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MASHREQ SUSTAINABILITY CASE STUDY

Enabling Implementation of Wastewater Projects in Egypt

Financing solutions for the Abu Rawash
Wastewater Treatment Plant

Water is a key focus area of sustainable development.

Water is at the core of sustainable development and is critical for socio-economic development, energy and food production, healthy ecosystems and for human survival itself. In a world where the demand for water continues to grow and the resource is finite, a new United Nations report argues that wastewater, discarded into the environment every day, once treated, can help meet the needs for freshwater as well as for energy and agriculture.

Egypt has put a keen focus on water conservation and rationalization through Vision 2030. Mashreq Egypt has been actively involved in providing financing facilities and solutions

AT A GLANCE

- Water is at the core of sustainable development and is critical for socio-economic development
- A new United Nations report argues that wastewater, discarded into the environment every day, once treated, can help meet the needs for freshwater as well as for energy and agriculture
- Mashreq Egypt has been actively involved in providing financing facilities and solutions for the contractors of various projects in Egypt including the Abu Rawash Wastewater treatment plant that are aligned to Egypt's Vision 2030
- This project aims to protect the environment and water resources from pollution and to reduce health risks due to discharge of untreated wastewater to the drains and canals and enhance water reuse



AT A GLANCE

- Main outcomes of the project are to:
 - upgrade or improve the primary treatment system of 1.2 million cubic meters per day to include secondary treatment
 - increase or expand the treatment plant's capacity from 1.2 million cubic meters to 1.6 million cubic meters per day of both primary and secondary treatment
- This Engineering, Procurement and Construction (EPC) contract worth approximately USD 320 million was awarded to the joint venture (JV) of Orascom Construction Limited, FCC Construcción, S.A. and FCC Aqualia S.A.

for the contractors of various projects in Egypt including the Abu Rawash Wastewater treatment plant that are aligned to Vision 2030.

This project aims to protect the environment and water resources from pollution and to reduce health risks due to discharge of untreated wastewater to the drains and canals and enhance water reuse. Once completed, the project will benefit more than 8 million people (men, women and children) in the project service area covering eastern side of the River Nile, Cairo-Alexandria Desert Road, mainly in the Giza Governorate in the West Bank of the River Nile.

Context

Water is a key focus area of sustainable development. During World Water Day, the United Nations highlighted that wastewater should be recognized as a valuable resource. According to a UNESCO 2017 report, 80% of wastewater flows back into the ecosystem without being treated or reused. This presents a huge opportunity for resource conservation. Sustainable Development Goal 6 (SDG6) has specific targets on halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally (target 6.3) as well as supporting countries in wastewater treatment, recycling and reuse technologies (target 6.a).

Use of treated wastewater is growing for agricultural irrigation. At least 50 countries around the globe are now using treated wastewater for this purpose, accounting for an estimated 10% of all irrigated land. In Egypt, as population and water demand are increasing, more freshwater is getting allocated to domestic consumption, leaving the agriculture sector vulnerable. Egypt has been actively implementing wastewater treatment projects as it is viewed as a viable alternative to reduce pressure on its single water source – the Nile. Water conservation through wastewater treatment is a key element in Egypt's 2030 Vision.

Project Details

The Abu Rawash Wastewater Treatment Plant is an important sustainable development project undertaken by Construction Authority for Potable Water and Wastewater in Egypt. With EPC works starting in 2018 and plan to be completed by 2022, this project aims to protect the environment and water resources from pollution and to reduce health risks due to discharge of untreated wastewater to the drains and canals and enhance water reuse. The main outcomes of the project are to:

- a) upgrade or improve the primary treatment system of 1.2 million cubic meters per day to include secondary treatment, and
- b) increase or expand the treatment plant's capacity from 1.2 million cubic meters to 1.6 million cubic meters per day of both primary and secondary treatment. Provision of secondary treatment facilities is essential to meet effluent standards in Egypt and to improve the water quality environment of the drainage system.



AT A GLANCE

- Mashreq Egypt has provided JV partners Orascom Construction Limited and FCC Construcción, S.A working capital facility equivalent of USD 55 Million

This Engineering, Procurement and Construction (EPC) contract worth approximately USD 320 million was awarded to the joint venture (JV) of Orascom Construction Limited, FCC Construcción, S.A. and FCC Aqualia S.A. In addition to the EPC scope, the JV will operate and maintain the facility for three years after commissioning.

Mashreq Egypt's Role

Mashreq Egypt has been actively focusing on supporting sustainable projects with relevant financing solutions. For the Abu Rawash wastewater treatment project, Mashreq Egypt has provided JV partners Orascom Construction Limited and FCC Construcción, S.A. working capital facility equivalent of USD 55 million. While the project was funded by the African Development Bank, Mashreq Egypt was the preferred banking partner for the construction JV partners for capital requirements for successful completion of the project.



AT A GLANCE

- The Abu Rawash Wastewater treatment project will benefit more than 8 million people
- This project has generated 1,600 jobs of which 20% are for women, thereby contributing towards positive social impact

Impact

The Abu Rawash Wastewater treatment project will benefit more than 8 million people (men, women and children) in the project service area covering eastern side of the River Nile, Cairo-Alexandria Desert Road, mainly in the Giza Governorate in the West Bank of the River Nile. It will directly serve the Giza Governorate and indirectly serve the Monofia, El-Behira, Kafr El-Sheikh, Sharqia Governorates. Other beneficiaries include people living in villages downstream of the plant and along the system draining the effluent from the plant into Barakat drain, with an estimated population of more than 407,608. This project has generated 1,600 jobs of which 20% are for women, thereby contributing towards positive social impact.

Outlook

Since inception in 1967, Mashreq has adopted the principles of social responsibility, integrity, and transparency into every aspect of its business. Mashreq has now joined the United Nations Global Compact initiative, which will further support the Bank's efforts to embed strong ESG practices across the organization. Mashreq has financed and facilitated deals worth USD 15.5 Billion in sustainable financing as of the end of 2022. Supporting achievement of the UN Sustainable Development Goals through sustainable loans, sustainable bonds, project financing etc. will continue to remain a key priority for Mashreq.

Sources:

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