



Water Distribution Sector Privatization & Investment

Nemer Al Shebel
CEO, National Water Company

ORGANIZING PARTNERS



EXECUTED BY


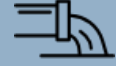




TECHNICAL ADVISOR



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National Water Strategy (NWS)

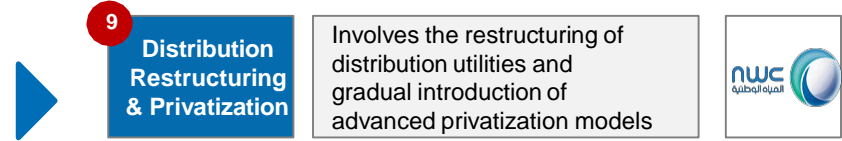
KPIs	2030 NWS Target
Water Coverage	100% 
Wastewater Coverage	95% 
NRW	15% 
Hours of Supply	24 Hrs/day 

NWS Key Programs

Our National Water Strategy which was formulated in 2017 has details of how to achieve Vision 2030 targets through 10 key programs, from which **Program no. 9 (Distribution Sector Restructuring & Privatization) is water distribution company or NWC's key responsibility.**

NWS Key programs are

1. Water Law and Resource Management Regulations
2. Water Resources Management (WRM)
3. Sector Resilience
4. Innovation and Capacity Building
5. Supply Chain Efficiency and Service Quality
6. Water Services Regulations
7. SWCC Restructuring
8. Production & Wastewater Treatment Privatization
- 9. Distribution Restructuring & Privatization**
10. SIO Setup and Irrigation Improvement



Delivery of the privatization objectives and NWS 2030 goals

NWS 2030 Strategic Objectives



Excellent Water Service



Demand Management



Environmental Protection



Cost Effective Services



Contribute to National Economy

NWC Strategic Pillars



Fully Integrated Clusters



Customer Centricity



Environmental Protection



Financial Sustainability



NWC

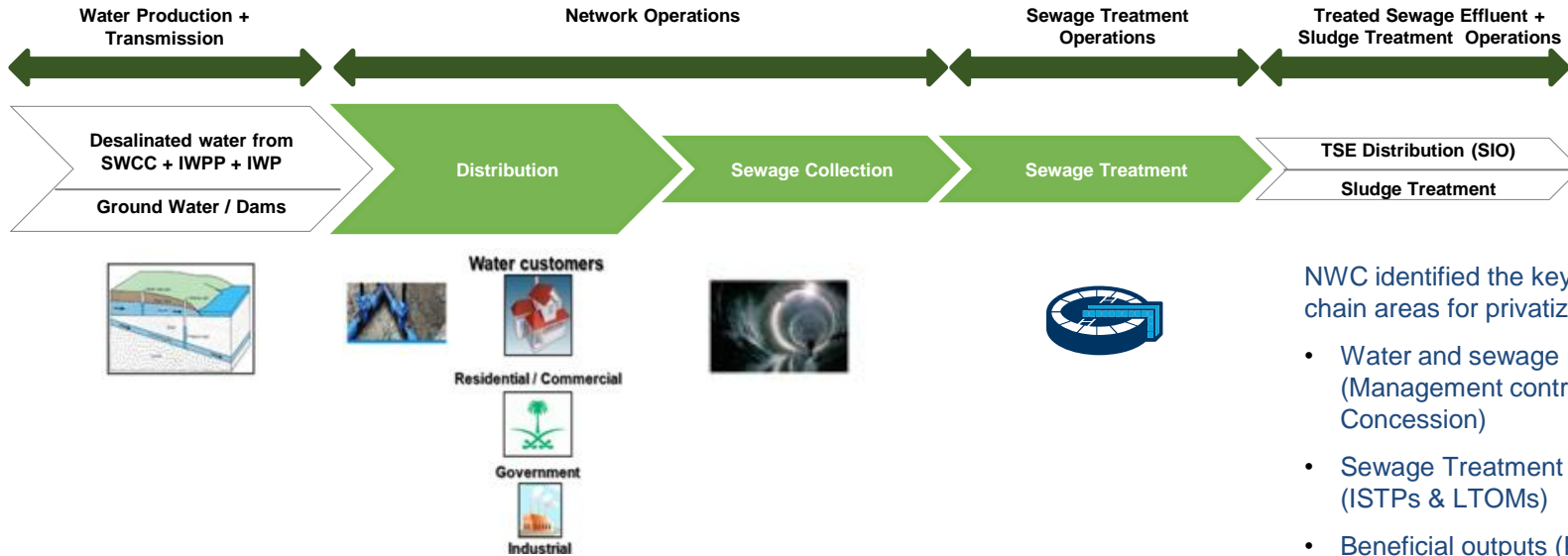
إنشاء الجهود
تو هدف واند

Enabler for privatization

Sector-wide performance
enhancements through Management
Contracts

- Performance improvements through LTOM Contracts
- Private sector funded sewage treatment plants through ISTP
- Concessions for networks distribution and collection

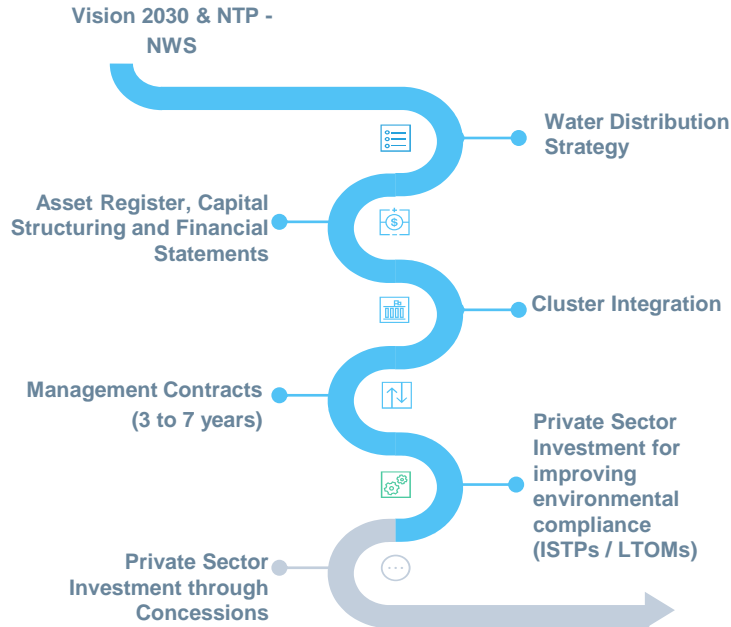
Water Value Chain in KSA



NWC identified the key water value chain areas for privatization

- Water and sewage network (Management contracts & Concession)
- Sewage Treatment Plants (ISTPs & LTOMs)
- Beneficial outputs (Products)
 - TSE
 - Sludge

NWC's Transformation Journey



- Our National Water Strategy which was formulated in 2017 has details of how to achieve Vision 2030 targets through 10 key programs
- In 2020 a project was launched to fully transfer the directorates from MEWA to NWC to six integrated clusters by end of 2021
- All six Management Contracts will be operational by the end of Q2 2022
 - Two contracts commenced
 - One signed and will commence soon
 - Two are in the final stages of tender evaluation
- Operations of ISTPs will be commenced from 2022/2023
 - Three ISTPs under construction
 - Three ISTPs signed
 - 5 ISTPs (including one SSTPs) under preparation
 - 7 ISTPs planned
- Bids are under evaluation for STP LTOMs
 - 2 packages bids evaluation
 - 1 package bidding process
 - 3 packages RFP under preparation
 - 3 packages under study

Transition to Concessions

3 to 7 years

MOMC Performance Phase

- Enhancement of water & wastewater operations, and customer services through 14 KPIs
- Establish prerequisites for Concessions:

- Financial Statements to IFRS
- Asset Management Plans to ISO 55000
- Asset condition assessment
- Cost reflective tariff / balancing fund mechanism



Phase 2 – Concessions

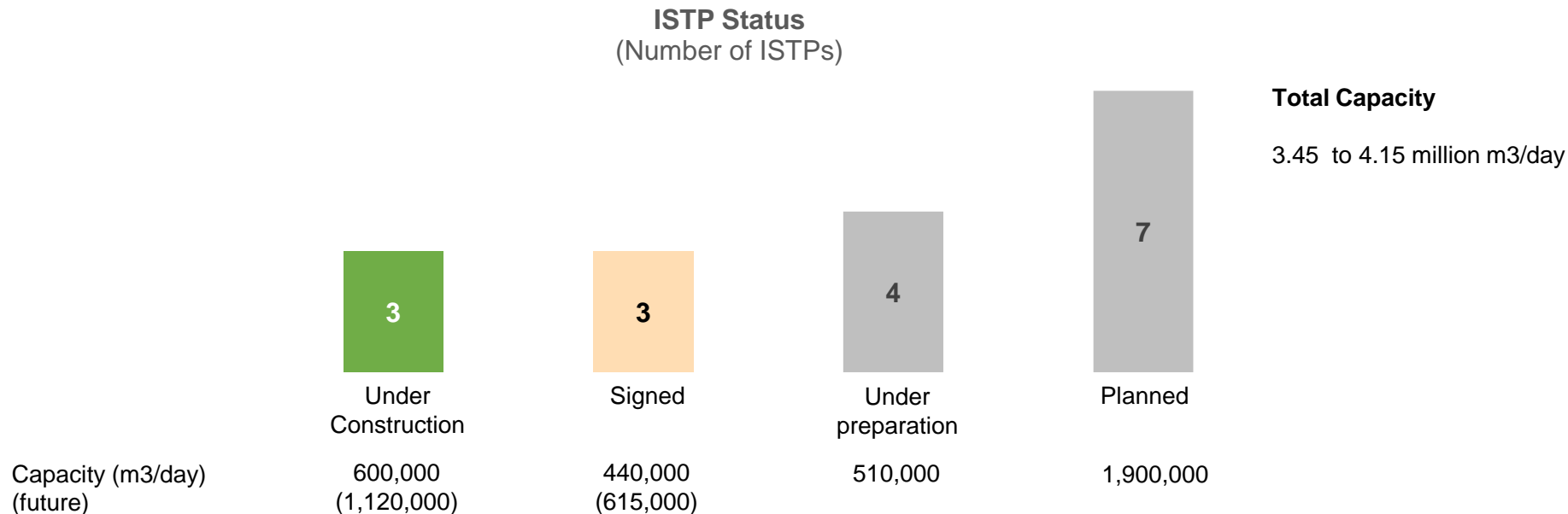
- Concession period ~ 25 years
- Competitively tendered
- Build on and further enhance and develop the customer experience, operations & maintenance, asset management, and environmental management
- Finance and execute capital maintenance (asset renewals and rehabilitation)
- Finance, design, build, operate and maintain new capital infrastructure
- Full responsibility for revenue collection

MOMC Foundation Phase

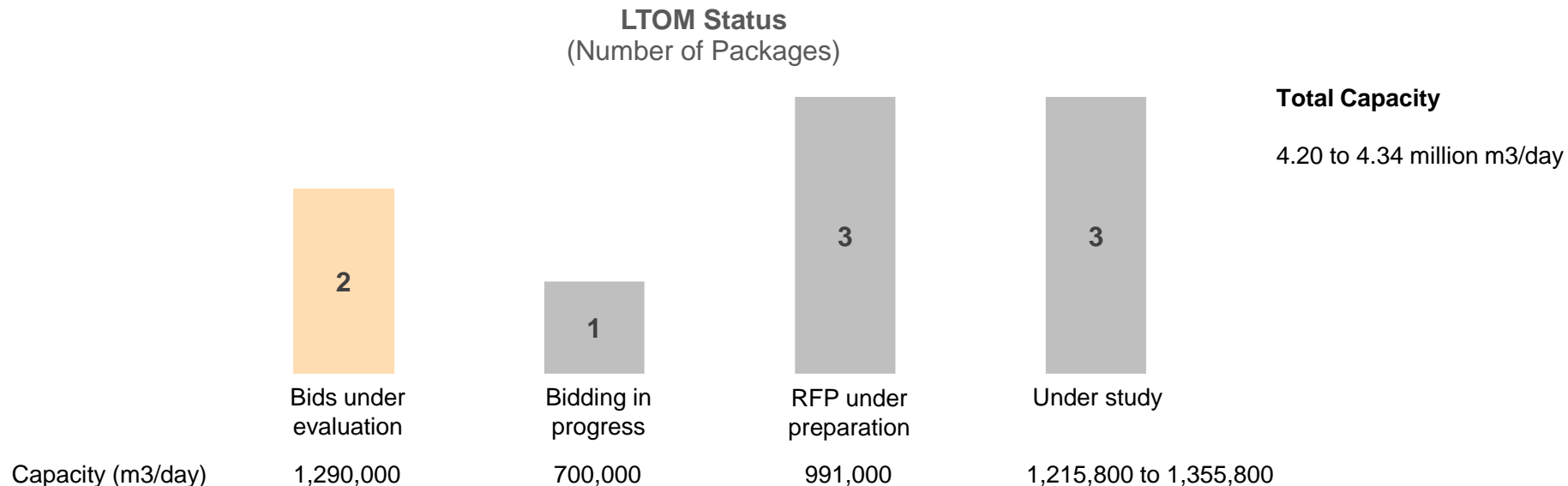
- Implementation of Enabling Projects
- Establishing and confirming KPI baselines



Independent Sewage Treatment Plant (ISTP) contracts status



Sewage Treatment Long-term O&M Contracts (LTOM) Status



Key Challenges faced in Privatization journey

During our journey of our last 4 years; we did have to confront significant challenges, for example—

1. A constantly high and increasing service demand from customer which reflects on their satisfaction level, especially in a climate of tariffed water. Our consumers were previously not used to pay for water or waste-water.
2. Pandemic or coronavirus since beginning of 2019 caused disruptions in people movement and supply chain. But we turned this to our advantage and improved our digital electronic branch penetration for residential customers from 32% to more than 85%
3. Even though our water and waste-water coverage has increased significantly, Saudi Arabia is growing rapidly in cities and regions as well as growth of multiple special projects like NEOM and Diriyah is seen.

NWC is on-track for Privatization



منتدى المياه السعودي
saudi water forum **SWF 2022**
Water Sustainability.. A Responsibility for All

THANK YOU



ORGANIZING PARTNERS

الجمعية العامة لشركة المياه الوطنية
Saudi Water Commission (Sawac)



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