

Project structure



BOO
Build Own Operate

Under this structure, the private sector will be designing, constructing, operating and maintaining the project and retains ownership of the asset when the contract expires.



CASE STUDY

Green field vs brown field

Green field

Will this project contribute to solving a problem in the water sector?

The project contributes to meeting the increasing demand for desalinated water supply to Riyadh and Qassim Provinces. It also contributes to achieve high levels of potable water production as well as it aims to reduce energy consumption and operating costs.

Does this project use new techniques?

Jubail 3B IWP will utilize reverse osmosis (RO) technology to yield a capacity of 570,000 m³/Day.

Is this project in line with the Kingdom Vision 2030?

This project contributes to the Vision 2030 by:

Improving quality of services provided in Saudi cities.



Engaging the private sector in the contribution of economy development.

Engaging the active participation of the private sector in developing this vital water sector and benefiting from their experiences in this field

CASE STUDY

Project benefits

- Enhancing the local capabilities in terms of local content.
- Executing the project at lower costs
- Reducing the power consumption

Number of jobs created

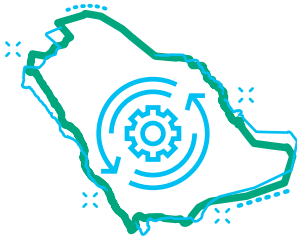
The project will create direct and indirect jobs opportunities during both the construction and operation phases, with a targeted 90% Saudization rate during the operation period.

Beneficiaries

The project will serve drinking water to Riyadh and Qassim Provinces.

Environmental impact

Reverse osmosis is cleaner and uses significantly less electricity than older technologies, and environmentally friendly. It includes solar energy units to reduce the electricity consumption from the grid.



CASE STUDY

FDI vs local investment

100%
of the financing was secured
internationally

Does this project contribute in supporting local content?

This project contributes in supporting local content as follows:

40%

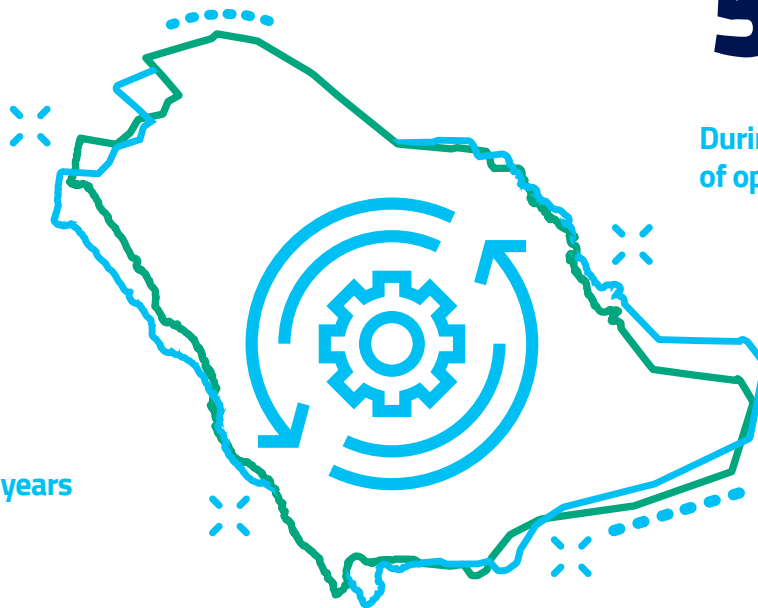
For the construction
phase.

70%

During the remaining years
of the contract.

50%

During the first five years
of operation phase.





CASE STUDY

Project Timeline

EOI

**December
2018**

RFQ

**June
2019**

RFP

**January
2020**

Commercial close

**June
2021**

Financial Closing

**October
2021**

Contract term



Construction period

2 years and 6 months

Expected start of operations

The commercial operation will be in the first quarter of 2024

Amount of capex

695m \$ (SAR 2.606b)

Competition in numbers

55 expressions of interest were received

10 bidders were qualified

Winners

- ▶ Engie : French multinational utility group
- ▶ Alajlan : Saudi local water desalination company
- ▶ Nesma : Saudi local engineering and construction company

